As filed with the Securities and Exchange Commission on June 30, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report
For the transition period from to

Commission File number 001-13358

Viña Concha y Toro S.A.
(Exact name of Registrant as specified in its charter)

Concha y Toro Winery Inc.
(Translation of Registrant's name into English)

Republic of Chile
(Jurisdiction of incorporation or organization)

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Nueva Tajamar 481
Torre Norte, Piso 15
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(Address and telephone number of principal executive offices)

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Santiago, Chile

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares ("ADS"), each representing 20 Shares of common stock	New York Stock Exchange
Shares of common stock ("Shares" or "Common Stock"), without nominal (par) value, of Viña Concha y Toro S.A.	New York Stock Exchange*

Securities registered or to be registered pursuant to Section 12(g) of the Act. None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Shares of common stock without nominal (par) value 747,005,982

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

If this is an annual or transition report, indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☑

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the Registrant is large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232,405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

☐ U.S. GAAP ☑ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

☐ Item 17 ☑ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

* Not for trading, but only in connection with the registration of ADS.

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* The Registrant has responded to Item 18 in lieu of this Item.

CERTAIN DEFINED TERMS

Unless otherwise specified, all references to "U.S. dollars," "dollars" or "US$" are to United States dollars and all references to "Chilean pesos," "pesos" or "Ch$" are to Chilean pesos. "UF" refers to the Unidad de Fomento, an accounting unit used in Chile. The exchange rate between the UF and the Chilean Peso is constantly adjusted to inflation so that the value of the Unidad de Fomento remains constant. Viña Concha y Toro S.A. ("Concha y Toro" or the "Company"), a corporation (*sociedad anónima abierta*) formed under the laws of the Republic of Chile ("Chile"), publishes its consolidated financial statements in Chilean pesos.The audited consolidated balance sheets of the Company and its subsidiaries as of December 31, 2009 and 2010 and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the years in the two-year period ended December 31, 2010 (the "Consolidated Financial Statements") contained in Item 18. Unless otherwise specified, financial information regarding the Company is presented in constant Chilean pesos as of December 31, 2010 in accordance with the International Financial Reporting Standard ("IFRS") as adopted by the International Accounting Standards Board. Amounts in tables appearing in this Annual Report may not total due to rounding. "The Exchange Act" refers to the U.S. Securities Exchange Act of 1934.

Glossary of Special Terms

Lees: Sediment composed of dead yeast cells and other particles remaining in wine after fermentation. Red wine is transferred off this sediment. Some white wines are left on their lees (*sur lie*) to add flavor and complexity.

Maceration: Refers to period during which the must or wine remains in contact with the grape skins. Alcohol acts as a solvent, extracting color, tannin and aroma from the skins.

Malic Acid: Component of wine. Accounts for green and sour taste of wine made from unripe grapes. See "malolactic fermentation."

Malolactic fermentation: Conversion by bacteria (not yeast) of malic acid into lactic acid. Softens wine and reduces overall acidity. A process now applied to all red wines, but not all white wines.

Must: Freshly crushed grape juice (with or without skins), pre-fermentation.

Table Wines: Non-sparkling wines with at least 11.5% alcohol by volume, which are traditionally consumed with food.

Vinífera: Of, relating to or being derived from premium grapes used in wine making.

Viniculture/Viticulture: The cultivation of grapes.

Units of Measure

1 Case	=	9 Liters
Centigrade	=	5/9 (Fahrenheit° - 32)
1 Hectare	=	2.47 Acres
1 Kilogram	=	2.2 Pounds
1 Kilometer	=	.62 Miles
1 Liter	=	1.057 Quarts
1 Milliliter	=	1/1000 Liter
1 U.S. Ton	=	2,000 Pounds or 907 Kilograms

TRADEMARKS

This Annual Report includes trademarks, such as “Casillero del Diablo®”, “Fetzer®” and “Bonterra®,” which are protected under applicable intellectual property laws and are the property of the Company. This Annual Report also contains trademarks, service marks, trade names and copyrights, of other companies, such as “Miller® beer” and “Johnnie Walker® whiskey” which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights or the right of the applicable licensor to these trademarks and trade names.

FORWARD-LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the financial condition, results of operations and business of the Company and certain plans and objectives of the Company with respect to these items. Forward-looking statements contained in this Annual Report may be identified by the use of forward-looking terminology, such as “anticipate,” “continue,” “estimate,” “expect,” “intend,” “may,” or the negative thereof or other variations thereon or comparable terminology. In particular, among other statements, certain statements in Item 4 — “Information on the Company — Business Overview” with regard to management objectives, trends in market shares, market standing and product volumes and the statements in Item 5 — “Operating and Financial Review and Prospects” and Item 11 — “Quantitative and Qualitative Disclosures About Market Risk,” with regard to trends in results of operations, margins, overall market trends, interest rates and exchange rates are forward-looking in nature. By their nature, forward-looking statements involve risks, uncertainty, assumptions and other factors which could cause actual results, including the Company’s financial condition and profitability, to differ materially and be more negative than the results herein described.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the risk factors identified in Item 3 — “Key Information — Risk Factors” of this Annual Report and in the Company’s Registration Statement on Form F-1, filed with the Securities and Exchange Commission on October 13, 1994 (No. 33-84298) and incorporated by reference hereto, levels of consumer spending in major economies, changes in consumer tastes and preferences, the levels of marketing and promotional expenditures by the Company and its competitors, raw materials and employee costs, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3: KEY INFORMATION

Selected Historical Financial Data

The following table presents selected consolidated financial data, under the captions “Consolidated Statement of Income Data — IFRS,” and “Consolidated Balance Sheet Data — IFRS,” as of December 31, 2009 and 2010. The audited Consolidated Financial Statements are prepared in accordance with IFRS. This information should be read in conjunction with the Consolidated Financial Statements including the notes thereto (the “Notes”), included in Item 18 herein and the statements in Item 5 — “Operating and Financial Review and Prospects”. All information is presented in Chilean pesos.

As of and for the Year Ended December 31, (Expressed in millions of constant Ch$ and millions USS, except financial ratios as per Share amounts)	2009 Ch$	2010 Ch$
Consolidated Income Statement Data		
Amount in Accordance with IFRS		
Revenue from sales	354,419	374,019
Operating income	46,599	46,023
Non-operating income (expense), net	8,279	5,619
Net income	45,278	41,919
Net income per Share	61.39	56.12
Net income per ADS(1)	1,227.8	1,122.0
Dividend declared per Share(2)	23.7	22.45
Weighted average number of Shares Outstanding(3)	747,005,982	747,005,982
Consolidated Balance Sheet Data		
Amount in Accordance with IFRS		
Total assets	576,774	584,916
Long-term financial debt	62,772	49,959
Shareholders' equity	342,972	370,675
Capital stock	72,812	78,030
Aditional paid-in-capital-share premiun	6,148	6,148
Selected Financial Ratios(4)		
Amount in Accordance with IFRS		
Operating margin	13.1%	12.3%
Net Margin	12.8%	11.2%
Financial debt to equity	29.1%	21.8%
Debt to capitalization	22.5%	17.9%

(1) Determined by multiplying per share amounts by 20 (1ADS = 20 Shares), unaudited.

(2) Dividends per share are espressed in historical pesos and correspond to interim and final dividend charged against net income of the corresponding fiscal year.

(3) Calculated on the basis of the number of shares outstanding and fully paid together with the pro-rata portion of the number of share outstanding but not yet fully paid for each period.

(4) These ratios, which are expressed as percentages , were calculated as follows: Operating margin= (Operating income)/(Revenues from sales); Net Margin= (Net Income)/(Revenues from sales); Debt to equity = (Short and long -term borrowing)/(Total sharesholders' equity); Debt to capitalization=(Short and long-term borrowing)/(Short and long-term borrowing plus Total Sharesholders' equity). Ratios presented have been rounded.

Unless otherwise indicated, U.S. dollar equivalent information, except export figures, for information in Chilean pesos, is based on the Observed Exchange Rate for December 31, 2010, which was Ch$468.01 per U.S. dollar. No representation is made that the Chilean peso or U.S. dollar amounts shown herein could have been or could be converted into U.S. dollars or Chilean pesos, as the case may be, at any particular exchange rate or at all.

Exchange Rates

Banco Central de Chile (the “Central Bank of Chile”) authorizes three types of exchange rates in Chile: (i) a reference rate set by the Central Bank of Chile, (ii) a rate set in the formal institutional market for foreign exchange currency and (iii) a rate set in a less regulated informal market for foreign exchange.

Pursuant to Law 18840, the Central Bank of Chile sets the *dólar acuerdo*, which is a forecast of exchange rates used as a reference exchange rate (the “Reference Exchange Rate”). The Reference Exchange Rate is published by the Central Bank of Chile for each day of the next month based on the following considerations: (i) the previous month’s domestic inflation rate, (ii) a factor for international inflation and (iii) a formula pegged to the U.S. dollar, the Japanese yen and the Euro. These three currencies were chosen because they are the currencies of Chile’s principal trading partners.

The Central Bank of Chile also authorizes commercial banks and certain other entities to conduct foreign exchange transactions on a free market basis (the “Formal Exchange Market”). The daily average exchange rate (the “Observed Exchange Rate”) at which transactions are carried out in the Formal Exchange Market is published daily in Chilean newspapers. Prior to September 2, 1999, participants of the Formal Exchange Market were authorized to carry out their transactions within a specified range above or below the Reference Exchange Rate (the “Exchange Band”). As of September 2, 1999, the Central Bank of Chile eliminated the Exchange Band, allowing the exchange rate to fluctuate freely. The Central Bank of Chile has announced a policy to intervene in the Formal Exchange Market only in certain exceptional cases, which interventions will be publicly disclosed.

The *Mercado Cambiario Informal* (the “Informal Exchange Market”) is a currency market comprised of exchange houses and money changers in Chile. The Informal Exchange Market reflects the supply and demand for foreign currency and the rate of exchange in the Informal Exchange Market can fluctuate freely, above or below the Observed Exchange Rate. Since 1990, the rate of exchange for pesos into U.S. dollars in the Informal Exchange Market has been similar to that in the Formal Exchange Market. The Observed Exchange Rate as of May 31, 2011 was Ch$465.13 per U.S. dollar.

The following table sets forth the annual high, low, average and year-end Observed Exchange Rates for U.S. dollars for each year indicated and for each month during the previous six months, as reported by the Central Bank of Chile. The Federal Reserve Bank of New York does not report any buying rate for Chilean pesos.

Annual High, Low, Average and Year-End
Observed Exchange Rate

	Ch$ per US$			
Year	**High(1)**	**Low(1)**	**Average(2)**	**Period-end**
2006	549.63	511.44	530.26	532.39
2007	548.67	493.14	522.69	496.89
2008	676.75	431.22	521.79	636.45
2009	643.87	491.09	559.67	507.10
2010	549.17	468.01	509.98	468.01
December, 2010	485.34	468.01	473.66	468.01
January, 2011	499.03	466.05	490.21	484.14
February, 2011	481.56	468.94	475.24	475.21
March, 2011	485.37	472.74	479.79	479.46
April, 2011	476.90	460.04	470.21	460.09
May, 2011	474.19	461.65	467.96	465.13

(1) Exchange rates are the actual high and low, on a day-by-day basis, for each period.
(2) The average of the daily rates during the period.
Source: Central Bank of Chile.

Risk Factors

Risks Relating to the Company

Agricultural Risks. Wine-making and grape-growing are subject to a variety of agricultural risks. Diseases, pests, drought, frosts and certain other weather conditions can materially and adversely affect the quality, quantity and cost of grapes available to the Company from its own vineyards and from outside suppliers, thereby materially and adversely affecting the supply of the Company's products and its profitability.

In effect, the 2009-2010 season was characterized by a cold spring and some late freezes, which, added to the problems of irrigating the vines as a consequence of the power blackouts after Chile's February2010 earthquake, reduced the harvest by approximately 14% from the previous year in terms of total wine obtained. On top of this, the 2010-2011 season presented different characteristics: in particular a cold spring and some late year freezes which resulted in lower agricultural yields for the national wine industry, although it did not affect the quality of the grapes harvested. Future freezes or drought conditions in Chile could severely affect the quantity or quality of the production of wine by the Company. Most of the Company vineyards have drip irrigation; accordingly, the impact of a drought on the Company's vineyards would be mitigated. See Item 4 — "Information on the Company — Chilean Wine Industry Overview."

Phylloxera, a pest which attacks the roots of grapevines, has widely infested vineyards outside of Chile but to date has never been found in Chilean vineyards. The Company, like most Chilean wine grape growers, still uses the French root varieties which are susceptible to phylloxera. While the Company carefully screens new root stock for signs of infestation and adheres to the regulations imposed by the *Servicio Agrícola y Ganadero* (the "Chilean Agriculture Service") requiring that all vegetation introduced into Chile be isolated under observation for a period of two years, there can be no assurance that the Company's vineyards and other Chilean vineyards will continue to be phylloxera-free. Infestation could have a material adverse effect on the Company while vineyards are being replanted and as they come into full production. See Item 4 — "Information on the Company — Chilean Wine Industry Overview — Phylloxera."

Risks Associated with Higher Taxes, Tariffs. The Company's core business is the production and sales of wines. Wines are subject to a number of taxes and tariffs, including excise taxes in the United States, in the United Kingdom and in the Company's other principal export markets. Additional increases in such taxes and tariffs could depress wine consumption in those markets and could adversely affect the Company's sales.

In addition, there is a risk that other countries could impose or threaten to impose restrictions on imports of certain countries' wines in connection with trade negotiations with such countries. Although Chile has not been the specific target of such actions or threats from the United States, the European Union or other countries, if restrictions were imposed on Chilean wines, they could have a material adverse effect on the Company.

Increases in Chilean taxes on wine could adversely affect the Company's wine sales in Chile.

Government Regulation. The production and sale of wine is subject to extensive regulation within and outside of Chile. Those regulations control matters such as licensing requirements, trade and pricing practices, permitted and required labeling, advertising and relations with wholesalers and retailers. For example, it is the current policy of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives that any statements made by a wine producer promoting the potential health benefits of wine must be balanced and must include appropriate statements regarding the established harmful effects of alcohol use. In recent years, U.S. federal and state regulators have required warning labels and signage. Currently the Chilean Congress is discussing a new law that will regulate labeling of alcoholic beverages in Chile. There can be no assurance that new or revised regulations or increased licensing fees and related requirements will not have a material adverse effect on the Company's business and its results of operations. See Item 4 — "Information on the Company — Government Regulation." Future expansion of the Company's existing facilities and development of new vineyards and wineries may be limited by present and future zoning ordinances and other legal requirements. Availability of water and requirements for handling waste water can limit the Company's growth. While the Company believes that it will continue to be in compliance with all applicable environmental regulations, there can be no assurance that future legislative or regulatory developments will not impose restrictions which would have a material adverse effect on the Company. See Item 4 — "Information on the Company — Government Regulation."

Dependence on Distributors. The Company relies on distributors to sell its products in export markets. Sales to the Company's largest distributor, Banfi Products Corporation ("Banfi") in the United States represented 11.7% and 12.7% of the Company's total export revenues in 2010 and 2009; and 8.7% and 10.0% of total revenues in 2010 and 2009, respectively. Sales to the Company's five largest distributors, including Banfi, represented 28.5% and 28.8% of total export revenues in 2010 and 2009, respectively and are expected to continue to represent a significant portion of the Company's total export revenues in the future. The Company has written agreements with most of its distributors—usually one– to two–year terms, automatically renewable. In addition, the Company's strategy to expand sales in major export markets is to a large extent dependent on the performance of its distributors. See Item 4 — "Information on the Company — Business Overview — Company Sales — Export Markets — Distribution in Export Markets."

Distributors and retailers of the Company's products often offer wines which compete directly with the Company's products for shelf space and consumers. Accordingly, there is a risk that these distributors or retailers may give higher priority to products of the Company's competitors. There can be no assurance that the Company's distributors and retailers will continue to purchase the Company's products or provide the Company's products with adequate levels of promotional support. See Item 4 — "Information on the Company — Business Overview — Company Sales — Export Markets — Distribution in Export Markets."

Dependence on Suppliers. The Company relies on *Cristalerías de Chile S.A.* ("Cristalerías") to supply almost all of its bottle requirements. Cristalerías is a principal shareholder of one of the Company's main competitors, *Viña Santa Rita S.A.* ("Santa Rita"). Although there are another two suppliers of bottles with smaller capacities, an interruption in the supply of bottles from Cristalerías to the Company for any reason could result in a short-term material adverse effect on the Company's operations.

The Company has a license from *Tetra Pak de Chile Comercial Ltda.* ("Tetra Pak Chile") to package wine in Tetra Brik packages and purchases these unassembled pre-printed packages from Tetra Pak Chile. Wine sold in Tetra Brik packages accounted for approximately 65.6% and 50.8% of the Company's domestic sales by volume and value, respectively, in 2010 and 67.8% and 52.8%, respectively, in 2009. Although the Company believes that alternate suppliers are available, an interruption in the supply of Tetra Brik packages to the Company for any reason could result in a short-term material adverse effect on the Company's operations. See Item 4 — "Information on the Company — Business Overview — Bottling."

The Company currently relies on approximately 859 outside vineyards for supplies of grapes and approximately 60 producers for bulk wine. In 2010, approximately 67%, of the grapes used in the production of the Company's premium, varietal and, bi-varietal wines were purchased by the Company from independent growers in Chile. Additionally, in 2010, the Company purchased grapes and bulk wine required to produce approximately 100% of the popular wines sold by the Company. Most of the Company's agreements with growers only cover one year's production and are renewed from year to year. In 2010, the Company had long-term contracts with up to approximately 23% of its growers.

Disruptions of supplies of grapes or wine or increases in prices from these outside suppliers could have a material adverse effect on the Company's results of operations.

Competition. The wine industry in Chile and in the Company's export markets is intensely competitive. In Chile and in approximately 135 other countries, the Company's wines compete with wines and other beverages from Chile and other countries. Chilean wines, in general, compete with wines produced in the United States, Europe, Australia, South Africa, South America and New Zealand. In addition, the Company's wines compete with other beverages including soft drinks, liquors, beer and, in Chile, pisco (a Chilean grape spirit). Many of the Company's competitors in Chile and abroad have significantly greater financial resources than the Company.

Due to competitive factors, the Company may not be able to increase prices of its wines in line with rising grape and bulk wine purchase prices, or farming, vinification, selling and promotional costs. See Item 5 — "Operating and Financial Review and Prospects." There can be no assurance that in the future the Company will be able to compete successfully with its current competitors or that it will not face greater competition from other wineries and beverage manufacturers. See Item 4 — "Information on the Company — Company Sales — Chilean Markets — Local Competition" and "— Company Sales — Export Markets — Export Sales and Competition."

Dependence on Consumer Spending. The success of the Company's business depends on a number of factors which may affect the level of consumer spending and consumer spending patterns in Chile and in the Company's export markets, including the general state of the economy, tax rates, the deductibility of business entertainment expenses under applicable tax laws and consumer preferences, confidence and income. As widely reported, the worldwide and Chilean economies have experienced adverse conditions in the past and may be subject to further deterioration for the foreseeable future, due to the slow pace of the economic recovery worlwide. The Company is subject to risks associated with these adverse conditions. These conditions include economic slowdown and its impact on consumer spending in Chile and in the Company's export markets can affect the quantity and price of wines that customers are willing to purchase. Such changes may result in reduced demand and lower prices for the Company's products, limitations on the Company's ability to pass through increased taxes and higher product costs to price-sensitive consumers, increased levels of selling and promotional expenses and decreased sales of the Company's higher-priced premium and varietal wines. Consequently, changes in consumer spending could have a material adverse effect on the Company. See Item 5 — "Operating and Financial Review and Prospects."

Acquisitions and Dispositions. The Company ocassionally engages in acquisitions of businesses and additional brands. We cannot assure that we will be able to find and purchase businesses at acceptable prices and terms. The Company also faces risks involved in integration of acquired businesses and personnel into the Company's existing systems and operations, and to bring them into conformity with our trade practice standards, financial control environment and reporting requirements. Integration involves significant expense and management time and attention, and may otherwise disrupt the Company's business. The Company's recent acquisition of Fetzer Vineyards in April 2011 will pose challenges and may impact the Company's future performance. Brand or business acquisitions also may expose the Company to unknown liabilities, the possible loss of key customers and/or employees knowledgeable about the acquired business, and risks associated with doing business in countries or regions outside Chile, political climates, and legal systems and/or economies, among other risks. Acquisitions could also result in the incurrence of additional debt and related interest expenses, issue additional shares, and become exposed to contingent liabilities, as well as to experience dilution in earnings per share and reduction in return on average invested capital. The Company may incur future restructuring charges or record impairment losses on the value of goodwill and or other intangible assets resulting from previous acquisitions, and may not achieve expected synergies, cost savings or other targets, all of which may negatively affect financial results. The Company evaluates from time-to-time potential dispositions that may no longer meet our growth, return and/or strategic objectives; such dispositions may impact the Company's financial results, and we cannot predict the terms or conditions of such dispositions, nor expect to find acceptable buyers in a timely manner. Expected cost savings from reduced overhead relating to the sold assets may not materialize, and the overhead reductions could temporarily disrupt the Company's other business operations. Any of these outcomes could impact the Company's financial results.

Difficulty of Enforcing Judgments Under U.S. Federal Securities Laws. The ability of a purchaser of American Depositary Shares ("ADS") of the Company to enforce judgments under the U.S. federal securities laws against the Company or its directors and executive officers may be limited by several factors.

The Company is a *sociedad anónima abierta* (an "open stock corporation") organized under the laws of Chile. All of the Company's directors and officers and many of its advisors reside outside of the United States (principally in Chile). All or a substantial portion of the assets of the Company and of these persons are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States on the Company or its officers, directors or advisors, or to enforce against them in United States courts judgments obtained in United States courts predicated upon the civil liability provisions of the U.S. federal securities laws.

The Company's *Estatutos* (the "By-Laws") provide that all legal actions brought by shareholders in their capacity as such, or among shareholders and the Company, must be submitted either to resolution by the ordinary courts of Chile or to arbitration in Chile by an arbitrator chosen by mutual consent of both parties. If the parties cannot select an arbitrator acceptable to both, an arbitrator will be appointed by the ordinary courts of Chile who will have to have served during the last 3 years as assistant member of the Chilean Supreme Court. The By-Laws also provide that the arbitrator would act as an *árbitro arbitrador*, who under Chilean law would not be required to apply any particular body of law or procedures (except as a matter of public policy) and would be authorized to decide the matter in accordance with his or her view of what is just and equitable. Because an arbitrator is not required to apply any particular body of law or procedure to decide a matter, it is not clear that an arbitrator would consider a claim predicated upon U.S. federal securities laws. Under Chilean law, therefore, there is uncertainty regarding the ability of ADS holders to bring actions against the Company or its officers, directors or advisors based upon U.S. federal securities law, whether in Chilean courts or arbitration proceedings.

In addition, a court in the United States might require that a claim predicated upon the U.S. federal securities laws be submitted to arbitration in accordance with the By-Laws. In that event, a purchaser of ADS would be effectively precluded from pursuing remedies under the U.S. federal securities laws in U.S. courts.

The Company has been advised by its Chilean counsel, Cruzat, Ortúzar & Mackenna Ltda. – Baker & McKenzie, that no treaty exists between the United States and Chile for the reciprocal enforcement of foreign judgments issued by ordinary courts (exception made of awards issued by foreign arbitral courts, where the UN New York Convention may be applied). Chilean courts, however, have enforced judgments rendered by United States courts provided that certain basic principles of due process and public policy have been respected (basically that the judgment (a) does not contain anything contrary to the laws of Chile, notwithstanding differences in procedural rules, (b) is not in conflict with Chilean jurisdiction, (c) has not been rendered by default within the meaning of Chilean law and (d) is final under the laws of the relevant foreign jurisdiction rendering such judgment), without reviewing the merits of the subject matter in the case. Nevertheless, the Company has been advised by Cruzat, Ortúzar & Mackenna Ltda. – Baker & McKenzie that a judgment rendered by a US court will be in conflict with Chilean jurisdiction if it affects in any way properties located in Chile, which are as a matter of Chilean law subject to the laws of Chile as well as to the jurisdiction of Chilean courts. Therefore, there is doubt as to the enforceability in Chile of judgments rendered with respect to Chilean securities, by United States courts in actions predicated upon the civil liability of the U.S. federal securities laws.

Seasonality. The wine industry in general and the Company in particular, have historically experienced and are expected to continue to experience, seasonal fluctuations in revenues and net income. In the past, the Company has had lower sales and net income during the first quarter and higher sales and net income during the third and fourth quarters. The Company expects this trend to continue. Sales can fluctuate significantly between quarters, depending on the timing of certain holidays and promotional periods and on the rate at which distributor inventories are depleted through sales to wine retailers. Sales volume tends to decrease if distributors begin a quarter with larger inventory levels, which is typically the case in the first quarter of each year. See Item 4 — "Information on the Company — Business Overview — Seasonality."

Risks Relating to Chile

Dependence on the Chilean Economy. As of December 2010, 92% of the Company's assets were located in Chile. This percentage has been reduced due to the acquisition of Fetzer Vineyards in April 2011. See Item 4 — "Information on the Company — Historical Development of the Company." In 2010 and 2009, sales in the Chilean market accounted for approximately 23.2% and 21.4%, respectively, of the Company's total revenues. Historically, domestic wine sales show a high degree of correlation with the economic situation prevailing in a country. Accordingly, the Company's financial condition and results of operations are dependent to a significant extent upon economic conditions prevailing in Chile. The main Chilean indicators for 2009 and 2010 were:

- Real GDP decreased 1.7% in 2009 and increased 5.3% in 2010.
- Private consumption grew 0.9% in 2009 and 10.4% in 2010.
- The unemployment rate was 8.6% and 7.3% in December 2009 and 2010, respectively. As of February 2011, the unemployment rate was 7.3%, compared to 8.5% in February 2010.
- As a percentage of GDP, investment in fixed assets was 25.1% in 2009 and 28.4% in 2010.

Source: Central Bank of Chile.

The Company's financial condition and results of operations could also be adversely affected by changes which the Company has no control over, including:

- the economic or other policies of the Chilean government, which has a substantial influence on many aspects of the private sector;
- other political or economic developments in or affecting Chile; and
- regulatory changes or administrative practices of Chilean authorities.

The Company's financial condition and results of operations also depend to some extent on the level of economic activity in both Latin American and other countries. Although economic conditions are different in each country, investors' reactions to developments in one country may affect the securities of issuers in other countries, including Chile.

Volatile and Illiquid Nature of the Market for the Common Stock in Chile. The Common Stock of the Company is traded on the *Bolsa de Comercio de Santiago* (the "Santiago Stock Exchange"), the *Bolsa Electrónica de Chile* and the *Bolsa de Corredores — Bolsa de Valores* (collectively, the "Chilean Exchanges"). The Chilean securities markets are substantially smaller, less liquid and more volatile than major securities markets in the United States. The Santiago Stock Exchange, which is Chile's principal exchange and which accounted for over 86% of Chile's equity trading volume in 2010, had a market capitalization of approximately Ch$ 159,966 billion (approximately US$341.8 billion) as of December 31, 2010 and an average monthly trading of Ch$ 2,161 billion (approximately US$4,617 million). The ten largest companies in terms of market capitalization represented approximately 47.5% of the aggregate market capitalization of the Santiago Stock Exchange as of December 31, 2010. Daily share trading volumes on the Santiago Stock Exchange are on average substantially lower than those on the principal national securities exchanges in the United States. The ten most widely-traded stocks in terms of trading volume accounted for approximately 52.4% of all trading volume on the Santiago Stock Exchange in 2010. During 2010, approximately 22.4% of the securities listed on the Santiago Stock Exchange traded an average of 85% or more of the trading days.

In addition, the Chilean securities markets may be affected by developments in other emerging markets, particularly other countries in Latin America.

Currency Fluctuations. The Chilean peso has been subject to large fluctuations in value in the past, most recently during the past five year period and may be subject to significant fluctuations in the future. See Item 3 — "Key Information — Exchange Rates." Fluctuations in the exchange rate between the Chilean peso and other currencies affect the performance of the Company's ADS, as well as the Company's financial condition and results of operation in a variety of ways.

Because the ADS are denominated in U.S. dollars, a decrease in the value of the Chilean peso relative to the U.S. dollar may adversely affect the value of the Company and its Common Stock underlying the ADS. Whether a depreciation of the Chilean peso would adversely affect the value of the Company and its assets would depend on a variety of factors, including the ability of the Company and investors to access the foreign exchange markets in Chile, the timing, volume and execution of the Company's treasury functions to convert foreign currency into Chilean pesos, the value of revenues denominated in foreign currency relative to Chilean pesos, the relative balances of Chilean pesos and foreign currency owned by the Company at any time and market perceptions of the severity of the impact of such events on the Company. If these and other factors, which may influence the value of the Company and its assets in either direction, have an aggregate negative effect on the value of the Company and its assets, a depreciation of the value of the Chilean peso would result in a decrease of the valuation of the assets underlying the ADS in U.S. dollar terms, thereby resulting in a decrease in the value of the ADS.

Because the Company's export sales are primarily denominated in foreign currencies, changes in these foreign currencies to the Chilean peso may adversely affect the financial condition and results of operations of the Company. Over 76% of the Company's revenues are related to foreign sales that are denominated in U.S. dollars, Euros, Pounds Sterling, Canadian dollars, Argentine pesos, Brazilian reais and Swedish and Norwegian crowns. Changes in these foreign currencies relative to the Chilean peso may result in operating losses for the Company and its subsidiaries. In order to mitigate the short-term effect of changes in currency exchange rates, the Company enters into, from time to time, forward exchange agreements. See Item 5 — "Operating and Financial Review and Prospects**".** The Company completed the acquisition of Fetzer Vineyards in April 2011. This acquisition should further mitigate the short-term effect of changes in the value of the Chilean peso against the U.S. dollar.

The Company holds assets in different currencies through its subsidiaries, whose assets are subject to currency fluctuation. The Company has used financial instruments to minimize this effect.

Because the Company purchases some of its supplies at prices set at U.S. dollars and sells the products in other currencies, the Company is exposed to foreign exchange risks that may adversely affect its financial condition and results of operations. Most notably, the Company purchases bottles, corks and Tetra Brik packages at prices set in U.S. dollars or Euros. To the extent that the Company sells products with these components for pesos or other non-U.S. currencies or Euros, changes in the exchange rate of the U.S. dollar and Euros relative to these other currencies may result in losses and adversely affect the Company's financial and operating results. See Item 5 — "Operating and Financial Review and Prospects."

In addition, cash distributions with respect to shares of Common Stock underlying the ADS are paid by the Company to the Depositary on behalf of shareholders in Chilean pesos. The Depositary then converts the pesos to U.S. dollars at the then prevailing exchange rate to pay the dividend on the ADS in U.S. dollars. If the value of the Chilean peso falls relative to the U.S. dollar between the declaration of dividends and the distribution of such dividends by the Depositary, the amount of U.S. dollars distributed to holders of ADS will decrease. See Item 3 — "Key Information — Exchange Rates."

Restrictions on Foreign Investment and Repatriation. The Law of the Central Bank of Chile authorizes the Central Bank of Chile to regulate foreign exchange transactions, including those relating to ADS facilities. At the time the ADS facility was issued, the Central Bank had issued certain regulations (the "Former Regulations") imposing the obligation to obtain the previous authorization from the Central Bank of Chile and the execution of an agreement with such bank in order to proceed with an ADS facility.

Due to the above, the ADS facility is subject to a contract between the Depositary, the Company and the Central Bank of Chile (the "Foreign Investment Contract") that grants the Depositary and the holders of the ADS access to Chile's Formal Exchange Market and permits the Depositary to remit dividends received from the Company to holders of ADS without restriction. See Item 10 — "Additional Information — Exchange Controls" for a more detailed description of the new regulations and the Foreign Investment Contract.

Under the Foreign Investment Contract, transferees of shares withdrawn from the ADS facility will not be entitled to access Chile's Formal Exchange Market unless the withdrawn shares are redeposited with the Depositary. Cash and property dividends paid by the Company with respect to ADS held by a non-Chilean resident holder are subject to a 35% Chilean withholding tax, which is withheld by the Company. However, stock dividends are deemed a non-taxable event pursuant to Chilean Income Tax Law and, thus, are not subject to Chilean taxation. See Item 10 — "Additional Information — Taxation."

The Foreign Investment Contract is currently in force and will continue to govern the ADS facility until all parties agree to terminate it. If the Foreign Investment Contract is terminated, the ADS facility would then become subject to the New Regulations (as defined below). Under Chilean legislation, a Foreign Investment Contract may not be altered or affected adversely by actions of the Central Bank of Chile.

The Central Bank of Chile relaxed foreign exchange restrictions in year 2002, allowing entities and individuals to purchase, sell, keep and remit abroad foreign currency without restrictions, although the Central Bank of Chile still requires reports of such transactions to be filed with it.

The Central Bank of Chile adopted a new Foreign Exchange Regulations Compendium (the "New Regulations") published in the Official Gazette on January 23, 2002 and effective as of March 1, 2002. The New Regulations impose only three levels of restrictions or obligations on foreign exchange transactions in Chile: (i) certain transactions requiring exchange of foreign currency must be conducted through the Formal Exchange Market (i.e., a commercial bank) and reported to the Central Bank of Chile (e.g., investments, loans, deposits and certain other transactions in excess of Ch$ 4.7 million (approximately US$10,000)); (ii) certain transactions requiring exchange of foreign currency to be remitted abroad must be conducted through the Formal Exchange Market without any reporting obligation (e.g., all license and royalty payments to be remitted abroad); and (iii) certain transactions requiring exchange of foreign currency must only be reported to the Central Bank of Chile (e.g., payments regarding import and export transactions, etc.).

Because the Law of the Central Bank of Chile authorizes the Central Bank of Chile to regulate foreign exchange transactions, including those relating to ADS facilities, it may re-establish more restrictive regulations on foreign exchange affecting ADS holders of the Company at any time. Thus, in the event that the Foreign Investment Contract were terminated, an amendment to the New Regulations could, among other things, restrict the ability of ADS holders to dispose of the underlying shares of Common Stock of the ADS or repatriate proceeds of the Common Stock. The duration or impact of any such restrictions would be difficult to assess.

Differences in Corporate Disclosure and Accounting-Taxation Standards. The principal objective of Chile's securities laws governing publicly traded companies, such as the Company, is to promote disclosure of all material corporate information to investors. In addition, Chilean law imposes restrictions on insider trading and price manipulation. However, the Chilean securities markets are not as highly regulated and supervised as the U.S. securities markets and Chilean disclosure requirements differ from those in the United States. These differences may result in fewer protections for holders of ADS than would exist if United States securities laws governed the Company's domestic securities transactions. Nevertheless, during 2009 a new set of rules were enacted (Law of Corporate Governance N° 20.382) in order to improve the protection of the minority shareholders; these rules focused principally on the following matters:

- Reducing information asymmetries between shareholders: The Law of Corporate Governance (i) requires the board of directors of a company to generate a set of rules designed to ensure the timely and complete release of information required by the Chilean Securities and Insurance Supervisor ("SVS"), the stock exchange markets and the general public; (ii) requires the board of directors of a company to ensure that all legal and financial information required to be released to the shareholders and the general public, shall not first be disclosed to anyone in the company other than those employees or executives who, because of their position or activity, should know this information before it is made available to shareholders and the general public; and (iii) requires the company to issue a set of rules and procedures regarding variation in or changes to securities prices, applicable to all directors and executives.

- Strengthening the role of the independent director as a representative of minority shareholders: The Law of Corporate Governance clearly establishes who may serve in a company as independent director and clearly states the procedure for their election. The Law of Corporate Governance requires at least one independent director on a local director's committee.

- Ensuring the Corporate welfare in transactions with related parties: The Law of Corporate Governance provides strict procedures for approving related party transactions. Excluding minor exceptions, transactions with related parties shall have prior approval and shall be carried out only if they promote the corporate welfare.

- Long distance voting for shareholder's meetings: The Law of Corporate Governance also authorizes long distance voting for shareholder's meetings according to general rulings issued by the SVS.

- New right of retirement scenario: The Law of Corporate Governance includes the right of the minority shareholders to force the controlling shareholder to purchase their shares if it acquires more than a 95% stake of a company.

- Insider Information: The use of insider information for personal benefit is prohibited under Chilean corporate law.

In 2007 the SVS and the Company began a migration program from local accounting principles (Chilean GAAP) to (IFRS). Since year 2010 the Company's financial statements are presented in accordance with IFRS principles.

Differences in Shareholders' Rights. The corporate affairs of the Company are governed by Chilean law and the By-Laws. The By-Laws perform functions similar to those performed by both the certificate of incorporation and the bylaws of a corporation incorporated in the United States. See Item 10 — "Additional Information — Estatutos (By-Laws)." The principles of law applicable to the Company and its shareholders differ from those that would apply if the Company were incorporated in the United States. However, shareholders who own 5% or more of the Company as well as any of its directors are entitled to take legal action in the name of the Company against anyone who may have caused damage to the Company.

Inflation. Although inflation in Chile has moderated in recent years, Chile has historically experienced high levels of inflation. High levels of inflation in Chile could adversely affect the Chilean economy and have a material adverse effect on the Company's financial condition and results of operations. The annual rates of inflation for 2010, 2009 and 2008 were 3.0%, -2.3% and 8.9%, respectively.

The Company believes that moderate inflation will not materially affect its business in Chile. Notwithstanding the foregoing, there can be no assurance that inflation in Chile will not increase significantly from its current levels and that the operating results of the Company or the value of the ADS will not be affected adversely by a continuation of or an increase in the level of inflation.

ITEM 4: INFORMATION ON THE COMPANY

A. History and Development of the Company

Concha y Toro is a corporation (*sociedad anónima abierta*) organized under the laws of Chile. The Company's deed of incorporation was executed on December 31, 1921 and the Company was registered in the Registro de Comercio de Santiago on November 6, 1922. The Company's principal executive offices are located at Nueva Tajamar 481, Torre Norte, Piso 15, Santiago. The Company's telephone number at that location is (562) 476-5000 and the Internet address is www.conchaytoro.com. The complete legal name of the Company is Viña Concha y Toro S.A.

The Company is the largest Chilean producer and exporter of wines in terms of both volume and value, with total sales in 2010 of 268 million liters and Ch$373,649 million.

The Company was founded in 1883 by Don Melchor Concha y Toro and Don Ramón Subercaseaux Mercado. Don Melchor was the grandson of Don Mateo de Toro y Zambrano, who presided over the first government following Chile's independence from Spain in 1810. The family had received the title of Marqués de Casa Concha from King Philip V of Spain in 1718. The winery was established in the Pirque region, on the border of the Maipo River, on land which belonged to Don Melchor's wife, Doña Emiliana Subercaseaux. The vines used came from Bordeaux, France and were the traditional varieties of that area: Cabernet Sauvignon, Merlot, Sauvignon Blanc and Semillon. These varieties were brought to Chile before phylloxera devastated French vineyards. M. de Labouchère, a French oenologist, came to Chile to oversee the planting and the first harvest. The Company remained a family business until 1921, when the Concha family decided to convert it into a limited liability stock company and issued shares to all of its family members. In 1933, these shares began trading on the Santiago Stock Exchange.

The Company owns and operates vineyards that grow grapes for use in the Company's wine-making operations, vinification plants (which convert grapes into wine), bottling plants and its wine distribution network. Within Chile, the Company owns and operates vineyards located in Chile's nine principal wine growing regions. In addition to its properties in Chile, the Company owns a winery and vineyards in Mendoza, Argentina, and since April 2011, it owns a winery and vineyards in California, U.S..

In domestic and export markets, the Company's bottled wines are sold in the premium, varietal, bi-varietal and sparkling wine segments. In the domestic and export markets, the Company sells popular wines, packaged primarily in 1, 1.5 and 2.0 liter Tetra Brik packages. A small quantity of wine, 0.5% of total revenues, was sold in bulk form in domestic and export markets.

The Company sells its premium wines under brand names including: Don Melchor, Carmín de Peumo, Gravas del Maipo, Amelia, Terrunyo, Marqués de Casa Concha, Gran Reserva Serie Riberas, Casillero del Diablo, Trio and Late Harvest. The Company sells its varietal and bi-varietal wines under the brand names Sunrise, Concha y Toro and Frontera. In addition, the Company's subsidiaries, Viña Cono Sur, Viña Maipo, Viña Canepa Viña Palo Alto, Viña Maycas del Limarí and Trivento, market their premium, varietal and bi-varietal wines under the brand names Cono Sur, Isla Negra, Maipo, Canepa, Palo Alto, Maycas del Limarí and Trivento. The Company sells popular wines under the brand names Tocornal, Clos de Pirque, Exportación and Fressco. See Item 4 — "Information on the Company — Chilean Wine Industry Overview — Wine Classifications," "— Business Overview — Company Sales — Chilean Markets" and "— Company Sales — Export Markets." The Company sells wines under a portfolio of brands acquired in the Fetzer acquisition including: Fetzer, Bonterra, Five Rivers, Jekel, Sanctuary and Little Black Dress.

The Company's first initiative toward the development of more complex wines was the launching of Casillero del Diablo in 1965. Casillero del Diablo was made from selected grapes and aged two years longer than the standard Cabernet Sauvignon then being produced. Today, Casillero del Diablo is the largest seller among the Company's premium wines. In the past eight years, the Company has focused its marketing efforts on the Casillero del Diablo brand. Through a global marketing campaign launched in August 2001 and with a new packaging originally unveiled in 2002, the Company's target is to transform Casillero del Diablo into a global brand. In 2010, sales of Casillero del Diablo totaled 3.0 million cases.

The Company has produced sustained growth in recent years in all areas of its business, maintaining its position as the undisputed leader in the Chilean wine industry. Concha y Toro has strongly penetrated the principal external markets, where the brand enjoys high recognition and growing brand preference. Different factors have contributed to the Company's strength in both the domestic and external markets. Most notable are its investments in the latest technologies and production techniques for producing premium and super-premium wines, the growth of and constant innovation in its own production and the launching of new products in the premium segment. In addition, the Company has a solid distribution network that complements an export strategy based on the market diversification and constant expansion. In terms of the brand marketing, in 2010 the Company entered into a sponsorship agreement with the Manchester United, the most popular soccer team in the United Kingdom and one of the world's most recognized sporting brands.

The Company also believes that it has competitive advantages in export markets due to the lower production costs in Chile as compared to the costs faced by its competitors in other principal wine-making countries, such as the United States.

The Company conducts its operations directly and through subsidiaries. The Company's distribution business in Chile is conducted through its wholly-owned subsidiary *Comercial Peumo Ltda.* ("Comercial Peumo"). In December 2000, the Company formed a fully-owned sales and distribution subsidiary in the United Kingdom, Concha y Toro UK Limited ("Concha y Toro UK"). This subsidiary commenced operations in March 2001. In 2008, Concha y Toro established distribution subsidiaries in Brazil, Sweden, Finland and Norway in order to strengthen its sales in those countries. In March 2010, Concha y Toro established a distribution subsidiary in the asian market, choosing Singapore as its base, and in April 2011, the Company completed the acquisition of Fetzer Vineyards in the United States.

The Company's wholly-owned subsidiary, *Sociedad Exportadora y Comercial Viña Maipo Ltda.* ("Viña Maipo"), currently exports Viña Maipo brand wines and holds investments in affiliated companies. The Company's wholly-owned subsidiary, *Viña Cono Sur S.A.*, is involved in the sale, both in the local and export market, of Cono Sur and Isla Negra brand wines. In 1996, the Company, through Comercial Peumo and Viña Maipo, acquired *Viña Patagonia S.A.* ("Viña Patagonia"), the Company's first non-Chilean subsidiary. In 2001, Viña Patagonia changed its trading name to Trivento Bodegas y Viñedos S.A. ("Viña Trivento" or "Trivento") to reinforce the marketability of Trivento, its main brand and range of wines. Viña Trivento is located in Mendoza, Argentina.

In recent years, the Company has launched several new wines, marketed and distributed by its subsidiaries, to strengthen its position in the premium and super-premium categories. In 2006, the Company introduced a premium wine, Palo Alto, to the market and in 2007, the Company introduced wines from Viña Maycas del Limarí, a new super premium winery. Viña Maycas del Limarí is located in the Limarí Valley, a relatively new wine region in the north of Chile that the Company believes has strong enological potential and in which the Company has invested in the recent years. In August 2009, the company launched in Chile (and in selected markets) a new line of wines, Gran Reserva Serie Riberas to strengthen the super-premium category of the Concha y Toro portfolio. The Serie Riberas line originates in vineyards located in the basins of different Chilean rivers that receive cool breezes from the coast and are noted for the freshness of their wines.

In 2009, a new subsidiary of Viña Cono Sur, Viñedos Los Robles SpA, was created to sell fair trade wines, mainly in the UK and European markets. Its main brand is Los Robles La Fonda.

In March 2007, Concha y Toro signed an agreement with winery *José Canepa y Compañia Limitada* covering, among other topics, the winery's production facilities in Lo Espejo, in the Santiago metropolitan area. The agreement includes the lease of Canepa's vinification and aging cellar and warehouse for finished products, as well as a brand licensing agreement that will allow Viña Concha y Toro to market and distribute Canepa and Mapocho brands in the domestic and international markets. These wines are managed by the wholly-owned subsidiary, *Sociedad Exportadora y Comercial Viña Canepa S.A.* ("Viña Canepa").

In 1997, the Company and *Baron Philippe de Rothschild S.A.* ("Rothschild S.A.") formed a joint venture company organized under the laws of Chile, named "*Baron Philippe de Rothschild - Concha y Toro S.A.*" The joint venture company changed its name to *Viña Almaviva S.A.* in June 1998 ("Viña Almaviva"). The Company contributed approximately 40 hectares of producing vineyards located at Puente Alto to and controls 50% of the capital of, Viña Almaviva. Viña Almaviva is expected to produce a "*Primer Orden*," or first-growth wine, the first of its kind ever produced in Chile. *Primer Orden* wines are regarded to be the equivalent of *Grand Cru Classé* wines from the Bordeaux region of France. In 1998, Viña Almaviva launched its first *Primer Orden* wine from its 1996 harvest under the name "Almaviva." Worldwide distribution of Almaviva, in all countries except for Chile and the U.S., is handled by Bordeaux Negociants. Distribution of Almaviva in Chile is handled by the Company.

In November 2000, the Company purchased 49.6% of *Industria Corchera S.A.* ("Industria" or "Industria Corchera"), a cork manufacturer. In connection with the acquisition, the Company and *Amorim & Irmaos S.G.P.S. S.A.* ("Amorim"), a Portuguese company that produces and distributes cork worldwide, entered into a shareholders' agreement providing for the transfer of shares and the administration of Industria Corchera. In 2008, the Company increased its ownership to 49.96%. An English translation of the shareholders' agreement between the Company and Amorim was previously filed and is listed as Exhibit 4.2 to this Annual Report. See Item 19 — "Exhibits." The Company and Amorim jointly own 99.93% of the capital stock of Industria Corchera.

In addition to producing and bottling wine under its own labels, the Company has a license from Viñedos Emiliana to use Viñedos Emiliana's brand name in Chile. The Company bottles and sells in Chile for its own account a portion of its varietal wine production under Viñedos Emiliana's labels, paying royalties in exchange for such rights. In addition, under a contract with Viñedos Emiliana, the Company also bottles for a fee, wine produced by Viñedos Emiliana which is sold by Viñedos Emiliana for its own account under Viñedos Emiliana's labels in export markets. The Company and Viñedos Emiliana have a number of directors in common, as well as a significant percentage of common share ownership. See Item 7 — "Major Shareholders and Related Party Transactions — Related Party Transactions."

On April 15, 2011, the Company closed the acquisition of Fetzer Vineyards and related assets that Brown-Forman Corporation owned in California. This acquisition contemplated a portfolio of brands with positioning in the American market, including: Fetzer, Bonterra, Five Rivers, Jekel, Sanctuary and the license of the brand Little Black Dress wines. The brands acquired represented a volume of 3.1 million cases and sales of Ch$ 73,010 million (approximately US$ 156 million) in the year 2010. The acquisition also included 429 hectares of owned and leased vineyards in Mendocino County, California, warehouses and production capacity for 36 million liters (in Hopland, California) and 6 million liters (in Paso Robles, California), and a bottling plant. The purchase price for the transaction was Ch$ 111,386 million (approximately US$ 238 million) (subject to adjustment following the closing). The key facilities are located in Hopland, California and employ approximately 240 people. The acquisition agreement related to this acquisition is included in this Annual Report as Exhibit 4.3. See Item 19 — "Exhibits."

In connection with the April 2011 acquisition of Fetzer Vineyards, the Company and Brown Forman entered into a transition services agreement. Among others, for a limited period of time Brown-Forman agreed to provide to the Company certain transitional services (agency, marketing, distribution, IT systems, human resources, and other related services) relating to Fetzer. Fetzer also will continue to supply its products to Brown-Forman for a limited period.

Business Strategy

Concha y Toro's business strategy seeks to sustain attractive growth rates and achieve an even greater brand penetration and visibility in the different markets. The Company has therefore developed a wide range of products with which to participate in all market segments, offering high-quality wines at competitive prices.

Concha y Toro has focused specially on growth in the premium category, a very attractive segment due to its growth potential and prices, which have enabled it to improve the sales mix and increase its average sales price.

Following this strategy, the Company has invested around Ch$239 billion (not including capitalized interest) over the last ten years in land, vineyards, infrastructure and other wine business, in order to increase its own production, and in April 2011 acquired land, production and storage facilities in California, United States. It has also introduced the highest level technology to its production methods in the wine-making area, always with the objective of improving the quality of its wines. There has also been a constant development of new products, investigation into new grape varieties and incorporation of new grape-producing valleys.

In the commercial area, the global distribution network has been strengthened with the opening of the Company's own distribution offices in key markets.

At the same time, it has developed in Argentina the same business model as used in the Chilean strategy. Viña Trivento seeks sustained growth for its exports, reflecting the acceptance of Argentine wines in the principal markets.

In 2010, the Company made approximately Ch$23,191 million (approximately US$50 million) of capital investments, which included the acquisition of new vineyards, development of new vineyards, increasing the vinification and cellar capacity and buying new agriculture machinery, and the rebuilding of the damaged infrastructure in vinifcation and cellar capacity, after the February 2010 earthquake, among others. For 2011, the Company has established a capital expenditure budget of approximately Ch$145,500 million, the highest in the history of the Company (approximately US$300 million), to make the acquisition of *Fetzer Vineyards*, including its working capital needs, and support expected future growth in sales through planting of new vineyards and expanding production capacity. Investments mainly comprise acquiring and planting new vineyards, the construction of storage and vinification facilities, expansion of the bottling plant and acquisition of French and American oak barrels, for the production of all wines with an emphasis on premium and varietal wines. The Company expects to continue planting wine vines and developing the corresponding infrastructure needed on certain properties owned by the Company in Chile, the United States and Argentina. The Company believes that a key factor in its past success and in any future success is its ability to maintain competitive prices while improving the quality of its wines. In order to increase its market share in the domestic market, the Company has maintained price competitiveness with beer and wine from other producers, introduced new wines targeted at different consumer segments and increased marketing and advertising support for its products. In export markets, the Company believes that it can continue to consistently offer high-quality wines at competitive prices in the premium, varietal and bi-varietal segments and that such wines can successfully compete with the best European, Australian, South African and U.S. wines. See Item 4 — “Information on the Company — Business Overview — Domestic Marketing Strategies” and “ — Export Marketing Strategy.”

Chilean Wine Industry Overview

Wine Producing Regions - Chile. Chile is a country well-suited for growing fruit, including grapes. Geographically, Chile is a strip of land running approximately 4,345 kilometers (2,650 miles) north to south, but is only 400 kilometers (244 miles) at its widest point. It is bordered by the Andes Mountains to the east and the Pacific Ocean to the west. The area located between the town of La Serena in the north and the Bio-Bio River in the south, generally known as the Central Zone, is where vinífera grapes are grown.

The Central Zone stretches for approximately 500 kilometers (309 miles) and is located between 32° and 38° latitude south. This location coincides with the latitude band of 30° to 50°, in which virtually all of the world’s wine-producing areas are located. For example, California’s vineyards are located at approximately 34° to 38° latitude north and Australia’s vineyards at 32° to 40° latitude south. France’s vineyards are farther north between 40° and 51° latitude north.

The climate of Chile’s Central Zone is defined as temperate Mediterranean with an extended dry season. Rainfall mainly occurs during wintertime, with annual averages of 300 mm to 700 mm. Rainfall is strongly influenced by the El Niño and La Niña phenomena. If El Niño brings rainier and warmer conditions, La Niña brings dry and colder weather. Springs are usually mild, albeit not completely frost-free; when they do hit, frosts strongly affect the production of grapes. The dry season spans from summertime to the early days of fall, a pattern which favors the ripening of both red and white grapes.

The Company owns or leases vineyards in the nine principal wine-growing regions in Chile. These regions include, from north to south: Limarí, Aconcagua, Casablanca, San Antonio, Maipo, the Rapel Valley sub-regions of Cachapoal and Colchagua, Curicó and Maule. Most of these regions possess distinct weather and soil characteristics. However, they share the important characteristics of cool nights and hot days with daily temperature variations of 12° C to 20°C in the summer. This type of climatic condition is essential for growing “wine quality” grapes. See Item 4 — “Information on the Company — Business Overview — Vineyards.”

Limarí Valley. Limarí is a transversal valley that runs from east to west, from the Andes to the Pacific and is situated 400 kilometers (250 miles) north of Santiago. It is a fairly narrow valley bounded by small mountainous chains to the north and south; its main features are sedimentary and mineral soils and a semi-arid climate with strong marine influence, particularly in the area closer to the Pacific Ocean. The absence of rainfall during ripening season, in addition to the extreme luminosity of the skies, makes for concentrated grapes with enhanced color and aromas. The varieties that benefit the most from this privileged setting are Chardonnay, Sauvignon Blanc and Syrah.

Aconcagua Valley. Aconcagua valley is located approximately 90km (56 miles) to the north of Santiago. The Aconcagua River is the main source of irrigation for the fertile lands around and thus permits our grapes to be harvested in alluvial soils. This zone is known for its benign Mediterranean weather, in which the high temperatures during the day contrast harmonically with colder nights. Some regions of this valley have been recognized as ideal for the production of red wine varieties, due to the pleasantly warm temperatures, while the coastal areas' marine cooling breezes are suitable for the production of white wines.

Casablanca Valley. The Casablanca Valley is located 100 kilometers (62 miles) northwest of Santiago and has deep, sandy, permeable soils and a cool climate. The Company believes that this region represents an exceptional microzone to produce premium white wines, such as Chardonnay and Sauvignon Blanc, due to its particular climate, specially its heavy marine weather and morning fog during spring and summer.

San Antonio Valley. One of the most recently created Chilean denominations, this small valley was only defined as a controlled origin in 2002. San Antonio stretches to the very edge of the Pacific Ocean and its characteristic lack of significantly high relief allows for the free entry of the strong oceanic influence. The ensuing frequent breezes, fresh temperatures and clayish soils make it a favorite spot for cold-climate white varieties and Pinot Noir.

Maipo Valley. The Maipo Valley, located just west of the Andes Mountains and south of Santiago, is renowned worldwide for the excellence of its red wines. The Maipo Valley has a Mediterranean climate, with a dry summer and high daily temperature variations due to a combination of oceanic and Andean influences. Its soils are alluvial and colluvial, organically poor and abundant in gravel. They are irrigated with glacial waters flowing from the Andes mountain range.

Rapel Valley. The Rapel Valley is located 100 to 180 kilometers (62 to 112 miles) south of Santiago, between the cities of Rancagua and San Fernando. It has a warm climate and deep, rich alluvial soils, irrigated by water from the Rapel and Cachapoal Rivers. This region's production is oriented toward red wines.

Cachapoal Valley. Part of the greater Rapel Valley, Cachapoal is located 100 to 180 kilometers south of Santiago and covers the 80–kilometer long stretch (62 to 112 miles south of Santiago) between the cities of Rancagua and San Fernando. Its benign weather, normally lacking in frosts and warm summers, suits varietals that call for a delayed harvest, such as Carmenere. Irrigated by the Rapel and Cachapoal rivers, its soils have an alluvial origin and are deep and rich. Most of this valley's production is geared toward red wines.

Colchagua Valley. This valley is part of the grand Rapel Valley. Its soils vary from the deep and fertile sandy-clay loam organically rich soils to sandy soils. Its soils are irrigated by the water from the Tinguiririca River. The valley is renowned for growing a wide range of grape varieties, where the Cabernet Sauvignon and Carmenere varietals stand out.

Curicó Valley. The Curicó Valley is similar to the Rapel Valley in terms of its geographic features, soil and climatic conditions. It is located between the Rapel and Maule Valleys and its main commercial center is the city of Curicó. The climate and soil conditions in the valley are suitable for the production of a wide variety of premium wines.

Maule Valley. The Maule Valley is located to the south of Curicó Valley, 200 to 400 kilometers (124 to 248 miles) south of Santiago. This region has a warm climate, generous winter rains and organically rich soils. Wines produced from grapes grown in the Maule Valley typically have higher alcohol content.

Non-irrigated areas in the Maule Valley are planted with a rustic grape called País, which is used to produce table wine for the popular wines segment of the domestic market.

The Company believes that Chilean land suitable for grape cultivation is cheaper than comparable land in most of the other wine-producing areas of the world. Chilean vineyards take typically three to four years after planting to produce grapes that can be used for wine making. A vineyard can produce grapes suitable for vinification for up to 40 years or more. The annual growing season starts in September and lasts until April or May. Harvest occurs between March and May, depending on the location of the vineyard and the variety of the grape being grown.

Wine Producing Regions - Argentina. The Company believes that the wine growing regions surrounding Mendoza, Argentina are capable of producing world class wines and will complement the export products currently being made in Chile.

Luján de Cuyo Region. Luján de Cuyo is located in the upper part of the Mendoza River, 22 kilometers (13.7 miles) to the south of Mendoza city. The altitude in this area ranges form 650 to 1,060 meters (from 2,132 to 3,478 feet) above sea level. Together with Maipú, it constitutes a traditional grape-growing region known as "First Zone". This First Zone is excellent for growing red varietals, Malbec in particular. Its soil is alluvial and sandy, somewhat organically poor but with very good drainage characteristics. Day and nighttime temperatures vary by approximately 14ºC , which favors the production of red wines.

Maipú Region. The Maipú region is located in the upper part of the Mendoza River, 18 kilometers (11 miles) to the southeast of the city of Mendoza, next to Luján de Cuyo. Its altitude is 790 meters (2,592 feet) above sea level. The area is suitable for the production of red grapes such as Malbec and Cabernet Sauvignon.

Tunuyán Region. Tunuyán is located 80 kilometers (49 miles) southwest of Mendoza city and, together with Tupungato and San Carlos, forms the Uco Valley. This valley rises to 1,400 meters (4,593 feet) above sea level, the highest grape-growing altitudes in Mendoza. Because of the altitude and proximity to the Andes, the Uco Valley has a cooler climate than the First Zone, which makes this region oriented towards the production of white varietals and certain red ones. Day and nighttime temperatures vary by approximately 25ºC , an ideal range for the development of optimum color and tannins in the grapes. Its soils are stony, sandy and very permeable, lacking in drainage or salinity problems.

Tupungato Region. The Tupungato region is located 90 kilometers (56 miles) southwest of Mendoza and rises to approximately 1,100 meters (3,600 feet) above sea level. Elegant whites and early ripening reds grow well here. Syrah and Pinot Noir are popular examples of grapes grown in this area.

La Consulta-San Carlos Region. San Carlos region is located 110 kilometers (68 miles) southwest of Mendoza. The altitude in this area ranges from 1,000 to 1,200 meters (from 3,280 to 3,937 feet) above sea level. The area is well suited for red grapes such as Malbec.

Rivadavia Region. The Rivadavia region is located 80 kilometers (49 miles) southeast of Mendoza and is part of the East Mendocino region. Its altitude is 660 meters (2,165 feet) above sea level in a zone of sandy soil with very good drainage characteristics. The average temperature is higher than in the First Zone and Uco Valley regions which, together with the availability of water from the Tunuyán River, allows for the optimal development of different varieties of grapes, the most important of which are the Malbec and Syrah varieties.

San Martín Region. San Martín is located 50 kilometers (31 miles) to the southeast of Mendoza. Altitudes in this zone average 640 to 750 meters (2100 to 2460 feet) above sea level. Its sandy-loam and sandy-lime soils are irrigated by the Tunuyán and Mendoza rivers. The climate is temperate and is characterized by a pronounced annual temperature variation, a feature that favors the vine's vegetative rest period during winter.

Phylloxera. Phylloxera, a pest which attacks the roots of grapevines, has widely infested vineyards outside of Chile. The pest generally renders a vine unproductive within a few years following initial infestation. Although an infestation of phylloxera over time decreases the amount of fruit that a vine produces, it does not directly impair the quality of the fruit and poses no known human health hazards. Since no pesticide has been proven to be effective in stopping the spread of phylloxera, the only known solution is to replant infested vineyards with resistant root stock.

Chile is one of the few countries where pre-phylloxera Bordeaux cuttings are widely used and as such, phylloxera has not been found in Chile to date. The Company still uses the original French root varieties, introduced from France approximately 125 years ago, which remain free of this pest. To protect itself from the possibility of phylloxera infestation, the Company carefully screens all cuttings before planting. Regulations imposed by the Chilean Agriculture Service require that all vegetation introduced into the country be isolated under observation for a period of two years. There can, however, be no assurance that the Company's and other Chilean producers' vineyards will remain free of phylloxera infestation. Infestation would have a material adverse effect on the Company and its production of grape crops.

Wine Classifications. Wines are classified by Chilean wine producers as either sparkling wines or table (still) wines. Sparkling wines are wines which obtain effervescence through a second alcoholic fermentation process. With the exception of popular wines, Chilean table wines are generally classified according to (i) the variety or varieties of vinífera grape from which they are made, (ii) region of origin and (iii) vintage. Table wines are also classified as either premium, varietal, bi-varietal or popular wines.

Premium wines are wines made from selected grapes of a single variety and aged in barrels. These wines receive extra care throughout the production process and command higher prices. Varietal wines can be made either of a single variety of grape or of a selective blend of varieties of grapes (known as bi-varietals). Popular wines are inexpensive wines which are not aged and are not made from a specific variety of grapes.

In 1995, the Ministry of Agriculture implemented a decree to regulate wine bottle labeling, which included the use of grape varieties, vintage years and regional denominations of origin. The decree was drafted by a committee (which included representatives of the Company) designated by the *Asociación de Viñas de Chile A.G.* (the "Exporters' Association"). The decree ordered that Chilean premium and varietal wines must contain at least 75% of the variety of grapes specified on the label. This decree enhanced the image of the Chilean wine industry, by providing for better information, quality and transparency for the consumer. The Company has adopted most of the controls set forth in the decree and continues to benefit from the enhanced image of the Chilean wine industry.

B. Business Overview

Vineyards

In order to decrease its dependence on purchased grapes and wines and to gain greater control over the cost and quality of its principal raw material, the Company initiated a capital investment program in the beginning of the 1990s. To this end, the Company has purchased land and planted vines for the production of grapes for its premium, varietal and bi-varietal wines in order to maintain its production of grapes in proportion to the growth in demand of its premium wines. Over the past few years the Company has acquired land in other wine regions in order to diversify the agricultural risk.

As of December 2010, the Company had approximately 11,149 arable hectares (approximately 27,538 acres) on 43 owned and 7 leased vineyards in the Limarí, Aconcagua, Casablanca, San Antonio, Maipo, Cachapoal, Colchagua, Curicó and Maule Valleys of the Central Zone in Chile and on 8 vineyards in the Maipú, Tupungato, Rivadavia, San Carlos, Luján de Cuyo and San Martín regions, all located in Mendoza, Argentina. As of December 2010, more than 85% of the arable land owned or leased by the Company is planted with wine-producing grapes in various stages of maturity. Approximately 67% of the Company's planted hectares in Chile are planted primarily with five types of noble grapes: Cabernet Sauvignon, Merlot, Carmenere, Chardonnay and Sauvignon Blanc. In recent years, the Company has increased the planting of these five varieties of grapes in response to increasing consumer demand in the United States, Europe and Asia for premium and varietal wines. In Argentina, 45% of the Company's vineyards are planted with the Malbec variety, in line with the demand for Argentine wines in the export markets, specially the U.S. market.The Company believes that with the plantings of these noble grape varieties in Chile and in Argentina, it should be able to respond to the shift in consumer demand for premium and varietal wines made from these varieties of grapes. There can be no assurance, however, that consumer demand for these wines will increase in absolute terms or that consumption of wines produced by the Company from these varieties of grapes, as opposed to those produced by its competitors, will increase. In addition, there can be no assurance that competitors of the Company, either singly or in the aggregate, will not be in a better position to take advantage of changing consumer demand patterns for premium and varietal wines, by reason of planted acreage or otherwise.

The Company's remaining land under cultivation is planted mainly with Syrah, Pinot Noir, Malbec, Viognier, Pinot Blanc, Pinot Gris, Chenin Blanc, Riesling, Gewurztraminer and Sangiovese grapes.

The Company expects that the vines planted in 2007 will be in full production in 2011.

The table below shows the Company's currently-producing and newly-planted vineyards by valley as of December 2010.

Vineyards	Currently Producing	Plantings 2007-2010	Total Vineyards Planted	Fallow	Orchards [1]	Total Arable
	(in hectares)					
Chile						
Limarí Valley	556	340	**896**	322	113	**1,331**
Casablanca Valley [2]	384	32	**415**	11	—	**426**
Aconcagua Valley	—	—	—	129	—	**129**
San Antonio Valley	130	—	**130**	—	—	**130**
Maipo Valley [3]	892	82	**974**	22	—	**997**
Cachapoal Valley - Rapel Valley	1,054	252	**1,306**	525	60	**1,892**
Colchagua Valley - Rapel Valley [4]	1,327	430	**1,757**	13	—	**1,770**
Curicó Valley	466	200	**666**	45	—	**711**
Maule Valley	1,812	489	**2,300**	253	—	**2,554**
		—	—	—	—	—
Total Chile:	**6,621**	**1,824**	**8,445**	**1,320**	**173**	**9,939**
Argentina	—	—	—	—	—	—
Mendoza Valley	901	167	**1,068**	142	—	**1,210**
Total Argentina:	**901**	**167**	**1,068**	**142**	**—**	**1,210**
Total General:	**7,522**	**1,992**	**9,513**	**1,462**	**173**	**11,149**

(1) These hectares include 173 hectares of fruit trees planted on the Company's La Granja, Peumo and Idahue vineyards. This land can be returned to grape production.

(2) The Company leases three vineyards in the Casablanca Valley (93.73, 125.79 and 27 arable hectares) with leases expiring in 2023, 2028 and 2036, respectively.

(3) The Company has leased one vineyard with 72 arable hectares since 1993 from *Sociedad Protectora de la Infancia* ("Protectora"), an unaffiliated, non-profit institution. The lease of this vineyard expires in 2013; however, the lease is cancelable by Protectora with one year's notice and payment of a penalty. In 2004 the Company leased an 80.6 hectare vineyard in production, from Viñedos Emiliana, this lease expires in 2013. In 2006, the Company leased another vineyard from Viñedos Emiliana with approximately 112 hectares in production; this lease expires in 2018.

(4) In 2008, Viña Cono Sur leased two vineyards in Colchagua valley comprising of 104.5 arable hectares.

The Company believes that the diverse microclimates and soils of the areas in which its vineyards are located, as well as the trellis systems used in its vineyards, allow it to grow a wide variety of grapes and thereby offer a broad range of wines. In addition, the Company believes that this diversity helps to minimize the agricultural risks inherent in its operations.

Although Chilean winters are relatively mild, Chilean vineyards have suffered frost damage in the past; Generally, September and October are the most likely periods for frost damage, specially in areas closest to the Andes Mountains. The Company tries to protect its grapes against risk from frost through various preventive techniques, including the use of helicopters and stationary propellers to raise the temperature of the air by hovering over vineyards. The Company has also taken steps to protect against soil erosion and other ecological damage by using special irrigation methods.

Wine Production Methods

Wine production methods vary by type and quality of wine. The Company uses the following production methods (certain wine industry terms used in the following discussion are defined at the beginning of this report, in “Certain Defined Terms — Glossary of Special Terms”):

Premium Reds. The Company’s premium red wines are primarily made from select Cabernet Sauvignon, Merlot, Carmenere, Syrah, Pinot Noir and Malbec grapes grown in vineyards in the Maipo, Rapel and Maule valleys. The wines are made in the Company’s Puente Alto, Cachapoal and Lourdes plants. As part of its capital expenditure program, the Company has installed the most advanced stainless steel fermentation tanks available that incorporate refrigeration and heating systems. Grapes are crushed, separated from their stems and the must is fermented with the skins and pulp in stainless steel tanks at temperatures of 28°C to 30°C (82°F to 86°F), to obtain color and develop body. The resulting wine is left in contact with the skin for longer periods in the case of premium red wines than for red varietal or bi-varietal wines. Contact with the skin and solids (the maceration process) give the wine body, color and complexity. After separation and pressing of the solids to extract press wine, the wine is subjected to a malolactic fermentation process. The malolactic fermentation uses either introduced or normally present bacteria to transform the malic acid with a lower Ph to lactic acid of higher Ph, producing a smoother and more biologically stable wine with enhanced aroma and bouquet. The wines are then aged in French and American oak barrels for a period of eight to eighteen months, depending on wine type, brand and kind of barrel, in order to obtain additional body and complexity. Once bottled, the wine is aged further in the Company’s wine cellars at Pirque for two to twelve months, depending on the brand.

Premium Whites. Grapes selected from the noblest varieties, such as Chardonnay, Sauvignon Blanc, Viognier, Riesling and Gewurztraminer from the Company’s Casablanca, Maipo, Curicó and Maule vineyards are crushed, separated from their stems and introduced into pneumatic presses in order to extract clean juice. Unlike red wines, white wines are generally fermented without their skins and seeds. In order to convert the sugar into alcohol, this juice is then fermented, with yeast, in French and American oak barrels or temperature-controlled stainless steel tanks, depending on variety, vineyard and brand. Lower temperatures between 12°C and 18°C (53°F and 64°F) are considered optimal for quality during this process. The resulting wine is aged on the fine lees in the same tanks as used in fermentation for at least six to eight months in order to obtain fruitiness, body and complexity. Once bottled, premium white wines are aged from two to twelve months in the Company’s wine cellars, depending on the brand.

Late Harvest is a sweet, aromatic dessert wine made from Sauvignon Blanc and Riesling grapes that were left on the vine to over-ripen, resulting in a high concentration of sugar and a reduction in acidity. The vinification process for Late Harvest is similar to that for the Company’s other premium white wines.

Red Varietals and Bi-varietals. The production process for red varietal and bi-varietal wines is similar to that of premium red wines and involves grapes from the Company’s Rapel, Curicó and Maule vineyards. These wines are macerated for a shorter period of time and are stored in stainless steel tanks and non-reactive epoxy-lined cement tanks until bottling. Bottling normally begins approximately six months later.

White Varietals and Bi-varietals. Grapes from the Company’s Rapel, Curicó, Maule and Casablanca vineyards are crushed and separated from their stems before they are pressed to extract the grape juice. The juice is then fermented in temperature-controlled stainless steel tanks. The wines are stored in stainless steel tanks or in inert epoxy-lined cement tanks for three months before bottling.

Sparkling Wine. Sparkling wines are the product of a second alcoholic fermentation of wine with yeasts in isobaric tanks for a period from two to eight months, depending on the type of sparkling wine. This second fermentation allows for the retention of the characteristic effervescence. The Company produces four types of sparkling wine. Casillero del Diablo and Cono Sur are sparkling premium wines made from Chardonnay and Pinot Noir grapes. The Company also produces a standard sparkling wine made from Chardonnay, Riesling and Chenin Blanc and a Sparkling Moscato made from Moscatel grapes.

Popular Wine. The Company produced approximately 100% of its popular wine from grapes and bulk wine purchased from independent growers. These grapes are vinified at four locations using a process similar to that used for varietal wines. Popular wines are not aged; instead, they are bottled or packaged promptly.

Bulk Wine. Almost all the bulk wine sold by the Company is purchased from outside suppliers.

Sources of Grapes and Purchased Wine

Grapes are the main raw material in the wine making process. In 2010, approximately 67% of the grapes used in the production of premium, varietal and bi-varietal wines were purchased from third parties. In addition, the Company purchased grapes and bulk wine required to produce approximately 100% of its popular wines. Prevailing prices for grapes at harvest time reflect market conditions.

Company Vineyards. In 2010, approximately 33% of the Company's production of premium, varietal and bi-varietal wines was from grapes grown on the Company's owned and leased vineyards in Chile. The Company believes that production of its own grapes offers greater control over costs and quality and improves reliability of supply. To that end, the Company continues to expand its grape production, specially in the premium category, in order to support the volume growth and to be able to improve and control the quality of its wines. The Company's policy is that, to the extent possible, only grapes grown in the Company's own vineyards are to be used to produce the Company's premium wines.

Outside Suppliers. In order to satisfy its need for grapes for the production of premium, varietal, bi-varietal and sparkling wine not otherwise met by its own vineyards, as well as its requirements for grapes and bulk wine for 100% of its popular wines, the Company buys grapes from approximately 859 independent growers in Chile. The identity of such growers, as well as the amounts purchased from them, does not change significantly from year to year and most of these growers have been selling to the Company for many years. The main criteria used to select independent growers are geographic location, the variety of grapes grown and the grower's farming methods. With the objective of assuring quality production, the Company offers its suppliers technical assistance based on rigorous criteria similar to that which is applied within its own wineries. The Company also purchases small quantities of grapes from entities in which several of its directors, executive officers or members of their families have an interest. See Item 7 — "Major Shareholders and Related Party Transactions — Related Party Transactions."

In accordance with Chilean wine industry practice, most of the Company's agreements with growers only cover one year's production and are renewed from year to year. This renewal is not compulsory and depends on the Company's demand and seasonal market prices. In order to minimize the risk of crop loss, the agreements are entered into between January and April each year, after the grapes have begun to mature and the size of the crop can be more accurately estimated. Delivery schedules are agreed upon according to the degree of ripeness of each grape variety. The management of these outside vineyards is directed by the Company's own technical personnel and the Company establishes standards regarding the use of pesticides, cultivation, harvest date, transportation system, sugar, acidity and Ph concentration. Selection of the grapes and approval of their quality is carried out by the Company's technical department. The price of the grapes is proportional to the estimated alcohol content over 12% in the resulting wine. Payment for grapes obtained from independent growers is made mainly in ten interest-free installments throughout the year. In 2010, the Company had long-term contracts with up to approximately 23% of its growers.

Bulk Wine Purchases. The Company purchases wine in bulk from a number of outside suppliers for the wine used in the production of the Company's popular wines. The Company's technical department approves such wine purchases. Payments are traditionally made in ten interest-free monthly installments.

Vinification

The Company seeks to use the latest technology in all areas of vinification while maintaining the wine-making traditions of its founders. The Company has twelve wine-making plants in Chile which turn grapes into premium, varietal and bi-varietal wines. The locations of these plants and their production capacity in 2010 are shown below. Additionally, the Company leases plants, mostly to vinify generic grapes for the production of popular wines.

In Argentina, Trivento owns two plants for the vinification and aging of its wines. Additional capacity to meet its vinification needs is leased from third parties.

Plant	Valley	Production 2009 (in millions of kilograms)	Production 2010 (in millions of kilograms)
Owned - Chile			
Nueva Aurora	Limarí	9.1	11.2
Puente Alto	Maipo	12.9	11.2
Lo Espejo	Maipo	5.6	4.6
Cachapoal	Cachapoal - Rapel	33.1	22.7
Chimbarongo	Colchagua - Rapel	69.9	48.7
Cono Sur	Colchagua - Rapel	12.4	10.7
Peralillo	Colchagua - Rapel	2.3	3.5
Las Mercedes	Colchagua - Rapel	10.2	8.4
Lontué	Curicó	28.4	16.6
Curicó	Curicó	9.7	8.5
Lourdes	Maule	27.0	23.0
San Javier	Maule	35.0	32.6
Total Owned - Chile		**255.6**	**201.7**
Owned - Argentina:			
Trivento	Maipú - Mendoza	11.8	16.8
Tres Porteñas	San Martín - Mendoza	9.5	18.5
Total Owned - Argentina		**21.3**	**35.3**

In addition, the Company's facilities at Pirque have the capacity to produce 10.0 million bottles or 7.5 million liters of sparkling wine per year, with the incorporation of a new production line..

The Company uses a combination of epoxy-lined cement tanks, stainless steel tanks and French and American oak barrels to ferment, age and store its wine. As of December 2010, the Company's total storage and fermentation capacity in Chile was approximately 323 million liters. Total owned capacity in Argentina was 31 million liters. Trivento rents additional storage facilities, as needed, for its operation.

The following table shows the Company's approximate fermentation and storage capacity by type of container for the years indicated:

Type of Container	2008	December, 2009	2010
Chile:		**(in million liters)**	
Epoxy-lined cement tanks	185.4	193.5	216.2
Steel tanks	118.0	118.1	128.2
French and American oak barrels	10.7	11.4	10.9
Chilean wood casks	0.3	0.3	0.2
Total Chile	**314.4**	**323.3**	**355.5**
Argentina:			
Epoxy-lined cement tanks	19.3	17.2	17.2
Steel tanks	10.6	12.5	12.5
French and American oak barrels	0.8	1.0	0.9
Total Argentina	**30.7**	**30.7**	**30.6**

The Company uses American and French oak barrels for the production of all its premium wines, except Late Harvest. Although the use of oak barrels increases the Company's winemaking costs, the Company is certain that it enhances the quality of its premium wines. Oak barrels are purchased in several sizes and are treated prior to delivery in accordance with the Company's needs. Oak barrels are used for up to two years to produce the highest quality premium wines, such as Don Melchor and are then used for another five years to enhance other wines. As of December 2010, the Company had approximately 52,500 French and American oak barrels.

French oak barrels are used to make the Company's premium Don Melchor, Carmin de Peumo, Gravas del Maipo, Amelia, Terrunyo, Marqués de Casa Concha and Trio brand wines, while American oak barrels are used for its premium Casillero del Diablo brand wine. Most of the Company's stainless steel tanks are fitted with cooling systems to prevent wine from losing quality at higher temperatures. All of the Company's stainless steel tanks for use during fermentation are equipped with heating and cooling systems to regulate the temperature in the fermentation process.

Bottling

After vinification and, in the case of premium wines, aging, wine is ready to be bottled. The Company has three bottling plants near the Santiago metropolitan area: Pirque, Lo Espejo and Vespucio plants and a plant in Lontué. The Pirque bottling plant, located 28 kilometers from Santiago, is the Company's principal bottling plant and a large amount of the Company's premium, varietal, bi-varietal and sparkling wines are bottled there. The plant has seven bottling lines (six of them automatic, and one manual) accommodating bottles of 1.5 liter, 1 liter, 750 milliliter, 375 milliliter and 187 milliliter capacities. In addition the plant has one bag-in-box line producing 2 and 3 liters capacity formats. The facility in Pirque is equipped with the most advanced bottling and labeling equipment available and has an installed capacity of 14 million liters per month when operating three eight hour shifts per day, six days a week.

In March 2007, the Company leased a bottling plant from Viña Canepa. This plant has five bottling lines with a capacity of 4.5 million liters per month when operating three eight shifts per day, six days a week. This plant is located in Lo Espejo, in Santiago.

During 2007 the Company added a new bottling plant and logistic center—the Vespucio plant. This bottling plant includes a modern bottling line imported from Italy with a nominal capacity of 12 thousand bottles per hour when bottling 750 milliliter bottles, and 8 thousand bottles per hour when bottling 1.5 liter bottles,. This bottling line is specially designed to work large orders.

The Company's bottling plant in Lontué, located 200 kilometers from Santiago, bottles wine in five liter glass jugs and in 0.5 liter, 1 liter, 1.5 liter and 2.0 liter Tetra Brik packages which are made of several layers of paper, aluminum and polyethylene. Similar packages are used worldwide for juice, milk, wine and other products. The Tetra Brik packaging line is completely automated. The Company has a license from Tetra Pak Chile to utilize the Tetra Brik technology and purchases pre-printed unassembled packages from Tetra Pak Chile. The Lontué plant's Tetra Pak packaging three machines have an installed capacity of 16.9 million liters per month based on three shifts operating eight hours a day, six days a week.

The Company has a quality control department which controls the raw materials used in each bottling plant and tracks the product up to the point of sale through a system of computer coding for each bottle and case produced. The Company also uses electronic monitoring equipment to ensure that bottles are filled to the correct level.

All of the Company's premium and export wines are bottled in new bottles. Cristalerías, a principal shareholder of one of the Company's main competitors, Santa Rita, supplies almost all of the Company's bottles. The Company obtains the remainder of its bottles from other Chilean and Argentine manufacturers. Corks for most wines are produced in Spain and Portugal but are finished by Chilean firms. The Company owns 49.96% of the principal cork supplier, Industria Corchera. See Item 7 — "Major Shareholders and Related Party Transactions — Related Party Transactions." Labels are produced in Chile. Chilean companies supply cases and capsules (the tin, plastic or aluminum covering for the neck of a wine bottle).

The Company believes that, except for bottles and Tetra Brik packages, alternative sources of supply are readily available. The Company believes that it could find alternate suppliers for bottles and Tetra Brik packages, but it could be adversely and materially affected in the short-term. New bottles and preprinted, unassembled Tetra Brik packages are priced in U.S. dollars. Changes in the Chilean peso to U.S. dollar exchange rate could increase the cost of components and have a material adverse effect on the Company.

Storage. The Company has four warehouses for finished wine with the following capacities: Pirque 306,000 cases, the Vespucio logistic center 335,000 cases, the Santa Rosa warehouse 200,000 cases and the Lo Espejo plant 358,000 cases.

Domestic Distribution. The Company has its own direct distribution capacity through its wholly-owned subsidiary, Comercial Peumo. Comercial Peumo has a network of 15 regional offices to service the entire Chilean national territory and 14 Distribution Centers. Its sales force is made up of 138 salespeople, 39supervisors, 2 regional sales managers and 4 sales managers by distribution channel. Comercial Peumo serves approximately 15,000 customers throughout Chile, making it the largest wine-oriented distribution company in Chile. The two largest single customers accounted for approximately 10.4% and 8.9% of the Company's domestic sales in 2010.

A wholly-owned subsidiary, Transportes Viconto, transports bulk wine products between the Company's cellars, production and bottling facilities and delivers wine products to container ships located in Chilean ports. Transportes Viconto relies on an eight truck fleet, with a complement of trailers and tanks that had transported 112 million liters in 2010 between the wine storage locations and the bottling plants.

Company Sales - Chilean Markets

Domestic Wine Sales. The Company's domestic sales in liters, excluding sales of bulk wine, in 2009 and 2010 were approximately 74.2 million liters and 70.4 million liters, respectively, resulting in gross revenues of Ch$53,705 million and Ch$59,100 million, respectively.

The Company's bulk wine sales fluctuate from year to year because the Company sells bulk wine in the domestic market to reduce excess inventories. In 2010, sales of bulk wine represented 0.9% of total wine sales in the domestic market.

The Company is the largest wine producer in Chile and according to AC Nielsen, in 2010, the Company had the largest share of the domestic market with a 30.7% share in terms of volume and a 26.8% share in value. The Company competes in all segments of the branded Chilean market and seeks to keep prices competitive to make its products attractive to consumers. Its variety of brands allows it to target different market segments, from its upscale premium Don Melchor to its popular wine lines, while maintaining a competitive price/quality relationship across the range.

The following tables show the Company's total domestic wine sales in constant Chilean pesos and liters for each of the calendar years indicated:

	Domestic Wine Sales			
	2009		2010	
	Mill. Ch$	%	Mill. Ch$	%
Bottled wine	53,631	99.8%	59,100	99.1%
Bulk	85	0.2%	539	0.9%
Total	**53,716**	**100.0%**	**59,639**	**100.0%**

	2009		2010	
	Th. Liters	%	Th. Liters	%
Bottled wine	74,235	99.8%	70,435	98.4%
Bulk	161	0.2%	1,155	1.6%
Total	**74,396**	**100.0%**	**71,590**	**100.0%**

The Chilean wine market can be divided into segments based on the price of a 750 ml bottle. The Company targets the following market segments: popular wines with prices ranging from Ch$500–999 per liter; bi-varietal (blend) wines with prices ranging from Ch$999–1,490; varietal wines with prices ranging from Ch$1,890–2,499; premium wines with prices ranging from Ch$3,690–5,000; super premium with prices between Ch$6,990–9,990; and ultra premium with prices over Ch$10,000.

Local Brands and Prices. The table below lists the Company's major brands by segments of the Chilean wine market and approximate retail prices for each brand per 750 ml bottle as of April, 2011. Prices do not vary by type of wine within brand category.

Segment	Brand	Approximate Retail Price (As of April 2011 Chilean pesos)
Ultra Premium	Carmín de Peumo	90,000
	Gravas del Maipo	85,000
	Don Melchor	59,000
	Terrunyo	15,000
	Amelia	17,000
Super Premium	Marqués de Casa Concha	9,990
	Gran Reserva Serie Riberas	6,990
Premium	Trio	4,490
	Casillero del Diablo	3,690
	Late Harvest[(1)]	2,390
Sparkling	Subercaseaux	2,490
Varietal	Sunrise	1,890
	Santa Emiliana[(2)]	1,890
Bi-varietal	Frontera	1,490
Popular[(3)]	Exportación	1,305
	Clos de Pirque	1,300
	Tocornal	1,094
	Fressco Cooler	945

(1) Late Harvest is a Sauvignon Blanc dessert wine which is only sold in 375 ml bottles.
(2) The Company has a license from Viñedos Emiliana to bottle and distribute the Company's wine domestically under Viñedos Emiliana's labels.
(3) Popular wine prices are per 1,000 ml.

Local Competition. The Company competes with a number of other Chilean wineries. The Company's competitors in the premium segment are large and medium-sized Chilean wineries, mainly Santa Rita, Viña San Pedro Tarapacá S.A. ("San Pedro"), Bodegas y Viñedos Santa Carolina S.A., Viña Undurraga S.A., Viña Errázuriz S.A. and Cousiño Macul S.A.. The Company also competes, to a much lesser extent, with small Chilean wineries whose production and sales of premium wines are aimed primarily at export markets. Sales in the popular wine segment are concentrated in wines packaged in Tetra Brik packages. For the Chilean industry in 2010, Tetra Brik sales represented approximately 54% of all Chilean sales by volume in the popular wine segment. The Company believes that non-Chilean wineries have negligible sales in Chile because they find it difficult to match the price-value relationship offered by Chilean wineries, especially in the popular wine segment.

Domestic Marketing Strategy

The Company is seeking to increase its market share in all segments of the Chilean wine market, specially in the premium and varietal wine segment. The Company believes it is well positioned within this market due to its portfolio of brands, which it believes successfully competes with other wine producers in all segments of the domestic market. In 2010, we saw increases in sales of the Company's premium wines. We also increased prices for our popular wines , in line with the objective of improving the profitability of our line of products.

In terms of distribution, the strategy of the Company is to be present in all relevant channels for wine sales in Chile, with special focus in supermarkets and the retail channel. Accordingly, the retail sector of the Company has been strengthened both in commercial and marketing terms.

Regarding the portfolio of products, the Company is permanently developing new formats and updating the presentation of its products. Advertising methods and marketing strategies differ depending on whether the targeted segment is comprised of potential consumers of the Company's premium, varietal, bi-varietal, or popular wines. During 2010, the greatest efforts in advertising were focused on strengthening the Clos de Pirque, Casillero del Diablo, Gran Reserva and Marques de Casa Concha brands in the market through mass media campaigns, including television, radio and press.

Domestic Sales – Other Products. In the past few years, Comercial Peumo—the distribution subsidiary for the Chilean local market—has entered into new non-wine businesses, specially in the liquor and beer categories. These categories show strong growth and present an expanded business opportunity for the subsidiary. In April of 2008, Comercial Peumo signed a distribution agreement with SAB Miller—one of the three largest brewers world wide—with the aim of enhancing the Company's presence in the imported premium beer category. Accordingly, since May of 2008, Comercial Peumo has distributed, mainly in supermarkets, Miller Genuine Draft beer. In April 2009, Comercial Peumo signed a distribution agreement with Diageo Chile Limitada and commenced wholesale distribution of Diageo's products in Chile, which include the different domestic distribution channels, except for the largest supermarket chains. The Diageo products covered by the agreement include Johnnie Walker whisky, Pampero rum, Baileys liquors, Smirnoff vodka, Gordons gin and Jose Cuervo tequila.

Comercial Peumo sales of non-wine products in 2009 and 2010 totaled Ch$14,843 million and Ch$20,382 million respectively, with its new business area contributing 21.6% and 25.4%, respectively of sales of Comercial Peumo.

Company Sales - Export Markets

According to the Exporters' Association, exports of Chilean wine totaled Ch$ 726,352 million (approximately US$1,552 million) and 733 million liters in 2010, representing an increase of 12.4% in value and an increase of 5.7% in volume terms, as compared to 2009.

Export Sales and Competition. The Company is the largest exporter of Chilean wines on both a volume and value basis, with market share in 2010 of 24.0% and 27.8% (including bulk) respectively, according to the Exporters' Association. The Company's bottled wine market share by volume and US$ value was 36.6% and 31.5%, respectively, in 2010. The Company's closest Chilean competitor in the bottled export segment, in terms of volume and US$ value, reported the equivalent of 12.2% and 10.5% in terms of volume and US$ value, respectively.

The following table sets forth the Company's export market share among Chilean wine producers, as a percentage of both volume and US$ value for the years 2006 to 2010:

	Export Market Share			
	Total Wine		**Bottled[1] Wine**	
	Volume	**US$ Value**	**Volume**	**US$ Value**
2005	22.6%	24.3%	32.2%	27.2%
2006	21.9%	25.4%	33.4%	28.3%
2007	22.2%	27.4%	34.9%	30.2%
2008	25.4%	28.3%	37.0%	31.4%
2009	23.8%	28.6%	38.4%	32.3%
2010	24.0%	27.8%	36.6%	31.5%

Source: Vinos de Chile, Exporter's Association

(1) Bottled and bag-in-box.

Principal Export Markets. This section describes principal trends and markets for Company sales originated in Chile which include exports to third parties and sales of the Company's distribution subsidiaries in the UK, Nordic countries,Brazil and Singapore. Company sales in the export market are distributed among the premium, varietal, bi-varietal, sparkling and popular wine segments. The Company also sells bulk wine abroad.

The Company's bottled export sales in volume in 2009 and 2010 totaled 158 million liters and 171 million liters, respectively, resulting in revenues of Ch$251,349 million and Ch$260,199 million in 2009 and 2010, respectively.

As of December 31, 2010, the Company's principal regional export markets were Europe, the United States, South America, Central America, Asia and Canada. Each market is unique and there are differences within markets due to variations in local regulations.

Wine Sales in Export Markets

	2009		2010	
	Mill. Ch$	**%**	**Mill. Ch$**	**%**
Bottled wine	250,910	98.9%	260,199	99.5%
Bulk	2,795	1.1%	1,346	0.5%
Total	**253,705**	**100.0%**	**261,545**	**100.0%**
	Th. liters	**%**	**Th. liters**	**%**
Bottled wine	158,175	96.3%	170,927	98.2%
Bulk	6,072	3.7%	3,192	1.8%
Total	**164,247**	**100.0%**	**174,119**	**100.0%**

Percentage of Export Sales by Volume to Regional Export Markets (excluding bulk wine sales)

Market	**2008**	**2009**	**2010**
Europe	52.0%	53.1%	52.4%
United States	17.9%	17.8%	15.6%
Central America, Mexico and the Caribbean	9.0%	8.4%	9.2%
South America	7.9%	7.4%	8.2%
Asia	7.3%	7.4%	8.3%
Canada	4.4%	4.1%	4.2%
Africa/Other	1.5%	1.8%	2.1%
Total	**100.0%**	**100.0%**	**100.0%**

Sales in Export Markets by Volume to Regional Markets

	2008 Th. liters	2009 Th. liters	2010 Th. liters	Var % 2009-08	Var % 2010-09
Europe	75,592	84,025	89,488	11.2%	6.5%
United States	26,000	28,128	26,664	8.2%	-5.2%
Central America, Mexico and the Caribbean	13,075	13,253	15,760	1.4%	18.9%
South America	11,572	11,699	14,027	1.1%	19.9%
Asia	10,661	11,714	14,264	9.9%	21.8%
Canada	6,421	6,556	7,186	2.1%	9.6%
Africa/Other	2,147	2,800	3,539	30.4%	26.4%
Total	**145,468**	**158,175**	**170,927**	**8.7%**	**8.1%**

Europe. In 2010, sales to Europe increased by 6.5% in volume terms to approximately 89.5 million liters or 52.4% of Company sales volume in export markets. The Company's European markets can be subdivided into three areas: Germany and non-wine-producing Western Europe, wine-producing Western Europe (except Germany) and Eastern Europe.

The Company believes that greater market opportunities exist in the United Kingdom, non-wine-producing countries of Western and Eastern Europe and Germany. For these countries, in 2010, the order of importance by sales for the Company was as follows: the United Kingdom, Sweden, Denmark, the Netherlands and Russia. Among these countries, the Nordic countries (Finland, Sweden, Norway and Iceland) operate under a state-controlled system where each state purchases wine and sells it in its own stores at the retail level. The Company anticipates that in the future, the monopoly system in these countries may be replaced by a private or semi-private sales structure, but believes that because its brands are well known in these areas, the Company's sales will not be adversely affected as a result. There can be no assurance, however, that such a regulatory change would not have a material adverse effect on the Company's sales to such markets. During 2009, the Company started the operations of its own distribution subsidiaries in the Nordic countries of Sweden, Finland and Norway. These subsidiaries are responsible for the distribution of Concha y Toro, Viña Maipo, Trivento and Los Robles wines in these markets. Total sales in these markets in 2010 reached 11.3 million liters, representing a 4.7% decrease as compared to 2009 in terms of volume.

In the United Kingdom, the Company continues to broaden direct distribution to all market segments (i.e. multiples, specialists, cash and carry, wholesalers and independent vendors) and promote on-premise consumption (e.g., sales to restaurants), through its Concha y Toro, Viña Maipo, Cono Sur Trivento and Palo Alto brands. The impact of the severe economic contraction in this market led to strong demand in the lower-priced categories and promotional offers. The strength and breadth of the Concha y Toro UK portfolio enabled it to meet this demand with a highly-competitive offer centered on the brands Isla Negra, Viña Maipo and Frontera. Although expensive promotion activities were not taken on behalf of Casillero del Diablo, it experienced a small volume growth in 2010, due to steady distribution gain in the convenience sector. In 2010, Company's sales in the United Kingdom grew by 6.3% to 5 million 579 thousand cases, compared to a market that decreased 2% in terms of volume, which is a reflection of years of investment in the United Kingdom market, where the Company has developed strong brand recognition based on quality and competitive pricing.

The Company's marketing strategy in Germany and the non-wine-producing countries of Western and Eastern Europe focuses on expanding the premium wine segment, particularly with the Casillero del Diablo brand and building brand recognition. Sales to Continental Europe showed growth of 5.0%, reflecting the beginning of a recovery from the economic recession experienced during 2008 and most of 2009. The Company sees great potential in this region, with the exception of important wine producing countries such as Georgia, Hungary, Bulgaria and Moldova.

In the major wine-producing countries of Western Europe (e.g., Italy, France, Spain and Portugal), where the Company faces greater competition, the Company's marketing strategy is to shift from sales of small quantities of super-premium wines to higher volume sales of premium wines in the off trade (supermarkets and wholesale chains).

United States. Sales volume to the U.S. market, including exports from Chile and Argentina, accounted for approximately 30 million liters in 2010 and 16.2% of sales volume in export markets. Volumes decreased 1.7% in 2010, mainly as a result of a 6.4% drop in the *popular premium* category with a positive performance by the *super premium* category, with an increase of 18.7% in volume. According to the Exporters' Association, in 2010 the U.S. market represented 16% of total Chilean bottled exports, being the second market in volume, and the Company was the leading Chilean exporter to the United States, with a market share in volume at 38.9% of total Chilean wine exported to the US. Wine markets worldwide are divided into segments according to the price range of the wines and competitors differ from one segment to another. According to the wine classification method generally used in the U.S. market, the Company believes that the following wine categories are a representation of the wines sold by the Company in the United States: ultra premium, super premium, premium and popular premium. The Company believes that the Company's wines would be classified within such categories as follows: *ultra premium* —Don Melchor, Amelia and Terrunyo; *super premium*—Marqués de Casa Concha and Gran Reserva Serie Riberas; *premium*—Trio, Casillero del Diablo, Palo Alto and Xplorador; and *popular premium*—the Company's varietal wines and bi-varietals, including Sunrise, Frontera and Viña Maipo varietal wines, among others.

The Company and its Chilean competitors are increasing their participation in the premium segment and establishing a strong presence in the varietal and bi-varietal segments. The Company's strategy is to focus on sales within the premium and varietal categories. In the United States, the Company's greatest market strength is in the varietal and bi-varietal segments due to the Company's competitive price/value relationship. See Item 4 — "Information on the Company — Business Overview — Export Marketing Strategy."

In the United States, the Company's products principally compete with other Chilean wines, as well as Californian wines and wines imported from Italy, France, Australia, Spain, Germany, Portugal, Argentina and other wine-producing countries.

Central America, Mexico and the Caribbean. The Company's 2010 sales volume to Central America, Mexico and the Caribbean totaled 15.8 million liters or 9.2% of the Company's exports. The primary markets for the Company's products in this region are Mexico, Costa Rica, Panama and the Dominican Republic. The Company has marketed its wines for more than twenty years in most of the countries in this region and the Company believes it is the largest Chilean exporter of bottled wines in all of these countries. Sales in volume terms increased by 18.9% in terms of volume, showing a strong recovery in volumes after the economic downturn of 2008 and most of 2009.

South America. In 2010, sales to South America increased by 19.9% in volume terms to approximately 14.0 million liters or 8.2% of the Company's total exports. Annual sales in Brazil increased 82% in terms of volume, as compared to 2009, confirming our decision with respect to this market's potential. The Company is currently the leading Chilean wine exporter to most of the South American countries, with the exception of Paraguay and Venezuela. In each of these countries, the Company's products are sold through exclusive local distributors, with the exception of Brazil where the Company opened a distribution subsidiary at the end of 2008, and in some countries, the Company's secondary brands are sold by different distributors.

Historically, export sales to South America have been limited by economic conditions. Chilean wines have traditionally enjoyed favorable customs treatment in South American countries compared with wine produced by nations outside of the region. This advantage may end as these countries lower their tariffs or follow the global trend toward open market economies.

Recently the Brazilian government has imposed some trade barriers in the form of stamp duties. At this time we are unable to predict the impact of these stamp duties on the Company's exports to Brazil.

Canada. In 2010, the Company's sales to Canada increased 9.6% to approximately 7.2 million liters or 4.2% of the Company's exports. Canada is the fourth largest national export market for the Company in volume and value terms.

The Canadian market is governed by provincial monopolies in nine of the ten provinces and the three territories. The monopolies (or liquor boards) buy and sell all imported (bottled) and locally produced liquors and wines. Each province is autonomous and each provincial liquor board has its own regulations and policies. Each liquor board is also responsible as guarantor of payments to its suppliers. Because the Canadian market is a controlled market, the buying system is highly concentrated and the marketing policies are strictly regulated. The Company believes that even if privatization of the provincial monopolies takes place, its sales will not be adversely affected because its brands are well-known in Canada. However, there can be no assurance that privatization would not have a material adverse effect on the Company's sales to the Canadian market.

Asia. The Asian market accounted for approximately 14.3 million liters in 2010, equal to 8.3% by volume of the Company's exports. In 2010, sales volume to Asia increased 21.8% and 27.7% in value consistent with our objective of increasing sales in terms of value at a faster pace than volume. Japan's growth was relevant to this accomplishment and the increase in value in the rest of Asia was significant, specially in China, Hong Kong, South Korea and Singapore. In 2010, the continued work on brand building and promotional support, fundamental for our strategy of increasing the Company's presence and value in the region, resulted in the opening of our own local regional distribution company based in Singapore.

Other. The Company's 2010 sales to countries in Africa and elsewhere totaled 3.5 million liters or 2.1% of the Company's exports by volume. The largest market in this category is Mozambique.

Bulk Wine Exports. In 2010, the Company sold 3,192 thousand liters of bulk wine overseas, primarily to the United Kingdom, representing 1.8% of its exports by volume. Bulk wine sales is a spot business with no long-term commitments. Sales depend on price and availability of wine in Chile and other wine growing countries. The Company purchases almost all of the bulk wine it exports from outside suppliers. The Company expects bulk wine sales to diminish in significance as it continues to promote bottled wine sales. However, bulk wine sales may continue in countries depending on price, demand and availability for such wines.

Distribution in Export Markets. The Company's products are distributed in approximately 135 countries by independent distributors, including four governmental liquor authorities. In most countries, the Company sells wine through a second and third distributor under the brand names of its subsidiaries Cono Sur, Maipo and Canepa. The Company sells "F.O.B. Chilean port" to its distributors in export markets.

In 2010, the United Kingdom, the United States, Japan, Canada and Brazil were the Company's five largest national export markets and accounted for 57.8% of the Company's exports by volume and 54.2% by value. The Company believes that its success in export markets is based on developing good relationships with established distributors and the good price-to-quality ratio of its products. The Company has written agreements with most of its distributors.

Independent Distributors. The Company's exclusive agent and importer in the United States is Banfi, which imports and re-sells the Company's products to distributors who service all 50 states. Banfi was the Company's largest single customer in 2010, purchasing approximately 2.8 million cases of wine which represented 15.3% and 13% of the Company's Chilean export sales by volume and value, respectively. The Company has a renewable 20-year contract with Banfi which expires in 2013. The contract prohibits the Company from selling to any other U.S. importer and prohibits Banfi from carrying other Chilean wines without the Company's approval. Banfi carries a number of competitors' products, including Riunite, one of the best-selling imported wines in the United States and Viñedos Emiliana. Banfi also imports wines produced by its own wineries in Italy. The Company and Banfi share the U.S. marketing costs for the Company's wines.

Government Liquor Authorities. In Canada and the Nordic countries, the Company's wine is sold through government liquor authorities. In such countries, products may be offered as a general listing or a specialty listing. General listings are those that are purchased by liquor boards on a regular basis and require a minimum sales level per period (which varies depending on the Canadian province and from country to country in the Nordic countries). Sales to government liquor authorities represented 11.3% and 14.0% of the Company's export sales by volume and value, respectively, in 2010. In all provinces in Canada, the Company operates with agents that work on a commission basis and are responsible for promotion and public relations. The exceptions are Alberta and British Columbia where the local liquor boards are buying from our agents or distributors.

Own Distribution Subsidiaries. In the United Kingdom, the Company's wholly-owned subsidiary Concha y Toro UK distributes all brands of the Company and its subsidiaries, including Concha y Toro, Cono Sur and Isla Negra, Viña Maipo, Palo Alto and Trivento.

In 2008, Concha y Toro established distribution subsidiaries in Brazil, Sweden, Finland and Norway in order to strengthen its sales in those countries. These subsidiaries started their operations during the first quarter of 2009. The Nordic subsidiaries commercialize all of the Group brands including the Argentine portfolio with the exception of Cono Sur and Canepa. In Brazil, a third party distributor also sells some brands of the Company. In 2010, the company established a distribution subsidiary for the asian market, based in Singapore, which began trading in the last quarter of 2010.

Export Marketing Strategy

Concha y Toro's export strategy seeks to sustain attractive growth rates and achieve increasingly higher brand penetration and visibility in different markets and increase consumer awareness. With this goal in mind the company has developed a broad product portfolio which participates in all market segments by offering high quality wines at competitive prices, with growing brand preference and ample recognition by influential wine critics.

At the same time the Company has diversified its market scope by developing a portfolio of subsidiary wineries with the aim of reaching more consumers and strengthening its distribution channels. Its main subsidiaries are Viña Cono Sur, Viña Maipo, Viña Palo Alto, Viña Maycas del Limarí and Trivento Bodegas y Viñedos.

Another key part in the Company's export marketing strategy has been to diversify its export markets on a regional basis. Diversification helps protect against economic and in some cases political, changes which may affect the market for the Company's products. In particular, the Company has expanded its sales to Asian, African, Eastern European and Middle Eastern countries, where the consumption of wine is increasing. The Company has a strong distribution network and has developed long term relationships with its international distributors. This has enabled it to invest together with its business partners in brand building and market growth.

The Company may from time to time seek to strengthen distribution of its products by taking a direct role in distribution within a region or country. The Company may also take these steps in order to increase penetration and knowledge of these markets.

The Company is seeking to focus future growth in export markets on the sale of premium and varietal wines. The Company believes future growth is possible if the Company is successful in the following efforts:

- improving the quality of its wines as a result of state-of-the-art technology used by the Company in the vinification process and vineyard management;

- increasing production from current and new vineyards;

- changing perception of consumers, specially in the United Kingdom and the United States, with respect to the quality of Chilean wines, thereby creating a growth opportunity for the Company for its premium and higher-priced wines;

- launching new products;

- marketing efforts and upgrading packaging for all product lines with a special focus on its global brand Casillero del Diablo; and

- promotional and advertisement campaigns seeking consumer engagement, including on-premise sales (e.g., sales to restaurants).

The Company believes that there is a trend towards the consumption of premium wines from Chile and certain varietal wines in particular, in its major export markets, principally the United States, Europe, Asia and Canada. The Company has tailored its new grape plantings to respond to this trend. See Item 4 — "Information on the Company — Business Overview — Vineyards."

Seasonality

The Company has experienced and expects to continue to experience seasonal fluctuations in its revenues and net income. Both domestic and export wine sales tend to be lower during the first quarter of the year and higher during the third quarter, in anticipation of the year-end holiday period. Sales volumes also typically decrease if distributors begin a quarter with larger-than-normal inventory levels, which is usually the case in the first quarter of the year. For these reasons, the operating results of the Company in any one quarter of the year may not be indicative of the year-end results or the results of any other quarter.

Company Sales - Argentina

Argentine Business. In 1996, Concha y Toro began operations in Argentina with the establishment of Trivento winery, located in Mendoza. In recent years the subsidiary has experienced important growth and has become Argentina's third largest export winery in terms of volume, with an 7.5% market share of all bottled wine exported from Argentina in 2010. The operating assets of Trivento primarily include a total of 1,290 hectares of land, with 1,068 hectares planted, cellars with a capacity of 31 million liters and other wine-making equipment. In 2010, Trivento had revenues of Ch$28,839 million (approximately US$55 million) and sales of 2.6 million cases.

Trivento exports amounted to Ch$ 19,365 million and shipments of 1.8 million cases, representing a 5.3% increase in value and an increase of 7.1% in the volume exported. In line with its objectives, the average price decreased by 1.7%, reflecting a price strategy that sought to protect the value of its brands.

Domestic sales were Ch$ 8,663 million, with a volume of 863 thousand cases, with a decrease of 0.9% in value and 6.6% in volume, partly explained by the domestic economic conditions. Sales in the domestic Argentine market are concentrated in the popular bottled category and represent less than 1% of total Argentine domestic consumption.

Trivento Winery - Sales by Volume

	Export volume (cases)	Domestic volume (cases)
2005	1,238,000	548,200
2006	1,416,000	700,000
2007	1,528,000	864,000
2008	1,675,000	943,600
2009	1,636,000	924,000
2010	1,753,000	863,000

Affiliated Companies

Viña Almaviva. In 1997, the Company and Rothschild S.A. formed a joint venture company, Viña Almaviva, to produce a "*Primer Orden*" or first-growth wine in Chile. The Company contributed approximately 40 hectares of producing vineyards located at Puente Alto, Maipo Valley in exchange for 50% of the capital stock of Viña Almaviva.

In 2010, Viña Almaviva had revenues of Ch$3,977 million, representing an increase of 15%, compared to Ch$3,457 million in 2009. This resulted from a 18.7% increase in sales volume –mainly explained by higher volumes in the US market. Almaviva's main markets are Korea, Japan, China, Switzerland and the United States. In 2010 and 2009, the Company recognized participation in net income from Viña Almaviva of Ch$432 million and Ch$339 million, respectively, in accordance with the equity method.

Industria Corchera. In November 2000, the Company acquired 49.6% of Industria Corchera. Currently the Company's share in Industria is 49.96%. In 2010, Industria Corchera's total sales amounted to Ch$12,540 million, representing a 1.7% decrease compared to Ch$12,758 million in 2009. The Company in 2010 and 2009 recognized participation in net income from Industria of Ch$551 million and Ch$394 million, respectively, in accordance with the equity method.

Southern Brewing Company Inc. ("Kross Beer"). In May 2011, the Company acquired 40% of the total shares of Kross Beer. The total price of the shares acquired amounted to Ch$1,400 million. As this transaction occurred after the year end, it has not been reflected in the Company's Consolidated Financial Statements.

Government Regulation

Chilean Regulation. The Company is subject to the full range of governmental regulations generally applicable to companies engaged in business in Chile, such as labor laws, social security laws, public health, consumer protection, environmental laws, securities laws and anti-trust laws, as well as regulations to ensure sanitary and safe conditions in the production, bottling and distribution of beverages. The main regulatory entity for Chilean *sociedades anónimas* is the *Superintendencia de Valores y Seguros de Chile* ("Superintendency of Securities" or "S.V.S.").

Alcoholic Beverages Regulations. The Company is subject to regulation in the production and distribution of alcoholic beverages. Chilean law regulates which beverages come within the scope of regulation as "alcoholic beverages," the type of alcohol which can be used in the manufacture of alcoholic beverages, the additional products that can be used in the production of certain alcoholic beverages and the packaging and labeling and procedures that must be followed to import alcoholic beverages. The manufacturing and bottling of alcoholic and non-alcoholic beverages is also subject to supervision by the National Health Service, which inspects plants on a regular basis.

Chilean law requires a license for the manufacture and sale of alcoholic beverages and the Company believes it has all the licenses necessary for its business.

There are currently no material legal or administrative proceedings pending against the Company pertaining to any Chilean regulatory matter and the Company believes that it is in compliance in all material respects with all applicable statutory and administrative regulations relating to its business.

Environmental Regulation. The Chilean Constitution of 1980 grants all citizens the right to live in an environment free of pollution. It further provides that it is a State's duty to enforce this right and to protect the environment. The Chilean Constitution also provides that citizens can file a complaint with the corresponding Court of Appeals seeking review of government and private party actions on the grounds that such actions infringe the citizens' rights to a clean environment.

In 1994, the Chilean Congress enacted the Law No. 19300, which was recently amended by Law No. 20417 published in January 2010 (the "Environmental Framework Law"). The Environmental Framework Law sets forth that any new project or activity or modification to an existing project or activity that may have an impact on the environment requires a favorable environmental impact assessment. The Environmental Framework establishes the basic framework and regulates all major activities that may likely have an environmental impact. It also contemplates an Environmental Impact Assessment System (EIA System).

The Environmental Framework Law also establishes environmental liability standards, according to which perpetrators of environmental damage are liable to compensate the victims and restore the environment.

A new Environmental Ministry having the responsibility of defining all environmental policies and strategies, was formally created (pursuant to Law 20417. The Ministry has an Under Secretariat with six different divisions to undertake various environmental matters. Along with the new Ministry, the law also created the Environmental Impact Evaluation Service (EIES), which is in charge of environmental authorizations and permits and coordinates the actions of all governmental entities that are required to be involved in the EIA System.

U.S. Regulation. The sale of wine in the United States is subject to extensive regulation covering virtually every aspect of the Company's operations, including marketing, pricing, labeling, packaging and advertising. State agencies regulate the delivery and use of all alcoholic beverages within their jurisdictions, while the federal government, through the Bureau of Alcohol, Tobacco, Firearms and Explosives, is responsible for the regulation of imports through permit requirements and label approval processes. Importers of wine to the United States are required to obtain various licenses, bonds and permits, including a federal Importer's Permit, to comply with the regulations of all such agencies.

In 1997, U.S. and Chilean news organizations announced that members of the California wine industry had petitioned the U.S. Department of Commerce to impose trade sanctions against Chilean wine producers. These rumors have been denied by the California Association of Wine Grape Growers and other industry officials and, to date, no allegations of violations of U.S. antitrust laws have been announced by any U.S. federal or state agency. There can be no assurance, however, that no U.S. federal or state agency will commence any action and/or impose any trade sanctions relating to alleged violations of U.S. antitrust laws.

The Company believes it is in compliance in all material respects with all presently applicable U.S. federal and state regulations.

Trademarks. The Company has Chilean registrations for the principal trademarks used in its business, including Concha y Toro, Don Melchor, Amelia, Terrunyo, Trio, Casillero del Diablo, Sunrise, Frontera, Tocornal, Maipo, Fressco and San José. Trademarks registered by subsidiaries include Cono Sur, Isla Negra, Palo Alto, Maycas del Limarí and Trivento. While the Company also has foreign registrations for many of these trademarks in most of its principal export markets, it does not have registrations for all of its trademarks in all of its export markets. As a result of the Fetzer acquisition the Company acquired a portfolio of brands which includes: Fetzer, Bonterra, Five Rivers, Jekel, Sanctuary and the license of the brand Little Black Dress wines. The Company believes that its brands and trademarks are important to its business and is seeking to protect them through registration in many countries where they are not currently recorded.

C. Organizational Structure

The following table lists the significant subsidiaries and affiliates of the Company, the percentage of direct and indirect ownership by the Company and the respective country of incorporation:

Subsidiary	Direct and Indirect Ownership	Country of Incorporation
Inversiones Concha y Toro Ltda.	100%	Chile
VCT Internacional Ltda.	100%	Chile
Comercial Peumo Ltda.	100%	Chile
Viña Cono Sur S.A.	100%	Chile
Sociedad Exportadora y Comercial Viña Maipo Ltda.	100%	Chile
Sociedad Exportadora y Comercial Viña Canepa S.A.	100%	Chile
Viña Maycas del Limarí Ltda.	100%	Chile
Transportes Viconto Ltda.	100%	Chile
Viña Palo Alto Ltda.	99.99%	Chile
Concha y Toro UK Limited	100%	United Kingdom
Cono Sur Europe Limited	100%	United Kingdom
Trivento Bodegas y Viñedos S.A.	100%	Argentina
Finca Lunlunta S.A.	100%	Argentina
Finca Austral S.A.	100%	Argentina
VCT Brasil Importación y Exportación Limitada	100%	Brazil
Concha y Toro Sweden AB	100%	Sweden
Concha y Toro Finland OY	100%	Finland
Concha y Toro Norway AS	100%	Norway
Viñedos Los Robles SPA	100%	Chile
Viña Almaviva S.A.	50%	Chile
Industria Corchera S.A.	49.96%	Chile
Concha y Toro Shanghai (Representative Agency)	100.0%	China
VCT Group of Wineries Asia Pte. Ltd	100.0%	Singapore

D. Property, Plant and Equipment

The Company’s headquarters are located at Nueva Tajamar 481, Las Condes, Santiago. The Company owns 15,348 hectares and leases 640 hectares of land throughout Chile and owns 1,290 hectares of land in Argentina. Of these, approximately 11,149 hectares are suitable for planting vineyards and as of December 2010, of which, 9,513 hectares were planted with vineyards. A majority of the remaining 4,199 hectares are comprised of roads, hills and riverbanks. The remainder is used for vinification and bottling plants, cellars and other buildings. None of the Company’s properties that are material to its business are mortgaged or otherwise encumbered.

As described in the section Item 4 — “Information on the Company — Business Overview — Vineyards.”, the Company leases 807 hectares, comprising three leases in the Maipo Valley, three leases in the Casablanca Valley and two leases in Colchagua Valley for its Cono Sur winery. All of these are long term leases expiring between 2013 and 2036.

As for equipment, the Company's main assets include harvesting machinery, grape crushers, concrete and stainless steel tanks and barrels. As of December 31, 2010, Concha y Toro's aggregated winemaking and cellaring capacity in Chile was approximately 355.5 million liters including 48.5 thousand barrels. In the Mendoza region, Viña Trivento owns two vinification and cellaring facilities and a bottling plant with a total capacity of 30.6 million liters.

The earthquake on February 27, 2010 affected production and storage facilities. See Item 5 — "Operating and Financial Review and Prospects — Overview", which to date have been completely repaired.

Comercial Peumo leases warehouses in Iquique, Antofagasta and Los Angeles for distribution. The Company leases plants for vinification of popular wine from purchased grapes. The Company believes it would be able to obtain replacement properties at acceptable costs for its leased vineyards, warehouses and vinification plants should its leases not be renewed. See Item 4 — "Information on the Company — Business Overview — Vineyards."

Although the Company believes that it is in compliance with all applicable environmental regulations, it is still in the process of improving the water treatment systems in all of its manufacturing plants. The Company has water treatment plants or systems, owned or contracted to third parties, in all of its plants. During 2009 and 2010, the Company invested in water treatment plants resources amounting to Ch$580 million and Ch$738 million, respectively. Total investment in assets oriented to the improvement of the environment totaled Ch$2,672 million and Ch$2,528 million in 2009 and 2010, respectively.

ITEM 4A: UNRESOLVED STAFF COMMENTS

Concha y Toro is a large accelerated filer, as defined in Rule 12b-2 of the Exchange Act. As of the date of the filing of this Annual Report, the Company does not have any unresolved comments from the Securities and Exchange Commission staff regarding its periodic reports under the Exchange Act.

ITEM 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

This section provides an assessment by management of the most significant trends and changes in the Company's financial condition and results of operations. Historical results are not necessarily indicative of future performance. Forward-looking statements presented in this section are subject to a number of factors that may cause future results to differ materially from those foreseen.

Overview

Concha y Toro is principally a vertically-integrated wine producer. The Company is the largest producer of wine in Chile and also owns a winery in Argentina, Viña Trivento. The Company is Chile's leading bottled wine exporter, top-selling winery in the domestic market and the number three bottled wine exporter by volume from Argentina.

The Company faces certain key challenges which involve an element of associated risk. Competition in strategically important markets is increasing in tandem with higher supplies of wine and larger efforts to market wines from producer countries. In an effort to sustain sales growth under such conditions, the Company has a product portfolio offering a highly attractive price to quality ratio. In addition, Concha y Toro has allocated further funds to the strengthening of its brand name and for the advertisement and marketing of its products in its main markets as well as expanding and fortifying its distribution channels.

Significant factors which impacted the Company's operating results include sales development in both foreign and domestic markets, pricing of its principal raw material—the cost of grapes—and exchange rates.

After 2009, in which the wine industry was seriously affected by the global financial crisis and the economic deceleration, 2010 was beginning to show a recovery both in prices and in volume. In the Company's principal markets, in 2009 the wine market showed adjustments in consumption and a generalized tendency toward lower-priced products. The strength of the Company's business strategy, plus its wide range of wines and an efficient costs structure, enabled it to respond effectively to these market needs. Our wide portfolio of products, marketing strategy, and distribution network have enabled the Company to recover its growth trend in 2010, particularly in premium wines.

Consolidated sales in 2010 were Ch$374,019 million, representing a 5.5% increase over 2009. A positive performance in both the external markets increasing 2.9% by value and in the domestic market (wine and other products) growing 16.6% by value contributed to this result.

Company sales outside of Chile represented 77% of the sales revenues and were denominated in foreign currency, mainly in United States dollars, Sterling Pounds, Euros, Canadian dollars, Argentine pesos, Brazilian reais and Swedish and Norwegian crowns. In general, the strengthening of the Chilean peso against these currencies has an adverse impact in the results of the Company. To mitigate the impact of this scenario as much as possible, the Company is applying a multi-currency strategy, in line with its diversification in sales and takes forward positions as part of its hedging strategy.

In 2010, Concha y Toro had a net income of Ch$41,919 million, representing a 7.4% decrease from 2009. This result summarizes a successful commercial management in a difficult scenario, plus a favorable result from currency management, a central part of the company's business, as described above, counterweighted by the strong appreciation of the Chilean peso , increases in the price of grapes, as a result of a strong demand, and losses in stock of bulk wine resulting from the February 2010 earthquake.

We believe the Company to be highly competitive in its major markets. Concha y Toro has a high profile brand name and competitive economies of scale. The principal measure for sustaining future growth involves ongoing investment in vineyard development and cellar capacity to raise overall production capacity and a permanent sales and marketing investment in an increasing competitive industry.

Introduction of International Financial Reporting Standards

In conformity with SVS Circulars No. 427, dated December 28, 2007 and No. 485, dated November 19, 2008 which relate to the process for adopting IFRS, the Company presented its financial statements in 2009 as proforma financial statements (not comparative to 2008 financial statements).

The Company reported its first quarter 2010 results as of March 2010 under IFRS for the first time, using January 1, 2010 as the IFRS adoption date. The Company has elected to compare 2010 results only with the 2009 results, using January 1, 2009 as the IFRS transition date. Previous results are not available under IFRS due to impracticability.

A. Operating Results

The following discussion should be read in conjunction with the Consolidated Financial Statements, including the Notes thereto, included in Item 18 herein. The Consolidated Financial Statements are prepared in accordance with IFRS. The following table sets forth selected Company income statement data expressed as a percentage of revenues for the years indicated, as well as year-to-year percentage changes covering the respective periods.

	Year Ended December 31,		% Change
	2009	2010	2010/2009
Revenues	100.0%	100.0%	5.5%
Cost of sales	(63.0)	(64.6)	8.2
Gross profit	37.0	35.4	1.0
Selling and administrative expenses	(23.9)	(23.3)	3.1
Operating income	13.2	12.1	-2.9
Non-operating income	0.5	0.6	33.8
Non-operating expenses	(1.6)	(1.0)	-35.6
Price-level restatement and foreign exchange losses, net	3.6	2.2	-35.9
Income tax	(2.7)	(2.6)	1.3
Net income	**12.8**	**11.2**	**-7.4**

Revenue Breakdown
(million Ch$ as of December 31, 2010)

	Year Ended December 31,		% Change
	2009	2010	2010/2009
Domestic market – wine	53,715	59,639	11.0%
Domestic market – other products	14,824	20,382	37.5%
Export markets	253,705	261,545	3.1%
Argentina domestic	8,723	8,761	0.4%
Argentina exports	15,656	16,869	7.7%
Other	6,971	6,822	-2.1%
Total revenues	**353,594**	**374,018**	**5.8%**

	Sales of Bottled Wine Breakdown		
	Sales (in million Ch$)		Change
	2009	2010	2010/2009
Domestic market – wine	53,631	59,100	10.2%
Export markets	250,910	260,199	3.7%
Argentina domestic	8,723	8,663	-0.7%
Argentina exports	15,656	16,869	7.7%

	Sales (in thousand liters)		
	2009	2010	2010/2009
Domestic market – wine	74,235	70,435	-5.1%
Export markets	158,175	170,927	8.1%
Argentina domestic	8,313	7,768	-6.6%
Argentina exports	12,421	13,700	10.3%

Year ended December 31, 2010 compared to year ended December 31, 2009
Figures expressed in Chilean pesos (Ch$)

Revenues. Total revenues increased 5.5% to Ch$ 374,018 million from Ch$354,419 million in 2009. Growth was led by an increase in volume in export markets and a good performance in Chile for both wine and other products, the latter resulting from increased sales in new businesses.

Domestic Market Wine. Total domestic wine sales (including bulk) increased 10.9% to Ch$59,639 million in 2010 from Ch$53,790 million in 2009. Bottled domestic wine sales increased 10.0% to Ch$59,100 million in 2010 from Ch$53,705 million in 2009. This result reflects a 5.1% decrease in volumes and a 16.0% higher average price. Bottled wine sales volumes in the domestic market totaled 70.4 million liters. Sales of bulk wine during the period totaled 1,155 thousand liters, which is equivalent to Ch$539 million.

Popular wine sales decreased 4.8%, due to the increase in average prices of 15.4%. We highlight the 18% growth in the premium category in value, driven by larger volumes of Casillero del Diablo and Marques de Casa Concha.This result therefore reflects the achievements of a focus on this segment which has sought to protect the value of our brands and focus ourselves strongly on wholesalers, liquor stores and trade channels (such as restaurants, caterers, hotels, bars and pubs).

According to AC Nielsen, domestic volumes for the industry showed an increase of 1.9 % during the year. In this scenario, Concha y Toro decreased its market share marginally by 0.8 percentage points in 2010, reaching a market share of 30.7% in volume terms.

Domestic Market–other products. Domestic sales of other products comprise the sales of liquors and premium beer carried out by the domestic distribution subsidiary Comercial Peumo, which totaled Ch$20,382 million in 2010. This represents a 37.3% increase, explained by the increase in volume and distribution of liquors and imported and domestic premium beer, following the addition of the Diageo liquor portfolio since May 2009.

Export Revenues. Total export sales (including sales of bulk wine) from Chile totaled Ch$261,545 million, representing an increase of 2.9%.

Export sales of bottled wine increased 3.5% totaling Ch$260,199 million as compared to Ch$251,349 million. This increase was driven by an 8.1% increase in volumes sold and a 4.2% decrease in average export prices in Chilean pesos, due to the appreciation of the Chilean peso against all major export currencies. In US dollars, export sales from Chile increased 12.3% totaling Ch$ 239,153 million (approximately US$ 511.0 million).

In 2010, the Company's volumes increased 8.1%, with sales of 19 million cases as compared to 17.6 million cases in 2009. In a difficult economic environment that affected consumption in 2009, we highlight the growth achieved by the Company in key markets such as the UK, Asia and Latin and Central American countries, specially in Brazil.

Sales volumes in the UK rose 6.3%; the strength and diversity of the group's portfolio allowed Concha y Toro UK to adapt to the needs of the market, offering highly competitive deals on the Isla Negra, Vina Maipo and Frontera lines. The Company was able to meet the requirements of our customers while at the same time protecting the positioning of our premium brands.

Shipments to Asia grew 21.8% following strong volumes in Japan, China and South Korea. In the US, sales decreased 5.2%. Sales to Canada edged up 9.6%.

Sales volume in continental Europe increased 6.7%; in this region volumes were impacted by weak economic conditions in 2009, but the beginning of a recovery in volumes was noted in the second half of 2009, and 2010 in general was a recovery year in terms of consumption in these markets. Central America/Caribbean and South America sales grew 18.8% and 20%, respectively, with strong sales in Mexico and Brazil.

Argentine Operations. Stable sales revenues at Ch$25,630 million were recorded at our Argentine business; export sales grew 7.5% while domestic sales growth was mainly flat.

In 2010, Trivento's exports of bottled wine totaled Ch$ 16,869 million with shipments of 1.5 million cases, totaling an increase of 11.9% in volume and 7.5% in value in Chilean pesos as compared with 2009. The average price per case increased 3.7% to Ch$ 10,156 (approximately US$ 21.7) per case, following increasing sales of premium wines, in line with the Company's strategy.

Domestic sales decreased 0.8% in value and decreased 6.6% by volume totaling Ch$ 8,663 million and 0.8 million cases respectively.

Other Sales. Other revenues comprise fees for bottling services, sales of fruit and other revenues generated in Chile and Argentina, which amounted to Ch$6,822 million in 2010.

Cost of Sales. In 2010, cost of sales rose 8.2% to Ch$241,776 million from Ch$223,444 million in 2009. Cost of sales as a percentage of total sales increased to 64.6% from 63%. This is mainly explained by a higher direct cost related to higher grape costs of the 2010 vintage impacting the second half of the year and also by the effect of the appreciation of the Chilean peso in the revenues when converting the export revenues into Chilean pesos.

Gross Profit. Gross profit increased 1.0% to Ch$132,243 million in 2010. As a percentage of sales, the gross margin decreased to 35.4% in 2010, from 37.0% in 2009. This change was the result of higher grape costs and the appreciation of the Chilean peso against all major export currencies.

Selling, General and Administrative Expenses (SG&A). Selling, General and Administrative Expenses increased 3.1% to Ch$87,107million from Ch$ 84,482 million. This increase, which is lower than the increase in sales revenues, reflects mainly the positive effect of the appreciation of the Chilean peso against foreign currencies, which impacted the commercial expenses and the SG&A expenses on foreign distribution subsidiaries. As a percentage of revenues, SG&A was 23.3% in 2010 compared to 23.8% in 2009.

Operating Income. Operating income decreased 2.9%, totaling Ch$45,136 million compared to Ch$46,493 million in 2009. The operating margin decreased from 13.1% to 12.1%. The decrease in the operating result is mainly explained by the strong appreciation in the Chilean peso and the impact of a higher wine cost (impacting the second half of the year)

Non-Operating Income. Non-operating income increased to Ch$2,211 million from Ch$1,652 million in 2009. This is mainly the result of an extraordinary revenue associated with water rights.

Non-operating Expenses (Excluding Price Level Restatement and Foreign Exchange Differences). Non-operating expenses decreased 35.9% to Ch$3,897 million from Ch$6,055 million in 2009. This resulted mainly from a decrease in interest expense. Interest expense decreased by 43.7% from Ch$5,594 million to Ch$3,149 million due to a decrease in short term debt to banks and financial institutions, a decrease in average interest rates during the year, and finally a positive effect due to currency adjustments.

Foreign Exchange Differences. Foreign exchange differences produced a gain of Ch$8,191 million in 2010 compared to a gain of Ch$12,788 million in 2009. This decrease of 35.9% between 2010 and 2009 is principally explained by a gain in price level restatement in 2009 of Ch$ 1,950 million, as compared with a loss of Ch$ 867 million in 2010.

For detail on foreign exchange differences, see Notes 27 of the Consolidated Financial Statements.

Net Income. Net income in 2010 of Ch$41,919 million decreased by 7.4%, as compared to Ch$45,278 million in 2009.

B. Liquidity and Capital Resources

Liquidity

In 2010, the Company's main source of liquidity was cash generated by its operating activities, which amounted to Ch$38,457million. This was used to decrease the financial debt by Ch$ 11,922 million, and to finance our investments during the year. In 2009, the Company's main source of liquidity was cash generated by its operating activities and by financing activities, which amounted to Ch$19,670 million and Ch$17,320 million, respectively. In the Company's opinion, its working capital of Ch$141,176 million as of December 31, 2010 is sufficient for the Company's present obligations.

On December 31, 2010, the Company had Ch$16,758 million of cash and other cash equivalents and approximately Ch$199,183 million available under undrawn bank lines of credit.

Prior to the effect of inflation in cash and cash equivalent, the Company generated positive cash flow for the years 2010 and 2009 of Ch$10,097 million and Ch$3,196 million, respectively. The effect of inflation decreased cash and cash equivalents by Ch$337 million and Ch$148 million in 2010 and 2009, respectively.

Net cash flows from operating activities were Ch$38,457 million in 2010 and Ch$19,670 million in 2009. Net cash flow provided by financing activities was negative by Ch$11,922 million in 2010 and positive by Ch$ 17,320. In 2009, the cash flow generated by financing activities was generated through a capital increase and the placement of commercial paper undertaken during the months of April and May 2009, these resources were mostly used to pay bank debt. Net cash flow used in investing activities was Ch$16,437 million in 2010 and Ch$33,794 million in 2009.

There are no material restrictions, either legal or economic, that would limit the ability of subsidiaries to transfer funds to the Company in the form of cash dividends, loans, or advances.

The Company's total assets increased 1.4% from Ch$576,774 million at December 31, 2009 to Ch$584,916 million at December 31, 2010. The increase in total assets is due mainly to an increase in current assets, mainly driven by an increase in the cash held by the company and commercial receivables.

Current liabilities decreased 5.4%, to Ch$132,920 million at December 31, 2010 from Ch$140,544 million at December 31, 2009. This resulted mainly from a decrease in short term debt to banks and financial institutions and a decrease in accounts payable. Short term debt decreased to Ch$30,732 million in December 2010 from Ch$36,891 million in December 2009.

Long-term liabilities, corresponding to debt to financial institutions and a bond, decreased to Ch$49,959 million at December 31, 2010, from Ch$62,772 million at December 31, 2009.The main long term liability of the Company is a 21-year bond that was placed on April 26, 2005, for UF 2 million (Ch$39,442 million as of December 31, 2010) on the local market at an interest rate of 3.9% per annum. The amortization of this bond is done on semi-annual installments that began October 2009 and interest payments are done on a semi-annual basis starting April 2005. Covenants associated with the issuance of bonds payable are detailed in Note 34 to the Financial Statements — Contingencies and Restrictions. Bond covenants require the Company to maintain certain financial ratios. Among them, the Company is required to (1) maintain an indebtedness ratio (the ratio of current and long-term liabilities to shareholders' equity plus minority interest) no greater than 1.4 times; (2) maintain, at all times, during the life of the present bond issuance, minimum equity of five million UF; and (3) maintain at all times an interest coverage ratio (the ratio of operating income plus depreciation plus operating amortization to interest expenses) of a minimum of 2.5 times. As of December 31, 2010, the Company complies with all covenants required and has a consolidated indebtedness ratio of 0.58 times, equity of Ch$370,675 million or 17.3 million UF and the interest coverage ratio is 16.4 times.

As of December 31, 2010, the Company's total interest-bearing financial debt amounted to Ch$76,460 million of which, Ch$27,329 million was short term debt and Ch$49,131 million was long term debt with maturities to 2013 for its bank debt and 2026 for the bond debt. Around 82% of financial debt has a fixed-rate and is denominated in Pesos, U.S. dollars, Pounds Sterling and Argentine Pesos.

For further detail on interest bearing debt as of December 31, 2010, see Item 11 — "Quantitative and Qualitative Disclosures About Market Risk."

Capital Expenditures

Total capital expenditures which include additions to property, plant and equipment and other permanent investments were Ch$ 24,041 million in 2010 and Ch$32,762 million in 2009. Capital expenditures in 2010 in the agriculture area comprise the acquisition of new properties and the development and planting of vineyards in estates purchased in previous years. Investments in the oenology included the expansion of vinification and cellar capacity, acquisition of barrels and the acquisition of new cellars. In the industrial area, investments included mainly the expansion of the Vespucio bottling plant. In Argentina, new investment was oriented to vineyard development and cellar facilities. For 2011, the Company established a capital expenditure budget of approximately Ch$147,000 million (approximately US$300 million), that includes mainly the acquisition of Fetzer Vineyards and the development of the new land acquired in the previous years, the construction of storage and fermentation facilities, expansion of the bottling plants and the acquisition of French and American oak barrels, for the production of all wines with an emphasis on premium and varietal wines. The following table sets forth the Company's capital expenditures for the different areas for the years 2009 and 2010.

	Capital Expenditures[1] (in million Chilean pesos (Ch$))	
Area:	**2009**	**2010**
Agriculture[2]	12,741	8,763
Oenology, technical and bottling facilities	17,607	8,043
Viña Trivento (Argentina)	1,739	1,511
Administration and other subsidiaries	673	952
Earthquake related investments [3]		4,773
Total	**32,762**	**24,041**

[1] The investment figures in this table correspond to amounts net of V.A.T., while figures in the Consolidated Statements of Cash Flows include V.A.T.
[2] Agriculture expenditures consist of investments in agricultural equipment and activities in order to develop new vineyards and bring them to commercial production and to maintain or expand production at existing vineyards.
[3] Earthquake related investments are expenditures necessary to recover the Company's productive capacity after February 2010's earthquake.

The Company expects to continue purchasing and developing vineyards and the related infrastructure needed to support future growth and may incur additional expenditures for vineyards if opportunities become available. Management reviews the capital expenditure program periodically and modifies it as required to meet current business needs.

Impact of Foreign Currency Fluctuations

Over 76% of the Company's revenues are related to foreign sales that are denominated in U.S. dollars, Euros, Pounds Sterling, Canadian dollars, Argentine pesos, Brazilian reais and Swedish and Norwegian crowns. At the same time, approximately 35% of the Company's expenses are also denominated in foreign currency (the Company purchases part of the bottles, corks and Tetra Brik containers in prices mainly set in U.S. dollars), creating a natural currency hedge. The Company enters into forward foreign exchange agreements to minimize its exposure to the risks of changes in foreign exchange rates. See Item 11 — "Quantitative and Qualitative Disclosures About Market Risk."

To the extent that U.S. dollar-denominated revenues exceed U.S. dollar-denominated operating costs, the Company's results of operations will be impacted by the difference between the changes in exchange rates and the Chilean rate of inflation.

The rates of nominal appreciation of the Chilean peso against the U.S. dollar in 2009 and 2010 were 6.8% and 8.9% respectively, using average exchange rates.

The Company enters into forward foreign exchange agreements to minimize its exposure to the risks of changes in foreign exchange rates. Since 1993, the Company has attempted to balance U.S. dollar-denominated assets and liabilities. See Item 11 — "Quantitative and Qualitative Disclosures About Market Risk."

C. Critical Accounting Policies

A summary of the Company's significant accounting policies is included in Note 2 to the Company's audited Consolidated Financial Statements. The preparation of financial statements requires management to make estimates and assumptions and exert judgment. These actions affect the amounts reported in the Consolidated Financial Statements. Included below are the accounting policies which the Company considers critical to its business.

a) Allowance for Doubtful Accounts:

The Company maintains allowances for doubtful accounts. Possible loss estimates are based on a case-by-case evaluation of past due amounts of more than six months. In addition to the aging of the receivable, the Company considers historical loss experience. Other factors are also considered, including general economic environment of the wine industry. Historically, bad debt write-offs have not been significant and are within the parameters for the wine industry.

The Company has contracted insurance policies which reimburse the Company for non-collection of practically all accounts receivable balances related to export sales. For details of insurance coverage in all geographical areas, refer to Note 6 of the Consolidated Financial Statements.

The Company believes that this is a critical accounting policy because of the judgment involved in accruing for possible loss estimates.

b) Income and Deferred Taxes:

Our Company and each of its subsidiaries compute and pay tax on an individual tax return basis.

Under International Accounting Standard N°12, deferred tax assets are reduced by a valuation allowance if it is reasonable to assume, that some portion or all the deferred tax asset will not be realized. In making this determination, the Company considers both positive and negative evidence and makes certain assumptions including projections of taxable income.Although we believe that our estimates are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision and net income in the period in which such determination is made.

In order for us to realize our deferred tax assets, we must be able to generate sufficient taxable income in those jurisdictions where the deferred tax assets are located. We have considered future market growth, forecasted earnings, future taxable income, the mix of earnings in the jurisdictions in which we operate and prudent and feasible tax planning strategies in determining the need for a valuation allowance. In the event we were to determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to earnings in the period in which we make such determination.

The Company believes its tax positions comply with the applicable tax laws and that it is adequately provided for all tax related matters. The Company is subject to examination by taxing authorities in the various jurisdictions in which it files tax returns. Specifically, the Company is routinely under examination by the Internal Revenue Service in Chile.

c) Inventories:

Raw material, products in-process, finished products and supplies, are initially valued at cost, subsequent to the initial recognition, these are valued at the lower value between the net realizable value and the cost initially recorded. Inventories of wine in bulk are valued at weighted average price, determined through the system known as absorption costing, which implies adding to acquisition direct costs and/or grapes production cost those indirect costs incurred in the agriculture process, and direct and indirect costs of the wine production process.

The Company and its subsidiaries recorded impairment for obsolescence of raw material and supplies based on technical reports and on turnover level of stocks maintained and /or from the evaluation of its future utilization.

The company considers the determination of the obsolescence of inventories as a critical accounting policy.

d) Goodwill:

According to IFRS, the goodwill amount in the value of the business or assets, has to be tested at least once a year. As such events or changes occur, the management estimates the future cash flow expected to result from the use and, if applicable, the eventual disposition of the assets and related goodwill. The key variables which management must estimate include sales volume, prices and other economic factors. Significant management judgment is involved in estimating these variables and they comprise inherent uncertainties. However, the assumptions used are consistent with our internal planning. Therefore, the management periodically evaluates and updates the estimates based on the conditions that influence these variables. If the assets are considered impaired, they are written down to fair value as appropriate. We performed the impairment tests of our goodwill and concluded that no impairment charge was necessary.

e) Property, Plant and Equipment:

Property, Plant and Equipment and Amortized Intangibles: The Company depreciates property, plant and equipment and amortizes intangibles using the straight-line method over the estimated useful lives of these assets. Estimates of useful lives are based on the nature of the underlying assets as well as the Company’s experience with similar assets and intended use. Estimates of useful lives can differ from actual useful lives due to the inherent uncertainty in making these estimates. This is particularly true for the Company’s significant long-lived assets such as vineyards, buildings, farming machinery and equipment, tanks and irrigation systems. Factors such as the conditions in which the assets are used, availability of capital to replace assets and frequency of maintenance could influence the useful lives of these assets.

The Company reviews property, plant and equipment and amortizable intangibles to be held and used for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an evaluation of recoverability is required, the estimated total undiscounted future cash flows directly associated with the asset are compared to the asset’s carrying amount. If this comparison indicates that there is an impairment, the amount of the impairment is calculated by comparing the carrying value to the discounted expected future cash flows expected to result from the use of the asset and its eventual disposition or comparable market values, depending on the nature of the asset. See Note 2.14 of the Consolidated Financial Statements.

f) Investments in foreign subsidiaries:

The Company has determined that its functional currency is the Chilean peso and the functional currency of each of its subsidiaries has been determined by each entity based on the economic environment in which they operate, The term foreign currency is defined as any currency other than the Chilean peso.

The definition of this functional currency relates to the fact that it is the currency that manifests or represents the transactions, facts and conditions that lie behind and are relevant to handle the operations of the Company. For this purposes, it has been considered the analysis of variables such as: sale price of its products, relevant markets for the company, financing sources, among others.

In consolidating, items from the statement of comprehensive income corresponding to entities with functional currency other than the Chilean peso have been translated to Chilean pesos using the average exchange rates. Assets and liabilities from the statement of financial position have been translated using the year-end exchange rates. Exchange differences related to the translation of net assets of these entities have been carried to equity and have been recorded in a translation reserve in a separate line.

The Company does not use a presentation currency different than that of the functional currency in the Consolidated Financial Statements.

g) Derivatives:

Company exports sales are mainly denominated in U.S. dollars, Sterling Pounds, Euros and Canadian dollars. Thus, the Company's financial results could be affected due to variations in exchange rates.

Regarding the Argentine subsidiaries, a portion of sales and accounts receivable are denominated in Argentine pesos, while the functional currency is the U.S. dollar. This generates a risk associated with the devaluation of the Argentine peso against the U.S. dollar. In addition, a proportion of such subsidiaries' assets in Argentina are also denominated in Argentine pesos; thus, they are impacted by the devaluation of the Argentine peso.

In order to minimize the short-term effect of the exchange rate variations on sales denominated in foreign currency, the Company has adopted a policy of attempting to balance assets and liabilities denominated in foreign currency. With this objective, the Company enters into forward currency contracts as a way to mitigate these risks according to the exposure of the exchange rate variations related to the currency positions.

94.22% of the global derivative instruments portfolio is comprised by contracts that qualify as hedging instruments. For accounting purposes these were subscribed by the Group Concha y Toro, within its financial risk management policy framework to mitigate the risks associated with exchange rate and interest rate fluctuations through currency forward contracts and interest rate swaps.

Derivatives are recorded by their fair value as of the date of the statement of the financial position. If this value is positive, these are recorded under item "Other financial assets" and if its value is negative, these are recorded within item "Other financial liabilities", illustrating the change in its fair value in the comprehensive statement of income as described as follows, pursuant to the type of hedging to which it correspond (See Note 2.6.3 of the Consolidated Financial Statements):

- Fair value hedging
- Cash Flow hedging
- Net Investment Hedging

h) Revenue recognition:

The Company sells to various locations around the world with varied sales terms and arrangements. Revenues from the sale of goods and services related to the Company's lines of business are recognized in income when there is certainty that there has been an increase in the Company's equity as the significant risks related to the ownership of those goods have been transferred to the buyer, the determination of the amount of revenue and cost is reliable and there is certainty that the economical benefits from the transaction will flow to the Company. Additionally, any taxes collected from customers and remitted to governmental authorities (i.e. VAT, sales, taxes or excise) are accounted for on a net basis within revenue (See Note 2.23 of the Consolidated Financial Statements)

i) Biological Assets

Within Biological Assets, the Company includes all grapevine plantations. The agricultural product (Grapes) derived from plantations under production is destined to be treated as a raw material for the wine production process.

In conformity with IAS 41, for those assets for which is not possible to determine reliably the market fair value, the Company has valued the grapevine plantations at its historic cost less accumulated depreciation and accumulated losses due to impairment.

The Company depreciates its biological assets following the straight-line method on the basis of the estimated useful lives of grapevines and subjecting the value to an impairment test each year.

j) Benefits to employees

- **Severance Indemnities**

The Company's management uses assumptions in order to determine the best estimate for these benefits. The valuation of these obligations is performed through an actuarial calculation. The assumptions used in this calculation include the pension rotation hypothesis, the mortality rate, the discount rate the expected rise in remuneration and the future permanence, among others.

Actuarial gains or losses that can occur due to variations of defined pre-established obligations are directly recorded in income or losses for the year.

Actuarial gains or losses arise from the deviations between estimates and actuality of the actuarial hypothesis behavior or in the reformulation of the established actuarial hypothesis.

k) Provisions

Provisions are recorded when related to present obligations, legal or assumed, generated as a result of a past event for whose payment is expected in the future, but there is no absolute clarity in its amount or maturity.

l) Intangible Assets

- **Industrial Brand Rights**

The Company owns trademarks and other intellectual property which, as determined by the Company, are registered with applicable trademark offices and are protected under applicable intellectual property laws for a finite period of time. The Company's trademarks and other intellectual property are recorded at the registration cost and are amortized over their useful lives.

- **IT Programs**

Licenses for IT programs acquired are recorded at net historic cost net of amortization. These costs are amortized during its estimated useful lives.

Expenses related to the development or maintenance of IT programs are recognized as expense when incurred.

- **Research and development**

Research and development expenses are recognized as expenses when incurred. The Company has no significant material disbursements for these concepts during the years ended December 31, 2010 and December 31, 2009.

- **Water Rights**

Water rights acquired by the Company correspond to usage rights associated with agricultural land and are recorded at historic cost. These are recognized at its purchase value and, given that such rights are in perpetuity, they are not amortized. However, the Company evaluates these water rights with respect to impairment on an annual basis.

Water rights prior to the Company's transition to IFRS are presented at its value restated by inflation and reduced by the related accumulated depreciation.

According to IFRS, the value of the water rights, recognized in our assets, has to be tested at least once a year.

- **Easement Rights**

Rights related to easements correspond to the amounts in acquisition of rights of way, between several co-owners from the area (access to allotments, aqueduct transit, and power lines), on agricultural land of the Company, in addition to those of its subsidiary Viña Cono Sur S.A. These rights are in perpetuity, are not amortized, and are subject to "impairment test" on an annual basis, restating the value in case the related market value is lower, based on the last transactions performed by the Company.

D. Research and Development

The company's efforts in the area of research and development do not involve a significant expense as it mainly relies on Chilean and foreign companies and institutes for technical assistance and technology transfers.

Viña Concha y Toro has formed part of the Vine and Wine Business Technology Consortium (Vinnova) since 2006, together with other industry company members of Vinos de Chile A.G. (a wineries association) and the local universities Pontificia Universidad Católica de Chile, Universidad de Santiago and Universidad de Concepción. The company has channeled resources through these institutions for research in the agricultural and enological areas.

It has also carried out a joint study with Universidad de Chile for determining the levels of freshness in vineyards associated with certain Chilean river basins, which could enjoy better protection against climate change. At the international level, the company is currently developing a pilot plan for estimating its water footprint, together with the Dutch organization Water Footprint Network, which promotes the global use of water in a sustainable, equitable and efficient way.

E. Trend Information

The most significant trend affecting the Chilean wine industry and the Company's results most recently has been the global economic downturn which has impacted consumption in general in late 2008, 2009 and part of 2010. Since 2010, the industry is experiencing a recovery in the previous consumption level of wine in major export countries, with interesting commercial opportunities in new consumer areas such as Asia and Latin America in general. During the recession years, the wine market showed adjustments in consumption and a generalized tendency toward lower-priced products. In those years, the Company responded with a highly-competitive offer of its larger-volume brands, although this had an impact on the operating result of 2009. Since 2010, the width and depth of the Concha y Toro portfolio, its ability to respond quickly and address market demands, and its clear branding strategy have allowed the Company to improve its sales generally, in particular sales of its premium wines.

In addition, during the past three fiscal years we have evidenced a strong appreciation of the Chilean peso against all major currencies with which the Company and the Chilean industry operates, with an important impact on an industry that exports around 70% of its production. On another front, the industry has faced increasing competition in both the domestic and the export markets as a result of increasing number of competitors, greater availability of wine and the different producer countries trying to enhance their positioning world wide.

In the domestic market, the Company has faced a challenging market situation of increasing competition with sluggish consumption in the popular (Tetra Brik) wines segment in favor of its main substitute, beer. Actually, according to AC Nielsen wine consumption in Chile declined by around 0.7% in 2009 and increased by 0.3% in 2010. In this context, the Company's efforts in this market were oriented to improving profitability. In this line, the company has focused on the premium segment, which as shown an interesting growth opportunity. The Company will continue to evaluate its domestic strategy in relation to its lower-priced wines.

In the export markets, the Company has faced increasing competition in some key markets resulting in falling prices or increasing marketing needs. However, the Company has been able to compete successfully, with export sales increasing strongly in volume terms, offset partially by appreciation of the Chilean peso, and an increase in its premium wines sales during 2010. The most important region for the Company in terms of volume for the past three years has been Europe, and specially the UK. The Company expects this trend to continue in the future. The establishment of a subsidiary in the United Kingdom has allowed the Company to strengthen its position in this market. The Company believes it is very well established in Continental Europe, the United States and Latin America.

With respect to consumption trends, the Company believes that there is a major trend towards the consumption of varietal wines in general and certain varietal wines in particular, in its major export markets, principally the United States, Europe, Asia and Canada. The Company has tailored its new grape plantings to respond to this trend. In addition, the Company has experienced a shift towards the consumption of wines from the New World including wines from Australia, Chile, the United States, South Africa and Argentina.

F. Off - Balance Sheet Arrangements

The Company has not entered into any transactions with unconsolidated entities whereby the Company has financial guarantees, subordinated retained interests, derivative instruments or other contingent arrangements that expose the Company to material continuing risks, contingent liabilities or any other obligation under a variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company.

G. Tabular Disclosure of Contractual Obligations

The table below is a summary of the Company's contractual obligations as of December 31, 2010:

	Payments due by period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
			(in millions of Ch$)		
Contractual Obligations					
Long-term debt obligations(1)	88,525	7,204	23,847	12,220	45,254
Capital lease obligations(2)	3,796	747	763	428	1,858
Financial leasing interests	86	62	24	—	—
Interests payable to banks and bonds obligations(3)	12,636	2,025	2,685	2,291	5,635
Purchase obligations(4)	44,404	15,777	21,569	6,774	284,000
Total	**149,447**	**25,815**	**48,888**	**21,713**	**53,031**

(1) Includes Payables to Banks, bonds, leasing, related accounts, provisions and deferred taxes.
(2) Corresponds to obligations from leases of real estate properties, classified as capital leases for accounting purposes.
(3) Corresponds to payables to banks and bonds interests, whose rate of interest is fixed and variable.
(4) Corresponds to payment obligations related to the grape and wine contracts.

ITEM 6: DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The Company is managed by a Board of Directors consisting of seven Directors. The entire Board of Directors is elected every three years at an annual general shareholders' meeting. Directors are not subject to term limits. If a vacancy occurs, the Board of Directors elects a temporary director to fill the vacancy until the next regularly scheduled meeting of shareholders in which Directors are elected and at which time the entire Board of Directors will be elected for a new three-year term. The Company's By-Laws provide that directors need not be shareholders.

At the annual general shareholder's meeting held on April 25, 2011, the entire Board of Director was subject to election. The directors elected for a new three year term were Alfonso Larraín Santa María, Rafael Guilisasti Gana, Mariano Fontecilla de Santiago Concha, Francisco Marín Estévez, Pablo Guilisasti Gana, Sergio de la Cuadra Fabres and Jorge Desormeaux Jiménez.Mr.Christian Skibsted Cortés ended his service as director of the Company.

The following table lists each director of the Company, his current position, his age as of May 31, 2011, years with the Company and year of appointment to the Board of Directors:

Name	Position	Age at May 31, 2011	Years with the Company	Current Position Held Since
Directors:				
Alfonso Larraín Santa María	Chairman	74	41	1998
Rafael Guilisasti Gana	Vice Chairman	57	32	1998
Mariano Fontecilla de Santiago Concha	Director	86	36	1995
Francisco Marín Estévez	Director	68	28	1982
Pablo Guilisasti Gana	Director	56	6	2005
Sergio de la Cuadra Fabres	Director	69	6	2005
Jorge Desormeaux Jiménez	Director	60	Less than 1 year	2011

The following provides biographical information about the Directors of the Company.

Alfonso Larraín, Chairman

Company director since 1969. General Manager from 1973 to 1989 and Vice Chairman from 1989 to 1998. In his long career at the winery, he has worked on implementing an aggressive policy of opening up new markets. When he became Chairman in September 1998, the Company's focus changed to one of enhancing its prestige in its major markets as a producer of fine wines. He is also Director of Viñedos Emiliana and the Santiago Chamber of Commerce and is the President of Fundación Cultura Nacional.

Rafael Guilisasti Gana, Vice Chairman

Rafael Guilisasti has been a Director and Vice Chairman of the board of Viña Concha y Toro since September 1998. Mr. Guilisasti has a wide and outstanding experience in the Chilean wine industry. He joined Viña Concha y Toro in 1978 and served as its Export Director between 1985 and 1998, a period of great expansion for the Company in the international markets. He was Chairman of Vinos de Chile (formerly Viñas de Chile) between 1986 and 2003, an industry association bringing together approximately 85% of the Chilean wine-producers and whose object is to promote Chilean wines in the international markets and review political and legal matters affecting the Chilean wine industry. At the present time, Rafael Guilisasti is a Director of Vinos de Chile.

His experience in the financial area includes the positions of Chief Executive Officer of Viñedos Emiliana S.A., a company mainly focused on wine exports; Director of Frutícola Viconto, a fruit exporting company; and Director of Viña Almaviva. Since April 2005, he is a member of the Directive Board of Sociedad de Fomento Fabril ("Sofofa," the Chilean manufacturers' association), currently in the position of second Vice President of the Elective Council of Sofofa. In December 2008, he was elected President of the Confederación de la Producción y del Comercio (CPC), which is an entrepreneur association representing the most important productive sectors of the country.

Mariano Fontecilla De Santiago Concha, Director

Law studies. Former Chilean ambassador to Norway, Spain and Italy. Direct descendant of the first Marqués de Casa Concha and of the founder of the Company, Don Melchor Concha y Toro. Made an honorary member of the Chilean Brotherhood of Wine for his contribution to Chilean wines. Director of the Company for several periods, initially in 1949 yet most recently since 1995. Former President of Viñedos Emiliana 1998-2004. Currently, he is the diplomatic coordinator of Chile's National Congress.

Francisco Marín Estévez, Director

Agricultural Engineer. He has served as Director of the Company since 1982. Broad experience in the private sector. Director of the following companies: Compañía General de Electricidad S.A., Gasco S.A. and President of CGE Distribución S.A. and Gasmar S.A.

Pablo Guilisasti Gana, Director

Commercial Engineer. Vice Chairman of Frutícola and president of Comercial Greenvic S.A. Frutícola was a former subsidiary of the Company, the shares of which were distributed to the existing shareholders of the Company in 1986. Frutícola produces fruits and vegetables. Comercial Greenvic S.A. is an affiliate of Frutícola oriented to the sales and marketing of fresh and organic fruit mainly for the export markets.

Between 1986 and 1999 he was General Manager of Frutícola and in 1999 elected Director. Between 1998 and 2004 he was Director of Viñedos Emiliana. He also contributes as Director of the Fundación para el Crecimiento Matrimonial (Foundation for Marriage Growth); Director of the Fundación Ayuda y Esperanza (Aid and Hope Foundation) and advisor to the Fundación Juan Pablo II (John Paul II Foundation).

Sergio de la Cuadra Fabres, Director

Mr. De la Cuadra is a Commercial Engineer from the Pontificia Universidad Católica de Chile, M.A. and Ph.D. © from the University of Chicago (1968). His broad and outstanding professional career includes the country's most important monetary institutions, particularly as Director, Vice President and President of the Banco Central de Chile (Central Bank of Chile) and as Minister of Finance in 1982. Mr. De la Cuadra has also been a Director of the Chilean Electronic Stock Exchange and an international consultant to several Latin American countries.

Currently he is also a Director of other well-known Chilean companies like Pesquera Itata S.A., Industrias Ceresita S.A., Nibsa S.A. and Petroquim S.A. and is a member of the Council of the Economics and Administrative Sciences Faculty of the Pontificia Universidad Católica.

Jorge Desormeaux Jiménez, Director

Graduated as Commercial Engineer from Catholic University of Chile in 1973. In 1974 he was awarded a Fulbright Scholarship to follow a Ph. D. Program in Economics at the Massachusetts Institute of Technology (MIT).

Since 1979 he has been Associate Professor at the Economics Institute of Catholic University, in the areas of Macroeconomics and International Economics. Since 1999 he has also taught at the MBA Program of that university.

Since 1985, he also worked as consultant to banks, several companies and international organizations.

On December 1999 he became a Member of the Board of the Central Bank of Chile for a period of 10 years. On December 2007 he was elected Vice President of the Central Bank of Chile for a period of two years, completing his term as Board Member in December 2009.

In 2005 he joined the Board of Directors of Universidad Diego Portales, a position he still holds. On May 2010 he joined the Board of Directors of AntarChile, and became Economic Adviser to Banco de Chile. In April 2011 he joined the Board of Viña Concha y Toro as an independent director. He is also an economic consultant to several domestic companies and financial institutions.

On August 2010 he was designated Chairman of the Commission on Reform of Financial Sector Oversight and Regulation.

Senior Management

The following table lists each executive officer of the Company, his or her current position, his or her age as of March 31, 2011, years with the Company and year of appointment as an executive officer:

Name	Position	Age at March 31, 2011	Years with the Company	Current Position Held Since
Eduardo Guilisasti Gana	General Manager (Chief Executive Officer)	58	32	1989
Andrés Larraín Santa María	Agricultural Manager	72	37	1978
Carlos Saavedra Echeverría	Engineering and New Projects Manager	66	37	1992
Osvaldo Solar Venegas	Corporate Administration and Finance Manager (Chief Financial Officer)	49	23	1992
Cristián Ceppi Lewin	Corporate Export Manager South Zone	44	20	2001
Thomas Domeyko Cassel	Corporate Export Manager North Zone	44	17	2001
Cristián López Pascual	Corporate Export Manager Asia	39	15	2010
Carlos Halaby Riadi	Oenology Manager	58	21	1997
Enrique Tirado Santelices	Head Oenologist Don Melchor	44	18	2001
Daniel Duran Urízar	Process and Information Technology Manager	39	16	2010
Isabel Guilisasti Gana	Marketing Manager Origin Wines	53	14	2004
Giancarlo Bianchetti G.	Corporate Export Manager USA	39	11	2010
Tomás Larraín León.	Supply Contracts and New International Businesses	44	20	2009
Juan Cristóbal Goycoolea N	Marketing Manager Global Brands	36	11	2010
Subsidiaries				
Cristián Canevaro Jaramillo	General Manager Comercial Peumo	49	8	2006
Adolfo Hurtado Cerda	General Manager Viña Cono Sur	39	13	2000
José Jottar Nasrallah	General Manager Trivento	40	11	2009
Paul Konar Elder	General Manager Viña Maipo y Viña Palo Alto	37	14	2010

The following provides biographical information about the executive officers of the Company.

Eduardo Guilisasti Gana, Chief Executive Officer

Civil Engineer. Joined the Company in 1978 as Commercial Manager. Appointed CEO in 1989. Under his leadership the Company initiated a broad vineyard and cellar-oriented investment plan and expansion in the export markets. Highlights of this period include the Company's consolidation of a worldwide sales network that includes 135 countries and the strengthening of the leadership position in the sale of fine wines in each market segment and the strong growth and increase in the market value of the Company. In addition, through the adoption of viticulture research and technology, the winery has transformed into a leader in the industry. He is director of Viña Almaviva.

Andrés Larraín Santa María, Agricultural Manager

Agriculture Manager since 1978 and responsible for advancing new grape types and plantings as well as running of every vineyard. Directs a multidisciplinary team including executives, technicians, administrative staff and skilled labor. He is the Chairman of Frutícola.

Carlos Saavedra Echeverría, Engineering and New Projects Manager

Began his career in charge of the Company's Imports Division in 1973. Appointed head of the Supply, Maintenance and Haulage Department in 1974. Contributed to the planning of the Pirque bottling plant. Appointed Production Manager in 1992. In 1997, he was appointed Engineering and Projects Manager.

Osvaldo Solar Venegas, Chief Financial Officer

Commercial Engineer. Has been in charge of financial matters since 1992, initially as Financial Manager and since September 1996, as Administration and Financial Manager. Duties include managing and developing the financial area, human resources, accounting and administrative divisions. In January 2010 he was named Corporate Administration and Finance Manager. He is a director of Industria Corchera and Director of Fundación Cultura Nacional.

Cristián Ceppi Lewin, Corporate Export Manager South Zone

Commercial Engineer. Began his career at the Company as Product Manager for the Fressco and Tocornal ranges. Assumed the position of Marketing Sub-Manager for liquors and in 1992 became Marketing Sub-Manager for popular wines. Held the position of Marketing Manager from 1994 to 1996. Commercial Manager until assuming the position of General Manager at Comercial Peumo S.A. In December 2000, he was appointed Export Manager for the South Zone and in 2006 he was appointed Corporate Export Manager.

Thomas Domeyko Cassel, Corporate Export Manager North Zone

Commercial Engineer. Joined the Company in January 1994 as Deputy CFO. Appointed International Business Manager in 1996. Moved to Mendoza, Argentina in 1997 as General Manager of Viña Trivento. Appointed Export Manager for the North Zone in December 2000 and Corporate Export Manager in 2006.

Cristián López Pascual, Corporate Export Manager Asia

Publicist. In 1996, joined the marketing department of the export division. In December 2000 he joined the team that started the operation of Concha y Toro UK as Co-Manager of this subsidiary in the position of Commercial Director. In 2005, he was appointed General Manager of Concha y Toro UK, achieving in this period significant growth. As of January 2010 he was appointed Corporate Export Manager Asia.

Tomás Larraín León, Supply Contracts and New International Businesses Manager

Agricultural Engineer. In 1991, joined Concha y Toro’s agricultural area. In 1995, he was named Agricultural Deputy Manager. Between 2001 and 2006, he was General Manager of Trivento Viñedos y Bodegas in Argentina. In February 2007, was appointed Export Manager for the US market. As of December 2009 he was named Supply Contracts and New International Businesses Manager.

Daniel Duran, Process and Information Technology Manager

Civil Engineer. Joined the Company in 1995 as planning and development projects analyst. Sub-Manager of Logistics and Sub-Manager of Planning and Projects since 1998. Information Technology Manager since May 2001. Responsible for development and implementation of technology solutions.

Carlos Halaby, Oenology Manager

Oenologist. Distinguished by the National Association of Winemaking Agronomy Engineers in Chile for presenting the “Best Viticulture Dissertation of 1980,” Carlos Halaby joined the Company in 1990. After a decade with the Company and serving as head winemaker for fine wines until March 2000, he assumed the position of Oenology Manager. Technical and administrative responsibility for the Company’s Oenology Area.

Enrique Tirado, Oenologist Don Melchor

Oenologist. Upon joining the Company in 1993 he started working with varietal ranges, Casillero del Diablo and Marqués de Casa Concha. He rose to head winemaker in 1997, responsible for every line of premium wine, including Amelia and Don Melchor. In 1999, his extraordinary enological sensitivity led to his appointment as winemaker for Don Melchor.

Isabel Guilisasti, Marketing Manager Origin Wines

A graduate of the Catholic University with a degree in Art and with advanced studies in marketing. In 1998, she was appointed marketing manager of Viña Cono Sur and in 2000 she took over as Director of Communications of Concha y Toro. In 2001 she was named assistant manager for International Marketing of Fine Wines responsible for Concha y Toro’s ultra premium brands. In 2004 she was named Marketing Manager Origin Wines.

Giancarlo Bianchetti, Corporate Export Manager USA

Commercial Engineer. Joined the Company's marketing department in 2000. In 2001, he took responsibility for the brands Casillero del Diablo, Frontera and Sunrise. He has headed the promotion and global campaign for Casillero del Diablo. In 2004 named Marketing Manager Global Brands. Since 2008 he is also responsible for the Sustainable Development Area.

Juan Cristóbal Goycoolea Nagel, Marketing Manager Global Brands

Commercial Engineer. Joined the Company's marketing department in 2000. In 2008 was appointed Marketing Manager for subsidiaries wineries. In 2010 he was appointed Marketing Manager for Global Brands.

Subsidiaries

Cristián Canevaro Jaramillo, General Manager Comercial Peumo

Commercial Engineer. Joined the Company in 2002 as Commercial Manager of Comercial Peumo. In June 2006, was appointed General Manager of this subsidiary, responsible for the sales, marketing, administration, distribution and logistics in the domestic Chilean market.

Adolfo Hurtado Cerda, General Manager Viña Cono Sur

Agricultural Engineer, oenologist. In 1997, Adolfo Hurtado joined Viña Cono Sur, as head oenologist of this subsidiary founded in 1996. In 2000, he was appointed General Manager. Under his direction, Viña Cono Sur has experienced strong growth with the development of a portfolio of wines recognized for their quality and constant innovation.

José Jottar Nasrallah, General Manager Trivento Bodegas y Viñedos.

Commercial Engineer. Joined Concha y Toro in 1999 as head of planning. During 2002 and 2003, he worked on the logistics chain improvement project of the Holding Group in the role of internal adviser. In 2004 he was named as assistant manager, customer service, of Concha y Toro. In December 2009, he was appointed as General Manager of Trivento Bodegas y Viñedos, the company's subsidiary in Argentina.

Paul Konar Elder, General Manager Viña Maipo & Viña Palo Alto

Agriculture Engineer. Joined the Company's commercial department in 1997. In 2006 he was appointed Export Manager for the North Region. In 2010 he was named as General Manager for Viña Maipo and Viña Palo Alto.

Family Relationships

Eduardo Guilisasti Gana, Rafael Guilisasti Gana, José Guilisasti Gana, Pablo Guilisasti Gana and Isabel Guilisasti Gana are siblings. Mr. Alfonso Larraín Santa María and Andrés Larraín Santa María are brothers. Carlos Saavedra Echeverría is their brother-in-law. Tomás Larraín León is the son of Andrés Larraín Santa María.

B. Director and Officer Compensation

In accordance with the Company's By-Laws, directors' compensation for any given fiscal year is determined annually at the general shareholders' meeting occurring in the immediately following fiscal year. Compensation paid in 2010 in respect of 2009 equaled 1.3% of the net profits of the Company. The amount of 300 UF per month has been allocated to cover the executive responsibilities of the chairman of the Board.

The following table sets forth the compensation paid to each of the directors of the Company in 2010 and in 2009.

	Directors' Compensation Total Compensation (in thousands of Ch$)	
	2010	**2009**
Attendance:		
Alfonso Larraín Santa María	94,630	75,325
Rafael Guilisasti Gana	94,630	75,325
Francisco Marín Estévez	94,630	75,325
Mariano Fontecilla de Santiago Concha	94,630	75,325
Sergio de la Cuadra Fabres	94,630	75,325
Pablo Guilisasti Gana	94,630	75,325
Christian Skibsted Cortés	94,630	75,325
Remuneration:		
Alfonso Larraín Santa María	76,287	75,555
Remuneration Directors' Committee:		
Rafael Guilisasti Gana	4,207	3,782
Sergio de la Cuadra Fabres	4,628	4,202
Christian Skibsted Cortés	4,628	4,202
Total	**752,160**	**615,016**

For the year ended December 31, 2010, the aggregate amount of compensation paid by the Company to senior managers, managers and to managers of the Company subsidiaries, totaling 110 executives, was approximately Ch$8,818 million. Individual senior manager's compensation disclosure is not required under Chilean law and it is not otherwise publicly disclosed by the Company.

C. Board Practices

Members of the current Board of Directors were elected at the annual general shareholders' meeting held on April 25, 2011 and will serve until April 2014, assuming no vacancies occur. The Company's executive officers are appointed by the Board of Directors and hold office at the discretion of the Board.

There are no service contracts between the directors of the Company and the Company or any of its subsidiaries providing for benefits upon termination of a director's employment.

In compliance with the current Chilean rules and regulations, a Directors' Committee was established at the Company on May 23, 2001. At the Board of Directors meeting of April 25, 2011, Jorge Desormeaux Jiménez replaced Christián Skibsted Cortés as member of the Directors' Committee. As of April 25, 2011, the Directors' Committee members are Sergio de la Cuadra Fabres (President), Jorge Desormeaux Jiménez and Rafael Guilisasti Gana. The primary functions of the Directors' Committee include:

- reviewing balance sheets and financial statements and reports from accounting oversight bodies and auditors;
- proposing outside auditors and credit risk rating companies to the Board;
- examining background information regarding the Company's operations with related persons;
- reviewing managers' and executive officers' compensation plans; and
- monitoring internal control systems used at Viña Concha y Toro and its affiliated companies.

The Directors’ Committee convened on thirteen separate occasions during the fiscal year 2010. The following were among the principal activities of the Directors’ Committee during 2010, Annual Activity Report:

At a meeting held on January 28, the Committee reviewed and approved the Internal Audit Periodic Report previously informed by the administration of the Company. In turn, the Committee approved a proposal of KPMG for services.

At a meeting held on February 25, the Committee reviewed the Management Letter (Final Report on Internal Control) prepared by the external auditors KPMG with respect to fiscal year 2009. It was concluded that there were no important weaknesses, and therefore, the Committee proceeded to approve the Audited Financial Statements of the Company for 2009.

At a meeting held on March 25, the Committee approved a donation to “Fundación Casa Básica” to help with the post-earthquake reconstruction process.

At a meeting held on April 22, the Chief Financial Officer presented to the Committee financial statements prepared in accordance with the IFRS standards. The financial statements were approved by the Committee. The Committee proposed to the Board of Directors to have KPMG as External Auditors for fiscal year 2010. Finally, the Committee approved transactions with related parties.

At a meeting held on May 27, the Committee discussed the Internal Audit Quarterly Report with special attention to matters relating to the Company’s foreign subsidiaries Trivento Bodegas SA, VCT Brazil, Concha y Toro UK. The Committee approved this report which provided guidelines for optimizing the audit management.

At a meeting held on June 30, the Committee received the audit partner of KPMG, Mr. Benedicto Vásquez, who spoke before the Committee regarding the Company’s Annual Report on Form 20-F for the 2009 fiscal year, the delivery of which is required for entities registered with the Securities and Exchange Commission (SEC).

At a meeting held on July 29, the Committee received the purchase transactions report of grapes and wines with related and non-related parties.

At a meeting held on September 7, the Committee reviewed the semi-annual financial information of the Company. The audit partner of KPMG, Mr. Benedicto Vasquez, reported that there were no significant audit adjustments to be made in the financial statements on June 30, 2010. The Committee approved the report submitted to the Board.

At a meeting held on November 9, the Committee reviewed and approved the quarterly financial information of the Company and agreed to its submission to the Board of the Company.

From time to time, the Committee reviews and discusses potential transactions with related parties and reports provided by the Company’s internal and external auditors.

Finally, the last session of the year dated on December 23, the Committee reviewed and approved the Preliminary Report of Internal Audit and the Internal Control Report of the Company (Management Letter) issued by KPMG. It was agreed to present reports to the Board. Finally, the Committee approved the report about remunerations and compensations of senior executives and managers of the Company.

According to Chilean Corporation Law, the remuneration of each member of the Committee cannot be less than a third of the remuneration set for the members as a member of the Board of Directors. The Shareholders Meeting approved the remuneration for each member of the Committee for an amount equal to a third of the remuneration that they received as directors of the Company.

The ordinary shareholders approved an operating budget for this Committee of Ch$ 25.0 million annually. During fiscal year 2010, the Committee engaged external professional advice for the amount of Ch$15.6 million.

Since April 2011, the members of the Audit Committee are: Sergio de la Cuadra Fabres, Jorge Desormeaux Jiménez and Rafael Guilisasti Gana. Sergio de la Cuadra Fabres and Jorge Desormeaux Jiménez are independent directors while Rafael Guilisasti is not independent. Mr. Guilisasti is relying on an exemption of the Listing Standards relating to Audit Committees of Rule 10A-3 promulgated under the Exchange Act. See Item 16.D. — "Exemptions from the Listing Standards for Audit Committees."

We currently do not have a separate remuneration committee; however, the Company's Directors' Committee carries out the functions usually performed by this committee. It also promotes auditor independence by prohibiting auditors from providing certain non-audit services while conducting audits. The Company's existing oversight and corporate governance practices fully honor the spirit and requirements of Sarbanes-Oxley reforms in many respects. For instance, auditor independence has been strengthened with the adoption of an auditor independence policy by the Company. See Item 16.A. — "Audit Committee Financial Expert."

The Company's Board of Directors is committed to implementing measures that will promote investor confidence and market integrity. In response to Sarbanes-Oxley Act, the Company has formalized a methodology to ensure the accuracy and completeness of information disclosed to the market. The Company is committed to complying with the laws and regulations applicable in all countries in which the Company operates. Upon enactment of new laws and regulations resulting from, or coming into force from the provisions of Sarbanes-Oxley, the Company will adjust its corporate governance structure in a way so as to ascertain full compliance.

D. Employees

As of December 31, 2008, 2009 and 2010, the Company's Chilean operations had, 2,328 , 2,543 and 2,732 employees, respectively. Personnel employed in the foreign subsidiaries totaled 392 employees as of December 31, 2010. The Company also hires temporary workers during the harvesting season, which in 2010 averaged 1,455temporary workers.

Eight labor unions represent an aggregate of approximately 680 of the Company's employees (approximately 138 administrative employees, 77 sales employees and 465 plant employees). Labor relations with unionized personnel are governed by collective bargaining agreements negotiated in 2009-2010 that expire in 2011–2012. The Company believes that it currently has a good working relationship with its labor unions; however, the Company is unable to predict the outcome of any future negotiations with such labor unions. Regarding the contract that expired in 2010, the negotiations were finished and the Company formalized without any problems. There are two contracts that expire in November 2011; both parties intend to negotiate and the Company expects to formalize without any problems.

In certain circumstances, the Company pays severance benefits equivalent to five labor days for each year of services rendered by the employee. The Company has agreed with one labor union (representing ten of its workers) to pay such severance benefits to their members in all circumstances. Additionally, the Company has agreed with the 299 employees covered by one collective bargaining agreement to pay the equivalent of 5 days salary for each year of service in all circumstances. Under Chilean law, all employees who are terminated for reasons other than misconduct are entitled to the basic payment of one month's salary for each year worked, or a six-month portion thereof, subject to a limit of 11 months' severance pay for employees hired after August 4, 1981 with a maximum of UF 90 per year (approximately Ch$ 1.96 million). Severance payments to employees hired before August 14, 1981 are not subject to these limits.

The Company does not maintain any pension or retirement programs for its employees. Workers in Chile are covered by a national pension law which establishes a system of independent pension plans administered by the *Administradoras de Fondos de Pensiones* ("Pension Fund Administrators"). The Company has no liability for the performance of the pension plans or any pension payments to be made to the employees in Chile.

All employees, including management, are entitled to a discount of 30% off the retail price on wine purchases from Company-owned facilities. Each employee may buy no more than two cases per month.

All of the Company's administrative employees participate, directly or indirectly, in an annual bonus pool equal to 4.0% of net profits in proportion to their salary.

E. Share Ownership

The following table reflects the number of shares owned indirectly by the directors and executive officers and their percentage ownership of the Company at April 30, 2011. Executive officers not listed do not own shares.

Share Ownership of Directors and Senior Management[(1)]

	No. of Shares Owned	% of Total Subscribed Shares[(2)]
Eduardo Guilisasti Gana[(3)]	177,327,241	23.7%
Rafael Guilisasti Gana[(3)]	175,858,736	23.5%
Pablo Guilisasti Gana[(3)]	176,762,593	23.7%
Isabel Guilisasti Gana[(3)]	3,463,838	0.5%
Alfonso Larraín Santa María[(4)]	79,064,300	10.6%
Francisco Marín Estévez[(5)]	64,621,796	8.7%
Mariano Fontecilla de Santiago Concha[(6)]	27,172,906	3.6%
Osvaldo Solar Venegas[(9)]	169,558	—[(7)]
Thomas Domeyko C. [(10)]	24,049	—[(7)]
Cristián Ceppi Lewin [(11)]	50,294	—[(7)]
Carlos Halaby Riadi[(12)]	174,186	—[(7)]
Adolfo Hurtado Cerda[(13)]	173,771	—[(7)]
Enrique Tirado Santelices[(14)]	10,876	—[(7)]
Daniel Durán Urízar[(15)]	10,286	—[(7)]
Giancarlo Bianchetti Gónzalez[(16)]	8,286	—[(7)]
Cristián Canevaro Jaramillo[(17)]	5,020	—[(7)]
Cristóbal Goycoolea Nagel [(17)]	6,040	—[(7)]
José Jottar Nasrallah [(18)]	4,205	—[(7)]
Paul Konar Elder [(19)]	7,030	—[(7)]
Directors and Executive Officers in the aggregate	**359,134,893**	**48.08%**

(1) Shares held directly and indirectly through investment companies and not individually owned.

(2) Calculated on the basis of 747,005,982 outstanding shares on April 30, 2011.

(3) Eduardo Guilisasti Gana, Rafael Guilisasti Gana, José Guilisasti Gana and Pablo Guilisasti Gana (collectively, the "Family Principal Shareholders") are the sons of Mr. Eduardo Guilisasti Tagle, the former Chairman of the Company. Isabel Guilisasti Gana is the sister of the Family Principal Shareholders. Mr. Eduardo Guilisasti Tagle died on August 20, 1998. The shares attributed to each Family Principal Shareholder include 87,615,431 and 85,274,628 shares held by *Inversiones Totihue S.A.* ("Totihue") and *Rentas Santa Bárbara S.A.* ("Santa Bárbara"), respectively, as well as shares held directly or indirectly by members of such Family Principal Shareholder's immediate family and affiliated entities. Totihue and Santa Bárbara are controlled by the Family Principal Shareholders pursuant to powers of attorney granted by the board of directors of Totihue and Santa Bárbara. Each power of attorney grants any two Family Principal Shareholders, acting together, the power to, among others, vote or direct the voting of, or dispose or direct the disposition of, the shares held by Totihue or Santa Bárbara, as the case may be. Mr. Eduardo Guilisasti Gana is the Company's General Manager, Mr. Rafael Guilisasti Gana is the Company's Vice Chairman and Mr. Pablo Guilisasti Gana is a director of the Company. Ms. Isabel Guilisasti Gana was named Marketing Manager Origin Wines on July, 2004. The address for Mr. Eduardo Guilisasti Gana and Mr. Rafael Guilisasti Gana is c/o *Viña Concha y Toro S.A.,* Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile. The address for Mr. Pablo Guilisasti Gana is c/o *Frutícola Viconto S.A.,* Apoquindo 4775, Piso 16, oficina 1601, Las Condes, Santiago, Chile. The address for Ms. Isabel Guilisasti Gana is *Viña Concha y Toro S.A.,* Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile. The other Family Principal Shareholder, Mr. José Guilisasti Gana, is neither director nor executive officer of the Company. The address for Mr. José Guilisasti Gana is *Frutícola Viconto S.A.,* Apoquindo 4775, Piso 16, oficina 1601, Las Condes, Santiago, Chile.

(4) Mr. Alfonso Larraín Santa María is the Company's Chairman of the Board. The number of shares attributed to Mr. Larraín includes 895,100 shares held by his brother Andrés Larraín Santa María and 155,840 shares held by his brother in-law, Carlos Saavedra Echeverría (managers of the Company), shares held by other members of his family and affiliated entities and also includes 26,964,775 shares held by *Fundación Cultura Nacional* ("Cultura Nacional"). Cultura Nacional is a Chilean non-profit institution which primarily funds grade school religious education. Mr. Alfonso Larraín Santa María is the Chairman of Cultura Nacional. Mr. Larraín's address is c/o *Viña Concha y Toro S.A.,* Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(5) Mr. Francisco Marín Estévez is a director of the Company. The number of shares attributed to Mr. Marín includes shares owned by members of his family and affiliated entities. Mr. Marín's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(6) Mr. Mariano Fontecilla de Santiago Concha is a director of the Company. The number of shares attributed to Mr. Fontecilla includes shares owned by members of his family and affiliated entities. Mr. Fontecilla's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(7) Less than 1%.

(8) Mr. Osvaldo Solar Venegas is the Company's Corporate Administration and Finance Manager. Mr. Osvaldo Solar is Director of Cultura Nacional, foundation that holds 26,964,775 shares of the Company. Mr. Solar's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(9) Mr. Thomas Domeyko C. is Corporate Export Manager North Zone. Mr. Domeyko's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(10) Mr. Cristián Ceppi L. is Corporate Export Manager South Zone. Mr. Ceppi's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(11) Mr. Carlos Halaby R. is Eonology Manager. Mr. Halaby's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(12) Mr. Adolfo Hurtado C. is General Manager of Viña Cono Sur. Mr. Hurtado's address is c/o *Viña Cono Sur*, Avenida Nueva Tajamar 481, Torre Sur, Piso 21, Santiago, Chile.

(13) Mr. Enrique Tirado S. is Oenology Manager Don Melchor. Mr. Tirado's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(14) Mr. Daniel Durán U. is Technology and Information Manager. Mr. Durán's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(15) Mr. Giancarlo Bianchetti G. is Markting Manager Global Brands. Mr. Bianchetti's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(16) Mr. Cristián Canevaro J. is General Manager Comercial Peumo. Mr. Canevaro's address is c/o *Viña Concha y Toro S.A.*, Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(17) Mr. Cristóbal Goycolea Nagel is Marketing Manager for Global Brands. Mr. Goycolea's address is c/o Viña Concha y Toro S.A., Casilla 213, Avenida Nueva Tajamar 481, Torre Norte, Piso 15, Santiago, Chile.

(18) Mr. Jose Jottar Nasrrallah is General Manager of Trivento. Mr. Jottar's address is c/o Trivento Bodegas y Viñedos S.A., Canal Pescara 9347, Russell C.P. 5517, Maipu, Mendoza, Argentina.

(19) Paul Konar Elder is General Manager of Viña Maipo and Viña Palo Alto. Mr. Konar's address is c/o Viña Palo Alto, Virginia Subercaseau 210, Pirque, Santiago, Chile.

ITEM 7: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The Company's only outstanding voting securities are the shares of its Common Stock. According to the Company's shareholder records, the Company's 747,005,982 shares of Common Stock outstanding were held by 1,402 shareholders of record as of April 30, 2011. There are no differences in the voting rights of the shareholders.

The principal shareholders of the Company are Rentas Santa Bárbara S.A. ("Santa Bárbara"), Inversiones Totihue S.A. ("Totihue"), AFP Provida S.A., AFP Habitat S.A., Inversiones Quivolgo S.A., AFP Capital S.A., Fundación Cultura Nacional ("Cultura Nacional"), The Bank of New York (according to Circular 1375 issued by the S.V.S. on February 12, 1998, hereinafter "Circular 1375 S.V.S.," which states that the Depositary shall be the shareholder of record of the shares underlying the ADS), Inversiones GDF S.A., AFP Cuprum S.A., Constructora Santa Marta Ltda. ("Santa Marta"), La Gloria Ltda. ("La Gloria"), Banchile Fondos Mutuos, Banco Itaú (third party account Chapter XIV), and Banco de Chile (third party account Chapter XIV).

Santa Bárbara and Totihue are investment companies controlled by Eduardo Guilisasti Gana, Rafael Guilisasti Gana, José Guilisasti Gana and Pablo Guilisasti Gana (collectively, the "Family Principal Shareholders"). Inversiones GDF S.A., Santa Marta, La Gloria and Quivolgo are investment companies controlled by directors of the Company.

For information concerning the beneficial ownership in shares of Common Stock of the Family Principal Shareholders and other Directors and Executive Officers of the Company, see Item 6 — "Directors, Senior Management and Employees — Share Ownership." The following table sets forth certain information concerning direct ownership of the Company's Common Stock with respect to the principal holders of the outstanding subscribed shares of Common Stock.

Direct Share Ownership of Principal Shareholders

	As of December 31st,				As of April 30, 2011	
	2009		2010			
Principal Shareholders	**No. of Shares O wned**	**% of Total Subscribed Shares**	**No. of Shares Owned**	**% of Total Subscribed Shares**	**No. of Shares Owned**	**% of Total Subscribed Shares**
Inversiones Totihue S.A. (2)	87,615,431	11.73%	87,615,431	11.73%	87,615,431	11.73%
Rentas Santa Bárbara S.A. (2)	85,274,628	11.42%	85,274,628	11.42%	85,274,628	11.42%
Inversiones Quivolgo S.A.(4)	28,831,551	3.86%	30,032,000	4.02%	30,032,000	4.02%
AFP Provida S.A. (3)	43,327,829	5.80%	32,794,000	4.39%	29,517,046	3.95%
AFP Habitat S.A. (3)	33,821,696	4.53%	29,334,839	3.93%	27,131,698	3.63%
Fundación Cultura Nacional (5)	26,964,775	3.61%	26,964,775	3.61%	26,964,775	3.61%
Inversiones GDF S.A. (6)	24,439,851	3.27%	24,439,851	3.27%	24,439,851	3.27%
AFP Capital S.A. (3)	27,453,485	3.68%	26,184,511	3.51%	24,434,803	3.27%
Constructora Santa Marta Ltda. (7)	22,293,321	2.98%	22,293,321	2.98%	22,293,321	2.98%
AFP Cuprum S.A. (3)	14,128,040	1.89%	24,541,425	3.29%	20,919,245	2.80%
Banco de Chile Cta de Terceros	19,404,496	2.60%	16,895,434	2.26%	18,708,991	2.50%
Banco Itau Cta de Terceros	9,575,652	1.28%	17,413,005	2.33%	18,425,359	2.47%
The Bank of New York (1)	24,765,040	3.32%	16,641,340	2.23%	16,751,900	2.24%
Inversiones La Gloria Ltda.(4)	15,682,332	2.10%	16,082,332	2.15%	16,082,332	2.15%
Banchile Fondos Mutuos	16,082,332	2.15%	13,159,209	1.76%	15,391,027	2.06%
Total Largest 15 Shareholders	**479,660,459**	**64.22%**	**496,666,101**	**62.87%**	**463.982.407**	**62.11%**
Other Shareholders	267,345,523	35.78%	248,339,881	33.24%	283,023,575	37.89%
Total	**747,005,982**	**100%**	**747,005,982**	**100%**	**747,005,982**	**100%**

(1) Depositary Bank for the ADS.
(2) Investment Company controlled by the Guilisasti Family ("Family Principal Shareholders").
(3) Chilean Pension Fund.
(4) Investment Company controlled by Mr. Alfonso Larraín Santa María.
(5) Cultura Nacional is a Chilean non profit institution. Shares are attributed to Mr. Alfonso Larraín, its Chairman.
(6) Investment Company controlled by Mr. Mariano Fontecilla de Santiago Concha.
(7) Investment Company controlled by Mr. Francisco Marín Estévez.

In August 1999, members of the Guilisasti family and other affiliated parties entered into a Shareholders' Agreement relating to, among other issues, the transfer and voting of Common Stock. An English translation of such Shareholders' Agreement was previously filed and is listed as Exhibit 3.4 to this Annual Report. See Item 19 — "Exhibits."

Pursuant to the Shareholders' Agreement, each party that is a holder of Common Stock agreed to provide to Totihue and Santa Bárbara the right to purchase all or part of any shares the selling shareholder wishes to sell from time to time. In addition, both Santa Bárbara and Totihue agreed to provide to one another rights to purchase all or part of any Common Stock it wishes to sell from time to time. Santa Bárbara and Totihue will have 30 days from the date of receipt of notice of the proposed sale to accept the offer (in whole or in part) to purchase the selling shareholder's Common Stock subject to the proposed sale.

The preferential purchase rights of Santa Bárbara and Totihue described above are applicable in the case of transfer of subscription rights of shareholders party to the Shareholders' Agreement resulting from a capital increase, as well as in the case of issuance of capital stock in the event of a merger or split-off. The preferential purchase rights of Santa Bárbara and Totihue are not applicable to a transfer of Common Stock to certain persons, including subsidiaries in which the transferor controls 75% or more of such subsidiary's capital stock and direct ascendants and descendants of such transferor.

The Shareholders' Agreement is of indefinite duration and may be modified or terminated pursuant to a written agreement signed by the shareholders party to the Shareholders' Agreement holding no less than 75% of the Common Stock subject to the Shareholders' Agreement.

B. Related Party Transactions

In the ordinary course of its business, the Company engages in transactions with its affiliates. In addition, the Company has engaged in transactions with directors and executive officers of the Company. A detail of transactions realized with subsidiaries or related parties is presented in Note 10 to the Consolidated Financial Statements – Balances and Transactions with Related Parties– .The principal transactions with such related parties during the last three fiscal years are as follows:

Viñedos Emiliana. Viñedos Emiliana is a Chilean corporation (*sociedad anónima abierta*) which produces wines for export and domestic markets and is listed on the Chilean Exchanges. Viñedos Emiliana was originally a subsidiary of the Company until 1986, when the Company distributed shares of Viñedos Emiliana to the Company's then existing shareholders. Although Viñedos Emiliana is a separate corporation, the Company and Viñedos Emiliana remain under common control. Certain of the principal shareholders of the Company own directly and indirectly approximately 59.74% of Viñedos Emiliana's outstanding capital stock and, additionally, the Company and Viñedos Emiliana have other common shareholders. Viñedos Emiliana's seven-member Board of Directors includes one of the Company's seven directors (Alfonso Larraín Santa María). Viñedos Emiliana and the Company have various business dealings, the most significant of which are described below.

The Company has a license from Viñedos Emiliana to use Viñedos Emiliana's brand name in Chile. The Company bottles (or packages in Tetra Brik containers) and sells in Chile for its own account a portion of its varietal wine production under Viñedos Emiliana's labels. The Company pays licensing fees to Viñedos Emiliana for the use of its labels. Licensing fees are based on the Company's gross revenues from sales of wines under Viñedos Emiliana's labels.

Viñedos Emiliana does not have its own bottling facilities. Pursuant to a contract with Viñedos Emiliana, the Company bottles wine produced by Viñedos Emiliana. This wine is sold by Viñedos Emiliana in export markets for its own account under Viñedos Emiliana's labels. The Company receives a per-bottle fee for bottling services provided to Viñedos Emiliana. This fee is for the same amount as the Company would charge to an unrelated wine producer for bottling services.

With the Company's consent, Banfi, the Company's exclusive distributor in the United States, also acts as the exclusive distributor for Viñedos Emiliana's wines in the United States.

In 2010, the Company recognized Ch$928 million in revenues from Viñedos Emiliana, or 0.25% of total revenues, including mainly revenues from sales in bottling fees and sales of raw materials. In 2010, the Company paid Viñedos Emiliana Ch$295 million in licensing fees. The Company recognized revenues from Viñedos Emiliana of Ch$952 million in 2009. The Company paid Viñedos Emiliana Ch$248 million in 2009 in licensing fees.

From time to time, the Company engages in other transactions with Viñedos Emiliana, including purchases of wine in bulk at market prices, grapes and other raw materials. In 2010and 2009 total purchases from Viñedos Emiliana totaled Ch$508 million and Ch$479 million respectively.

Frutícola Viconto (“Frutícola”). Frutícola is the Company’s principal customer for fruit. In 2010 and 2009 the Company sold Ch$9.7 million and Ch$9.6 million, respectively, of fruit to Frutícola for export. The Company also purchases grapes from Frutícola for vinification. In 2010, the Company did not purchase any fruit from Frutícola. In 2009 the Company purchased Ch$10.7 million of grapes from Frutícola. Frutícola is a Chilean corporation (*sociedad anónima abierta*) listed on the Chilean Exchanges. Frutícola was formerly a subsidiary of the Company until 1986 when the Company distributed Frutícola shares to the Company’s then existing shareholders.

The Company and Frutícola are under common control. Two of the Company’s seven directors are members of Frutícola’s seven-member Board of Directors (Rafael Guilisasti Gana and Pablo Guilisasti Gana). Mr. Andrés Larraín Santa María, the Company’s Agricultural Manager and Mr. Felipe Larraín Vial, son of the Company’s Chairman, are also directors of Frutícola. Certain Principal Shareholders directly and indirectly own approximately 57.11% of the outstanding common stock of Frutícola.

Industria Corchera. In November of 2000, the Company acquired 49.6% of the capital stock of Industria Corchera through a direct purchase of shares from Quivolgo, Totihue and two investment companies controlled by a director of the Company. Based on a prior economic valuation of Industria Corchera by PriceWaterhouse, the Company invested a total of US$6 million. In November 2002, with the acquisition of 4,818 shares, representing 0.24% of the capital stock of Industria Corchera, the Company increased its ownership in Industria Conchera to 49.84%. In 2008, the Company increased its ownership to 49.96%.

Industria Corchera is the primary cork supplier for the Company. The Company purchased Ch$6,853 million and Ch$6,878 million of cork and other raw material from Industria in 2010 and 2009 respectively. The Company believes that the price and terms it receives from Industria Corchera are equivalent to those available from its other cork suppliers. Mr. Osvaldo Solar Venegas, the Company’s CFO is director of Industria Corchera.

Viña Almaviva. Viña Almaviva is a 50-50 joint venture company between the Company and Baron Philippe de Rothschild. The Company purchases from Almaviva used French oak barrels (used during one aging season) and the Almaviva wine that is sold in Chile through Comercial Peumo. Total purchases from Almaviva in 2010 and 2009 were Ch$583 million and Ch$416 million respectively. In addition, the Company sells to Almaviva raw materials and services. Sales to Almaviva totaled in 2010 and 2009, Ch$125million and Ch$82 million respectively.

Related Transaction With Entities in Which the Directors and Executive Officers Have an Equity Interest. The Company purchases small quantities of grapes, plants and other services from entities in which several of its directors, executive officers or members of their families have interests. In 2010 and 2009, the Company purchased an aggregate of approximately Ch$3,647 million and Ch$3,223 million respectively, of such goods and services from such entities, and sold grapes to these entities for Ch$ 166 million in 2010 and Ch$ 213 million in 2009.

Other. Besides formal requirements, Title XVI and specially article 147 of the Chilean Corporation Law demand to Open Corporations that any relevant Company’s transactions with related parties shall only be celebrated if actually contributes to the social interest and if it subject to terms and conditions customarily prevailing in the market at the time of it approval. Directors, managers and principal officers of companies that violate Article 147 are liable for losses resulting from such violation. In addition, Article 147 of the Chilean Corporation Law provides that any transaction in which a director has a personal interest or is acting on behalf of a third party must be immediately informed by the compromised Director to the boards of directors and shall only be approved if the absolute majority of the directors consider that the transaction is beneficial for the social interest. Chilean law requires that an interested director abstain from voting on such a transaction. If the absolute majority of the director is obliged to abstain for voting on any particular transaction, the transaction shall only be approved unanimously by the not involved directors or by an a extraordinary shareholders meeting. See Item 10 — “Additional Information — Estatutos (By-Laws) — Directors” for further information relating to conflict of interest transactions. Resolutions approving such transactions must be reported to the Company’s shareholders at the next shareholder’s meeting. Violation of Article 147 may result in administrative or criminal sanctions and civil liability to the Company and shareholders or interested third parties who suffer losses as a result of such violation. The Company believes that it has complied with the requirements of Article 147 in all transactions with related parties during fiscal year 2010.

For additional information concerning the Company's transactions with affiliates and other related parties, see Note 10 to the Consolidated Financial Statements — "Balances and Transactions with Related Parties."

ITEM 8: FINANCIAL INFORMATION

See Item 18 — "Financial Statements" and the financial statements referred to therein for the Consolidated Financial Statements and other financial information.

Wine Exports

Viña Concha y Toro and its subsidiaries export from Chile to 135 countries. Concha y Toro is the largest exporter in Chile. The Company also exports wine from Argentina through the subsidiary, Trivento. Trivento is the second largest wine exporter by volume in Argentina. See "Item 4: Information on the Company — Company Sales — Argentina".

The following table presents wine exports by volume, in Chilean pesos and as a percentage of total sales for the last two years.

Exports by Volume and Value

	2009	2010
Exports (thousand – liters)	176,668	187,819
% of total sales	68.1%	70.2%
Exports (Ch$ million)	269,361	278,414
% of total sales	76.2%	74.4%

Legal and Arbitration Proceedings

The Company is not involved in any litigation or arbitration proceedings which, if determined adversely to the Company, individually or in the aggregate, would have a material adverse effect on the Company and its subsidiaries taken as a whole, nor to the Company's knowledge are any such proceedings threatened.

The subsidiary of the Company in Argentina, Trivento Bodegas y Viñedos S.A, is involved in two legal procedures with the Argentinean Federal Tax Bureau ("AFIP"). AFIP has challenged Trivento's revenue declarations for years 2002, 2003 and 2004. If the court ultimately decides against Trivento, Trivento could be required to pay an aggregate amount equivalent to approximately Ch$ 3,000 million (approximately US$ 6.5 million).

Policy on Dividend Distributions

In accordance with Chilean law, the Company must distribute cash dividends equal to at least 30% of the Company's annual net income calculated in accordance with Chilean GAAP, unless otherwise decided by a unanimous vote of the holders of the shares and unless and to the extent that the Company has accumulated losses. If there is no net income in a given year, the Company may elect, but is not legally obligated, to distribute dividends out of retained earnings. Shareholders who do not expressly elect to receive a dividend other than in cash are legally presumed to have decided to receive the dividend in cash. A U.S. holder of ADS may, in the absence of an effective registration statement under the Securities Act or an available exemption from the registration requirement thereunder, effectively be required to receive a dividend in cash.

The Company's dividend policy approved at the general shareholders' meeting is to distribute 40% of net earnings. For fiscal year 2010, interim dividends Nos. 240, 241 and 242 of Ch$3.00 per share were paid on September 30, 2010, December 29, 2010 and March 31, 2011, respectively. A final dividend No. 243 of Ch$13.45 per share was paid on May 24, 2011 against the profits of the 2010 fiscal year. Total dividends disbursed against the profits of 2010 fiscal year were 40% of net earnings.

For fiscal year 2011, the Board approved to pay three provisional dividends of Ch$3.0 per share, charged against the profits for fiscal year 2011. These will be paid on September 30, 2011, December 29, 2011 and March 31, 2012, while the remaining profits up to a limit of 40% of the earnings shall be disbursed in May 2012.

The above detailed dividend policy is the Board's intent; however, fulfillment thereof will be contingent on cash flows. Consequently, at the annual shareholders' meeting, the Board shall solicit shareholder approval to modify the amounts and payment dates should the necessity arise.

The following table sets forth the dividends paid per share of common stock in respect of each of the years indicated:

Fiscal year	Total Dividends Paid Ch$ per share [1]
2006	9.00
2007	18.95
2008	19.55
2009	23.70
2010	22.45

(1) Dividends per share are expressed in pesos and correspond to interim and final dividend charged against net income of the corresponding fiscal year. The final dividend with respect to each year is declared and paid within the first five months of the subsequent year.

Significant Changes

No significant changes have occurred since the date of our last annual financial statements.

ITEM 9: THE OFFER AND LISTING

Prior to the offerings of the ADS and the shares of Common Stock in October 1994, there was no public market for such securities in the United States. The Common Stock is currently traded on the Chilean Exchanges. In 2010, trading on the Santiago Stock Exchange accounted for approximately 87% of the trading volume of the Common Stock in Chile. The ADS are listed on the New York Stock Exchange and trade under the symbol "VCO."

The tables below show, for the periods indicated, high and low closing sale prices of a share of Common Stock in nominal Chilean pesos and the quarterly shares trading volume of the Common Stock on the Santiago Stock Exchange. The U.S. dollar figures reflect, for the periods indicated, actual high and low closing prices for the ADS on the New York Stock Exchange in the United States. The ADS may or may not actually trade at 20 times the price per share. As of Monday October 3, 2005 the ratio of one (1) ADS representing fifty (50) ordinary shares was changed to one (1) ADS representing twenty (20) ordinary shares. Therefore, as of October 3, 2005, Viña Concha y Toro's ADS quotation will correspond initially, to the closing quotation of September 30, 2005 divided by 2.5 (two and one half). See Item 3 — "Key Information — Exchange Rates" for the exchange rates applicable during the periods set forth below. The following information is not restated in constant Chilean pesos.

Annual High and Low Closing Sale Prices

	Chilean Pesos Per Shares[2]		U.S. Dollars Per ADS[3]	
Year Ended December	**High**	**Low**	**High**	**Low**
2006	850.0	679.9	32.29	25.12
2007	1,375.0	800.0	55.16	29.81
2008	1,132.7	780.0	43.35	26.01
2009	1,200.1	931.0	45.00	28.50
2010	1,300.0	1,010.0	50.98	39.00

*On October 3, 2005 the ratio of 1 ADR to common stock changed from 1:50 to 1:20

Quarterly High and Low Closing Sale Prices

	Chilean Stock Trading			ADR Trading		
		Chilean Pesos Per Shares[2]			U.S. Dollars Per ADS[3]	
Year Quarter	**Share Volume(000)[1]**	**High**	**Low**	**Share Volume[3]**	**High**	**Low**
2009						
1st Quarter	17,482.64	1,100.0	931.0	251,533	37.75	28.50
2nd Quarter	32,336.75	1,149.0	945.0	245,676	39.04	31.49
3rd Quarter	33,322.69	1,185.0	963.0	251,436	43.93	34.74
4th Quarter	27,151.10	1,200.1	970.0	329,894	45.00	39.15
2010						
1st Quarter	24,179.38	1,260.0	1,010.0	447,685	50.98	41.50
2nd Quarter	53,998.91	1,225.0	1,061.5	730,846	47.77	39.00
3rd Quarter	107,459.58	1,300.0	1,120.0	226,753	50.28	41.25
4th Quarter	60,899.20	1,200.0	1,116.0	159,322	50.04	47.52
2011						
1st Quarter	96,537.41	1,180.6	970.0	253,338	48.55	41.35
Month ended						
November, 2010	10,004.67	1,200.0	1,170.0	56,926	50.00	47.93
December, 2010	32,668.16	1,186.4	1,116.0	52,500	50.04	47.59
January, 2011	18,213.37	1,180.6	1,112.0	54,997	48.55	45.86
February, 2011	63,716.93	1,160.0	970.0	95,495	46.87	41.35
March, 2011	14,607.11	1,150.0	996.0	102,846	47.00	42.17
April, 2011	13,723.76	1,185.0	1,100.0	78,741	50.85	47.50

*On October 3, 2005 the ratio of 1 ADR to common stock changed from 1:50 to 1:20. This means that the ADR price US$34.24 for the new ratio corresponds to 85.60 on the former ratio.

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(1) Source: Volume traded in the Santiago Stock Exchange, the Chilean Electronic Exchange and the Valparaiso Stock Exchange.
(2) Source: Santiago Stock Exchange. Chilean pesos per share reflect nominal price at trade date.
(3) Source: Monthly Report-The Bank of New York. Reflects actual high/low closing prices.

According to the Company's records, as of April, 2011, there were 1,402 holders of record of the Common Stock. Only the Depositary, as shareholder of record for the shares underlying the ADS (according to Circular 1375 S.V.S.), has an address in the United States.

ITEM 10: ADDITIONAL INFORMATION

A. Share Capital

Not Applicable.

B. Memorandum and articles of association

The following is a summary of certain information regarding the Company's By-Laws and provisions of Chilean law. This summary is not complete. For a complete overview of the provisions of the By-Laws discussed in this summary, you are encouraged to read the Company's By-Laws, previously filed and incorporated by reference as Exhibit 1.1 to this Annual Report. See Item 19 — "Exhibits."

Registration and corporate purposes. The Company is a corporation (sociedad anónima abierta) organized by means of a public deed (escritura pública) dated December 31, 1921, the abstract of which was recorded on Page 1051, Number 875, of Santiago's Registry of Commerce in 1922 and published in Chile's Official Gazette on November 6, 1922. Its existence was approved by a Supreme Decree Number 1556, dated October 18, 1922. After corporate amendments were made, the Company's public deed was recorded on Page 15,664, Number 12,447 of Santiago's Registry of Commerce in 1999 and recorded at Chile's Securities Registry of the Superintendency of Securities under No. 0043 on June, 14, 1982. As set forth in Article 2 of the Company's By-Laws, the purposes of the Company are: the operation and marketing of the wine-making industry in all its forms and all its distinct phases, whether with its own stock or stock purchased from third parties; the operation of agricultural real estate owned by the Company or leased from third parties; and the carrying out of real estate investments including acquiring, transferring and constructing real estate, either with its own personnel or through third parties.

Directors. Under the Chilean Corporation Law, a corporation may not enter into a contract or agreement in which a director has a direct or indirect interest (a conflicting interest transaction) without prior approval by the Board of Directors and only if the terms of the conflicting interest transaction are similar to those of an arm's length transaction and only is it beneficial for the social interest.

If the conflicting interest transaction does not involve a "material amount," the transaction shall be executed only with the previous approval of the Board of Director. A conflicting interest transaction is deemed to involve a "material amount" if the amount involved is both greater than 2,000 Unidades de Fomento (as of May 31, 2011, approximately Ch$ 43.3 million) and exceeds 1% of the assets of the corporation, or if the amount exceeds 20,000 Unidades de Fomento (as of May 31, 2011, approximately Ch$ 432.5 million) regardless of the size of the transaction. Same procedure shall be applicable in case the transaction complies with the Company's habitual policies and in if the Company owns directly or indirectly at least the 95% of the other party in the transaction.

If the transaction does not comply with the aforementioned scenarios it will only be able to be executed if: (i) it is immediately informed to the Board of Directors, (ii) is approved by the Board of Directors with the abstention of involved Directors; (iii) if the Transaction is informed to the next shareholders meeting. In case the majority of the directors are involved in a related transaction it will only be able to execution if it is approved unanimously by the not involved directors or by an extraordinary shareholders meeting. If the Transaction is subject to an extraordinary shareholders meeting, the Board of Directors shall appoint at least one independent advisor which shall inform the shareholders before the extraordinary shareholders meeting.

The amount of any director's remuneration is established each year at the annual shareholders' meeting.

Directors are forbidden from borrowing or otherwise making use of corporate money or assets for their own benefit, unless previously authorized by the Board of Directors. Directors are also prohibited from borrowing or otherwise making use of corporate money or assets for the benefit of companies in which such directors are either directors or owners of a 10% interest or more, unless previously authorized by the Board of Directors. Directors who receive such loans are excluded from voting on that matter. However, shareholders' authorization is not required if authorized by the Board of Directors. These rules can only be modified by law.

It is not necessary to hold shares of the Company to be elected a director and there is no age limit established for the retirement of directors.

Rights, preferences and restrictions regarding shares. At least 30% of the Company's annual net income is required to be distributed in cash to the shareholders, unless the shareholders unanimously decide otherwise. Any remaining profits may be used to establish a reserve fund (that may be capitalized at any time, amending the corporate By-Laws, by the vote of a majority of the voting stock issued), or to pay future dividends.

Compulsory minimum dividends become due thirty days after the date on which the shareholders meeting has approved the distribution of profits for that fiscal year. Any additional dividends approved by the shareholders become due on the date set by the shareholders or the Board of Directors.

According to the Company's dividend policy, the dividends are distributed in quarterly interim payments plus a final dividend to be paid in May of the following year. Accrued dividends that corporations fail to pay or make available to their shareholders within certain periods are to be adjusted from the date on which those dividends became due and that of actual payment. Overdue dividends will accrue annual interest established for adjustable operations over the same period.

Dividends and other cash benefits unclaimed by shareholders after five years from the date on which they became due will become the property of the Chilean Fire Department.

The Company has only one class of shares and, therefore, there are no preferences or limitations on the voting rights of shareholders. Each shareholder is entitled to one vote per share. In shareholders' meetings, determinations are generally made by a simple majority of shareholders entitled to vote. However, the Chilean Corporation Law provides that certain determinations require the vote of a two-thirds majority of the voting stock issued.

The Company's directors are elected every three years and their terms are not staggered. Chilean law does not permit cumulative voting. However, shareholders may accumulate their votes in favor of just one person or distribute their votes to more than one person. In addition, by unanimous agreement of the shareholders present and entitled to vote, the vote may be omitted and the election made by acclamation.

In the event of liquidation, the Chilean Corporation Law provides that corporations may carry out distributions to shareholders on account of a reimbursement of capital only once secure the payment of corporate indebtedness or after its actual payment.

Under Chilean law, certain provisions affect an existing or prospective holder of securities as a result of the shareholder owning a substantial number of shares. The Securities Market Law establishes that (a) any person who, directly or indirectly, (i) owns 10% or more of the subscribed capital of a corporation (the "majority shareholders") whose shares are registered in the Securities Registry of the Superintendency of Securities, or (ii) owns any such percentage because of the purchase of shares; and (b) all directors, the chief executive officer and the other principal officers of any corporation whose shares are registered with the Superintendency of Securities, regardless of the number of shares they own, must report any purchase or sale of shares made by such persons or entities no later than day after the date of such transactions to the Superintendency of Securities and to each of the stock exchanges in Chile where such corporation has securities registered. In addition, majority shareholders must inform the Superintendency of Securities and the stock exchanges with respect to whether the purchase is aimed at acquiring control of the corporation or merely a financial investment.

The Securities Market Law also provides that when one or more persons intend to take over a corporation subject to oversight by the Superintendency of Securities, they must give prior written notice to the Company, the Superintendency of Securities and the stock exchanges in Chile where such corporation has securities registered. This notice must include the price to be offered per share and the conditions of the proposed transaction, including the expected manner of acquiring the shares. Public notice shall be released through two publications in a newspaper of national presence as well.

Chapter XXV of the Securities Market Law was enacted in order that controlling shareholders share with minority shareholders the benefits of a change of control, by requiring that certain share acquisitions be made pursuant to a tender offer.

The Chilean Corporation Law provides shareholders with preemptive rights. The Act requires that options to purchase stock representing capital increases in corporations and debentures duly convertible into stock of the issuing corporation, or any other securities extending future rights over such stock, must be offered, at least once, to existing shareholders, proportionally to the number of shares owned by them. This right is eminently renounceable or transferable. A corporation must distribute any bonus stock in the same manner.

The Chilean Corporation Law also provides shareholders with a right to withdraw from a corporation in certain situations. Unless there is an ongoing bankruptcy proceeding, if a shareholders' meeting approves any of the following matters, dissenting shareholders will be automatically entitled to withdraw from the corporation upon payment by the corporation of the market value of their shares:

a) conversion of the corporation into a different type of legal entity;

b) merger of the corporation;

c) disposition of 50% or more of the assets of the corporation, whether or not including the liabilities;

d) guarantee of a third party's liabilities with collateral exceeding 50% of the corporation's assets;

e) establishment or extension of preferences in connection with a series of shares, or any other modification of existing preferences, in which case only dissenting shareholders in the affected series will have the right to withdraw; and curing certain errors or defects affecting the corporate charter, or amending the By-Laws in respect of one or more of the matters listed above.

In addition, shareholders may withdraw if a person becomes the owner of two-thirds of the outstanding shares of the corporation as a consequence of a share acquisition.

The Company's By-Laws do not provide for additional circumstances under which shareholders may withdraw.

Action necessary to change the rights of holders of stock. Rights of shareholders are established by law and pursuant to the By-Laws of a corporation. Any change to the rights of shareholders must be adopted by a majority of shareholders or, in some cases, by a two-thirds majority vote, as discussed above. However, the amendment of certain rights requires a unanimous vote of the shareholders, including the right of shareholders to receive less than a 30% of the net profits for each fiscal year. Notwithstanding the foregoing, no decision of the shareholders can deprive a shareholder from his proprietary interest in its stock.

The Company's By-Laws do not provide for additional conditions in connection with matters described in this subsection.

Shareholders' meetings. Annual shareholders' meetings are to be held during the first four months of each year. During the meetings, determinations are made relating to particular matters, which must be specifically indicated in the notice of such meeting. The quorum for a shareholders' meeting is established by the presence, in person or by proxy, of shareholders representing at least an absolute majority (50% plus one) of the issued voting stock of the Company; if a quorum is not present at the first meeting, the meeting can be reconvened and upon the meeting being reconvened, shareholders present at the reconvened meeting are deemed to constitute a quorum regardless of the percentage of the voting stock represented. In that case, decisions will be made by the absolute majority of stock with voting rights present or otherwise represented. The following matters are specifically reserved for annual meetings:

a) review of the state of the corporation and of the reports of internal and independent auditors and the approval or rejection of the annual report, balance sheet, financial statements and records submitted by the officers or liquidators of the corporation;

b) distribution of profits, including the distribution of dividends;

c) election or revocation of regular and alternate Board members, liquidators and management supervisors;

d) determinations regarding compensation of the Board members;

e) designation of a newspaper to publish the notice of meetings; and

f) in general, any other matter to be dealt with by the annual meeting relating to the Company and not specifically reserved to extraordinary shareholders' meetings.

Extraordinary shareholders' meetings may be held at any time. During extraordinary meetings, determinations are made relating to any matter which Chilean law or the Company's By-Laws reserve for consideration at such extraordinary meetings, which matters shall be expressly set forth in the relevant notice. Whenever in an extraordinary shareholders' meeting determinations must be made relating to matters specifically reserved to annual meetings, the operation and decisions of such extraordinary meeting will follow the requirements applicable to annual meetings.

The following matters are specifically reserved for extraordinary meetings:

a) dissolution of the corporation;

b) transformation, merger or spin off of the corporation and amendments to its By-Laws;

c) issuance of bonds or debentures convertible into stock;

d) transfer of corporate fixed assets and liabilities; and

e) guarantees of third parties' obligations, except when these third parties are affiliated companies (in which case approval of the Board of Directors will suffice).

In addition to the above, annual and extraordinary shareholders' meetings must be called by the Board of Directors in the following circumstances:

- when requested by shareholders representing at least 10% of issued stock;

- when required by the Superintendency of Securities; and

- whenever the social interest so warrants.

Only holders of stock registered in the Record of Shareholders five days before the date of the pertinent meeting may participate with the right to speak and vote in shareholders' meetings. Directors and officers other than shareholders may participate in shareholders' meetings with the right to speak.

Shareholders may be represented at meetings by other individuals, regardless of whether or not those persons are shareholders themselves. Representation must be conferred, in writing or public deed and for the total number of shares held by the shareholder.

Limitations on the right to own securities. The right to own any kind of property is guaranteed by the Chilean Constitution and the Chilean Corporation Law does not contain any general limitation regarding the right to own securities. There are, however, certain limitations on the right of foreigners to own securities of Chilean corporations, but only for certain special types of companies. The Company's securities are not restricted by these limitations and the Company's By-Laws do not contain restrictions or limitations in this respect.

Takeover defenses. The Company's By-Laws do not contain any provisions that would have the effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company (or any of its subsidiaries).

Ownership threshold. The Company's By-Laws do not contain any ownership threshold above which shareholder ownership must be disclosed.

Changes in capital. The By-Laws do not impose any conditions that are more stringent than those required by law for effecting changes in the capital of the Company.

C. Material Contracts

Viña Almaviva. On June 30, 1997, the Company entered into a joint venture with Baron Philippe de Rothschild S.A. ("Rothschild S.A."), a French company, establishing Viña Almaviva S.A. (formerly "Baron Philippe de Rothschild - Concha y Toro S.A.") for the production of "*Primer Orden*" wines in Chile. For a discussion of Viña Almaviva, see Item 4 — "Information on the Company — History and Development of the Company."

Industria Corchera. In November of 2000, the Company purchased 49.6% of the capital stock of Industria Corchera from certain directors of the Company. In November, 2002 the Company increased its ownership to 49.84%. In 2008, the Company increased its ownership to 49.96%. See Item 7 — "Major Shareholders and Related Party Transactions — Related Party Transactions" for a discussion of the acquisition and the agreements with Industria Corchera.

In connection with this acquisition, the Company and Amorim entered into a shareholders' agreement establishing provisions, among others, for the transfer of shares and other agreements in relation to the administration of Industria Corchera. An English translation of the shareholders' agreement between the Company and Amorim was previously filed and is listed as Exhibit 4.2 to this Annual Report. See Item 19 — "Exhibits." The Company and Amorim jointly own 99.93% of the capital stock of Industria Corchera.

Fetzer Vineyards. In April of 2011, the Company purchased 100% of the capital stock of Fetzer Vineyards from Brown-Forman Corporation. This transaction closed in April 15, 2011. The acquisition agreement related to this acquisition is included in this Annual Report as Exhibit 4.3.

D. Exchange Controls

The Central Bank of Chile is responsible for, among other things, monetary policies and control of foreign exchange transactions.

The Law of the Central Bank of Chile authorizes the Central Bank of Chile to regulate foreign exchange transactions, including those relating to ADS facilities. At the time the ADS facility was issued, the Central Bank had issued certain regulations (the "Former Regulations") imposing the obligation to obtain the previous authorization from the Central Bank of Chile and the execution of an agreement with such bank in order to proceed with an ADS facility.

Due to the above, the ADS facility is subject to a contract between the Depositary, the Company and the Central Bank of Chile (the "Foreign Investment Contract") that grants the Depositary and the holders of the ADS access to Chile's Formal Exchange Market and permits the Depositary to remit dividends received from the Company to holders of ADS without restriction. The Foreign Investment Contract is currently in force and will continue to govern the ADS facility until all parties agree to terminate it. If the Foreign Investment Contract is terminated, the ADS facility would then become subject to the New Regulations (as defined below). Under Chilean legislation, a Foreign Investment Contract may not be altered or affected adversely by actions of the Central Bank of Chile.

The Central Bank of Chile adopted a new Foreign Exchange Regulations Compendium (the "New Regulations") published in the Official Gazette on January 23, 2002 and effective as of March 1, 2002. The New Regulations impose only three levels of restrictions or obligations on foreign exchange transactions in Chile: (i) certain transactions requiring exchange of foreign currency must be conducted through the Formal Exchange Market (i.e., a commercial bank) and reported to the Central Bank of Chile (e.g., investments, loans, deposits and certain other transactions in excess of Ch$ 4.6 million (approximately US$10,000)); (ii) certain transactions requiring exchange of foreign currency to be remitted abroad must be conducted through the Formal Exchange Market without any reporting obligation (e.g., all license and royalty payments to be remitted abroad); and (iii) certain transactions requiring exchange of foreign currency must only be reported to the Central Bank of Chile (i.e., payments regarding import and export transactions, etc.).

Because the Law of the Central Bank of Chile authorizes the Central Bank of Chile to regulate foreign exchange transactions, including those relating to ADS facilities, more restrictive regulations on foreign exchange affecting ADS holders of the Company at any time may be imposed. Therefore, in the event the Foreign Investment Contract were terminated, an amendment to the New Regulations could, among other things, restrict the ability of ADS holders to dispose of the underlying shares of Common Stock of the ADS or to repatriate proceeds of the Common Stock. The duration or impact of any such restrictions would be difficult to assess.

The following is a summary of certain provisions that are contained in the Foreign Investment Contract. This summary does not purport to be complete and is qualified in its entirety by reference to the Foreign Investment Contract and Chapter XXVI of the former Foreign Exchange Regulations, which were filed as Exhibits 2.2 and 4.4, respectively, to the Company's Registration Statement on Form F-1 (No. 33-84298) and incorporated by reference herein. Although Chapter XXVI of the former Foreign Exchange Regulations is no longer in force, its terms do apply to the Company through the Foreign Investment Contract.

Under Chapter XXVI of the former Foreign Exchange Regulations and the Foreign Investment Contract, the Central Bank of Chile agreed to grant to the Depositary, on behalf of ADS holders and to any investor neither resident nor domiciled in Chile who withdraws Common Stock upon delivery of ADS (such shares of Common Stock being referred to herein as "Withdrawn Shares"), access to the Formal Exchange Market to convert pesos to U.S. dollars (and to remit such dollars outside of Chile) in respect of shares of Common Stock represented by ADS or Withdrawn Shares, including amounts received as (a) cash dividends; (b) proceeds from the sale in Chile of Withdrawn Shares; (c) proceeds from the sale in Chile of rights to subscribe for additional shares of Common Stock; (d) proceeds from the liquidation, merger or consolidation of the Company; and (e) other distributions, including, without limitation, those resulting from any recapitalization, as a result of holding shares of Common Stock represented by ADS or Withdrawn Shares. However, Chapter XXVI also provided that access to the Formal Exchange Market for repatriation of the sales proceeds of Withdrawn Shares or distributions thereon would be conditioned upon receipt by the Central Bank of Chile of certification by the Depositary (or the custodian on its behalf) that such Shares had been withdrawn in exchange for ADS, a waiver of the benefits of the Foreign Investment Contract until such Withdrawn Shares were redeposited and the Withdrawn Shares are redeposited with the Depositary. Investors receiving Withdrawn Shares in exchange for ADS will have the right to redeposit such shares in exchange for ADS, provided that the conditions to redeposit are satisfied. For a description of the Formal Exchange Market, see Item 3 — "Key Information — Exchange Rates."

Chapter XXVI of the former Foreign Exchange Regulations provided that access to the Formal Exchange Market for repatriation of dividend or distribution payments would be conditioned upon certification by the Company to the Central Bank of Chile that a dividend or distribution payment had been made and any applicable tax had been withheld. Cash, dividends and other distributions paid by the Company with respect to ADS held by a non-Chilean resident holder are subject to a 35% Chilean withholding tax, which is withheld by the Company. However, stock dividends are deemed a non taxable event pursuant to Chilean Income Tax Law, thus, not subject to Chilean taxation. See Item 10 — "Additional Information — Taxation."

Chapter XXVI of the former Foreign Exchange Regulations and the Foreign Investment Contract provide that a person who brings foreign currency into Chile must convert it into Chilean pesos (Liquidation restriction) on the same date and has five days within which to invest in shares of Common Stock in order to receive the benefits of the Foreign Investment Contract. If such person decides within such period not to acquire shares of Common Stock, he can access the Formal Exchange Market to reacquire U.S. dollars, provided that the applicable request to purchase U.S. dollars is presented to the Central Bank of Chile within five days, plus two additional days to request the Central Bank authorization of the initial conversion into pesos. Shares acquired as described above may be deposited for ADS and receive the benefits of the Foreign Investment Contract, subject to receipt by the Central Bank of Chile of a certificate from the Depositary (or the Custodian on its behalf) that such deposit has been effected and that the related ADS have been issued and a declaration from the person making such deposit waiving the benefits of the Foreign Investment Contract with respect to the deposited shares of Common Stock.

Access to the Formal Exchange Market under any of the circumstances described above is not automatic. Pursuant to former Chapter XXVI, such access required approval of the Central Bank of Chile based on a request presented through a banking institution established in Chile. The Foreign Investment Contract provides that if the Central Bank of Chile has not acted on such request within seven banking days, the request will be deemed approved.

As noted above, all the rights, procedures and exchange benefits contained in the Foreign Investment Contract are still in force in connection with the ADS issuance.

E. Taxation

The following discussion is a summary of certain Chilean and U.S. federal income tax considerations relating to an investment in the ADS or the shares. The discussion is based on current law and is for general information only. Moreover, while the Company's tax advisors believe this discussion to be a correct interpretation of existing laws in force as of the date of this Annual Report, no assurances can be given that the courts or tax authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. In addition, the discussion does not address all possible tax consequences relating to an investment in the ADS or the shares.

Each holder of ADS or shares of Common Stock should consult his or her own tax advisor regarding the particular tax consequences of the purchase, ownership and disposition of ADS or shares of Common Stock.

Chile

Chile and the United States signed in January 2010 a double taxation treaty; its ratification is pending by Chile and the United States. Entry into force is expected to take place in the short term. The following discussion is based exclusively on Chilean domestic tax legislation.

The discussion summarizes the material Chilean income tax consequences of the purchase, ownership and disposition of ADS or shares of Common Stock by an individual who is neither domiciled in, nor a resident of, Chile for tax purposes or a legal entity that is not organized under the laws of Chile and does not have a permanent establishment in Chile (a "foreign holder"). However, it is not a full description of all tax considerations that may be relevant to a decision related to the ADS or shares of Common Stock. The discussion is based on Chilean income tax laws, regulations and rulings of the Chilean Internal Revenue Service, including Rulings No. 324 of 1990, No. 3985 of 1994, No. 1969 of 1995, No. 3807 of 2000, N° 1705 of 2006 and 224 of 2008 and Circular Letter No. 7 of 2002, all of which are subject to change.

It is not intended as tax advice to any particular investor, which can be rendered only in light of that investor's particular tax situation. For purposes of Chilean taxation, an individual holder is a resident of Chile if he has resided in Chile for more than six consecutive months in a calendar year, or a total of more than six months within two consecutive tax years.

Pursuant to the Chilean Constitution, provisions contained in statutes such as tax rates applicable to foreign investors, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected, may only be amended by another statute. In addition, the Chilean tax authority issues rulings, circular letters and regulations of either general or specific application and interpret the provisions of Chilean tax law. Pursuant to Article 26 of the Chilean Tax Code, Chilean taxes may not be assessed retroactively against taxpayers who in good faith relied on such rulings, regulations and interpretations, but Chilean tax authorities may change such rulings, regulations and interpretations prospectively.

Cash Dividends and Other Distributions

Cash dividends paid by the Company with respect to the ADS or shares of Common Stock held by a foreign holder will be subject to a 35% Chilean withholding tax (the “Withholding Tax”), which will be withheld and paid to the Chilean Treasury by the Company. Chile has an imputation tax system. A credit against the Withholding Tax is available based on the level of corporate income tax actually paid by the Company on the income to be distributed (the “First-Category Tax”); however, this credit does not reduce the Withholding Tax on a one-for-one basis because it also increases the base on which the Withholding Tax is imposed. From 1991 until 2001, the First-Category Tax rate was 15% resulting in an effective dividend withholding tax rate of approximately 23.52%. For 2002, the First-Category Tax rate was 16% resulting in an effective dividend withholding tax rate of approximately 22.62% and for year 2003 the First-Category Tax rate was 16.5%. From year 2004 until 2010 the First-Category Tax rate was 17%, resulting in an effective dividend withholding tax rate of approximately 21.69%. For year 2011, the First-Category Tax rate is 20%, resulting in an effective dividend withholding tax rate of approximately 18.75%. For year 2012, the First-Category Tax rate will be 18.5%, resulting in an effective dividend withholding tax rate of approximately 20.25%. From year 2013 onwards, the First-Category Tax rate is set back at 17%, with the resulting effective dividend withholding tax rate of approximately 21.69%.

The example below illustrates the effective Chilean Withholding Tax burden on a cash dividend received by a non-resident holder, assuming a Withholding Tax rate of 35%, an effective First-Category Tax rate of 20% and a distribution of 50% of the net income of the Company distributable after payment of the First-Category Tax:

Company taxable income	200.0
First-Category Tax (20% of Ch$200)	(40.0)
Net distributable income	160.00
Dividend distributed (50% of net distributable income)	80.00
Gross Up to compute Withholding Tax: Ch$80.00 plus Ch$20 First Category Tax effectively paid	(100.00)
Withholding Tax Rate 35% of Ch$100.00 equal to Ch$35; minus credit for 50% of First Category Tax (20%)	15.00
Net withholding tax	(15.00)
Net dividend received	65.00
Approximate effective dividend withholding rate (15/80)	18.75%

In general, the effective dividend Withholding Tax rate, after giving effect to the credit for the First-Category Tax, can be calculated using the following formula:

$$\text{Effective dividend Withholding Tax rate} = \frac{(\text{Withholding Tax rate (35)}) - (\text{First-Category Tax rate (20)})}{100 - (\text{First-Category Tax rate (20)})}$$

Under Chilean income tax law, dividends generally are assumed to have been paid out of the Company’s oldest retained profits for purposes of determining the level of First-Category Tax that was paid by the Company. For years prior to 1991, the First-Category tax was 10%. Although this reduced First-Category Tax resulted in relatively greater amounts of distributable post-tax income for those years, the credit against the Withholding Tax for the First-Category Tax paid by the Company for those years will commensurably be diminished. Distributions of profits made with retained profits of those years, therefore, resulted in an effective dividend withholding tax rate of approximately 27.8%. Distributions of profits made with retained earnings of years 2002 and 2003, resulted or will result in an effective dividend withholding tax rate of approximately 23.52% and 22.62%, respectively. For distributions of profits generated during year 2004 until 2010, the effective dividend withholding tax is approximately 21.69%. Future distributions of profit generated on year 2011, or to be generated on year 2012, 2013 and onwards, the effective dividend withholding tax will be approximately 18.75%, 20.25% and 21,69% respectively, as described above.

Dividend distributions paid-in kind would be subject to the same Chilean tax rules as cash dividends. Stock dividends are deemed a non taxable event, thus, not subject to Chilean taxation for the shareholder at the moment the shares are distributed. Subsequent disposition of shares arising from stock dividends may be taxed in Chile (see Capital Gains). Disposition of the preemptive rights on compensated basis would be deemed in Chile as ordinary business income subject to taxation.

Capital Gains

Gains from the sale or exchange of ADS by a foreign holder (or ADRs evidencing ADS) outside of Chile will be deemed a foreign source income, not subject to Chilean taxation. Gains from the sale or exchange of ADS by a Chilean resident outside of Chile, will be deemed a foreign source income, but subject to taxation in Chile as Chilean residents are subject to taxes in Chile on their worldwide income.

The deposit and withdrawal of Common Stock in exchange for ADRs is not subject to Chilean taxation. Taxation, if any, will be triggered at the time Common Stocks are sold. The tax base of shares of Common Stock received in exchange for ADS for capital gains tax assessment will be the acquisition cost or basis on the shares. The basis on the shares delivered to any holder upon surrender of ADRs shall be the highest reported sales price of the shares on the Santiago Stock Exchange for the day on which the transfer of the shares is recorded under the name of the holder. Consequently, the conversion of ADS into shares of Common Stock and the immediate sale of the shares for the value established under the Deposit Agreement, as amended, would normally not generate a capital gain subject to taxation in Chile.

Prior to Law No. 20.448 published in the Official Gazzette on August 13, 2010, if a capital gain was recognized on a sale or exchange of shares of Common Stock acquired upon surrender of ADRs (as distinguished from sales or exchanges of ADS abroad representing such shares) made by a foreign or Chilean resident or domiciled holder, such gain was deemed a non taxable event provided that the requirements of Article 18 of the Chilean Income Tax Law were met.

However, Article 18 was repealed and replaced by Article 107 of the same statute (pursuant to Law No. 20.448), which reproduces the rules set forth in the repealed article, but introduces a few changes as well.

The referred Article 107 entered into force on September 1, 2010. Any legal reference to Article 18 should be understood made to Article 107.

The requirements of Article 107 of the Chilean Income Tax Law are: (i) the share at the time of sale must have a market presence. In case the market presence of the share was lost, the sale must be made within the following 90 days after the loss of the share’s market presence; (ii) the share must have been acquired and sold after April 19, 2001 (as per former Article 18); and (iii) the acquisition and sale must have been made, amongst others, in a Chilean stock exchange market authorized by the Chilean Superintendency of Securities. We highlight that the acquisition and sale in a foreign stock exchange market was considered in Article 18, but excluded in new Article 107.

In this regard, Rev. Ruling 224 of 2008 was issued in the context of Article 18 tax exemption on ADR operations and it confirmed that the reference contained in Article 18 ter to a foreign exchange stock market authorized by the Chilean Superintendency of Securities would cover gain derived from the transfer of shares in a Chilean company, acquired on the surrender (i.e. flowback) of ADRs acquired on the London Stock Exchange, NYSE and Madrid Stock Exchange.

However, considering that Article 107 restricts the non-taxable qualification only to shares acquired and sold in the Chilean stock market (among other situations which do not comprise foreign exchange markets), we believe there is a risk that the Revenue Authority may consider the gain derived from the transfer of shares acquired in the surrender of ADRs acquired in foreign exchange stock markets - particularly those acquired through ADR surrender after September 1, 2010 - would be considered taxable gain by the Chilean IRS, in the terms described below.

This change in law, which does not consider any transitory rules to protect taxpayers who invested in ADRs under rules established in former article 18.

Considering the requirements of Article 107 are not met and a capital gain is realized at the time of the sale of Common Stock, such capital gain, made either by a foreign holder or by Chilean resident holder, will be subject to both the First-Category Tax and the Withholding Tax (the former being creditable against the latter) if either (i) the seniority on the Common Stock is less than one year since exchanging ADS for the Common Stock, or (ii) the shareholder acquired and disposed of the Common Stock in the ordinary course of its business or may be deemed an habitual trader of shares and (iii) the transaction takes place among parties deemed related, unlikely to take place in the sale is made in a stock market. In all other cases, gain on the disposition of Common Stock will exclusively be subject to the First-Category Tax (presently imposed at a rate of 20%) assessed as a sole tax and no second level taxation will apply e.g. the Withholding Tax in case of non-resident holder.

Amounts received by a foreign holder on the sale of preemptive rights relating to the shares of Common Stock will be deemed as business income, thus, subject to both the First-Category Tax and the Withholding Tax (the former being creditable against the latter).

Other Chilean Taxes

There are no gift, inheritance or estate taxes applicable to the ownership, transfer or disposition of ADS by a foreign holder, but such taxes will generally apply to the transfer at death or by gift of the Common Stock by a foreign holder. There are no Chilean stamp, issue, registration or similar taxes or duties payable by holders of Common Stock or ADS.

Withholding Tax Certificates

Upon request, the Company will provide to foreign holders appropriate documentation evidencing the payment of the Withholding Tax (net of applicable First-Category Tax).

United States

The following discussion summarizes the material U.S. federal income tax consequences of the purchase, ownership and disposition of the ADS or shares of Common Stock. However, it is not a full description of all tax considerations that may be relevant to a decision related to the ADS or shares of Common Stock. The discussion is based on the United States Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder and judicial and administrative interpretations thereof, all as in effect on the date hereof and all of which are subject to change, which change could apply retroactively.

The U.S. federal income tax treatment of a holder of ADS or shares of Common Stock may vary depending upon its particular situation. Certain holders (including, but not limited to, insurance companies, tax-exempt organizations, financial institutions, persons subject to the alternative minimum tax, persons holding offsetting positions in respect of the ADS or shares of Common Stock, broker-dealers, U.S. expatriates, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar, partnerships or other pass-through entities or persons holding ADS or Common Stock through a partnership or other pass-through entity, traders that elect to mark-to-market, persons who acquired ADS or Common Stock pursuant to the exercise of any employee share option or otherwise as consideration and persons owning, directly or indirectly, 10% or more of the voting shares of the Company) may be subject to special rules not discussed below. Unless otherwise stated, the following summary is limited to U.S. Holders who hold the ADS or shares of Common Stock as “capital assets” within the meaning of Section 1221 of the Code. The discussion below also does not address the effect of any foreign, state or local tax law, or any federal tax law other than income tax law on a holder of the ADS or shares of Common Stock. In addition, unless otherwise stated, the following discussion assumes that the Company is not currently and will not in the future be, classified as a “passive foreign investment company” (“PFIC”) within the meaning of the Code.

As used herein, the term "U.S. Holder" means a beneficial owner of ADS or shares of Common Stock that is, for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation, or other entity taxable as a corporation organized in or under the laws of the United States or any state thereof, (iii) an estate that is subject to U.S. federal income taxation without regard to the source of its income, or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and (2) one or more United States persons have the authority to control all substantial decisions of the trust. The term "Non-U.S. Holder" refers to any beneficial owner of ADS or shares of Common Stock other than a U.S. Holder.

For U.S. federal income tax purposes, holders of ADS (or ADRs evidencing ADS) generally will be treated as the owners of the Common Stock represented by those ADS.

Cash Dividends and Other Distributions

For U.S. federal income tax purposes, the gross amount of a distribution with respect to ADS or shares of Common Stock will include the net amount of any Chilean tax withheld (*i.e.*, the Withholding Tax reduced by any credit for First-Category Tax paid) and will be treated as a dividend on the date of receipt by the Depositary or the U.S. Holder of such shares, respectively, to the extent of the Company's current and accumulated earnings and profits as determined for U.S. federal income tax purposes. Distributions, if any, in excess of such current and accumulated earnings and profits as determined for U.S. federal income tax purposes will constitute a non-taxable return of capital to a U.S. Holder and will be applied against and reduce such U.S. Holder's tax basis in such ADS or shares of Common Stock. To the extent that such distributions are in excess of such basis, the distributions will constitute capital gain. U.S. Holders that are corporations will not be allowed a deduction for dividends received in respect of distributions on ADS or shares of Common Stock. For tax years through 2012, individual U.S. Holders are generally subject to a tax rate on dividends equal to 15%, which corresponds to the maximum tax rate for long-term capital gains. However, for tax years beginning after December 31, 2012, dividends will be taxed at the same rate as other items of ordinary income, which will exceed the tax rate for long-term capital gains. U.S. Holders should consult their personal tax advisors to determine the applicability of the 15% rate for dividends, if any, paid to them.

If a dividend distribution is paid with respect to ADS or shares of Common Stock in Chilean pesos, the amount includable in income will be the U.S. dollar value, on the date of receipt by the Depositary or the U.S. Holder of such shares of Common Stock, respectively, of the Chilean pesos amount distributed. Any subsequent gain or loss in respect of such Chilean pesos arising from exchange rate fluctuations will generally be U.S. source ordinary income or loss for U.S. Holders; although under certain limited circumstances may be capital gain or loss. If the Depositary converts the Chilean pesos to U.S. dollars on the date it receives such pesos, U.S. Holders will not recognize any such gain or loss.

Subject to the limitations and conditions set forth in the Code and Treasury regulations promulgated thereunder, U.S. Holders may elect to claim a credit against their U.S. federal income tax liability for the net amount of any Chilean tax withheld (*i.e.*, the Withholding Tax reduced by any credit for First-Category Tax paid) from dividends received in respect of the ADS or shares of Common Stock. If the dividends are subject to the 15% tax rate described above, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. Dividends generally will constitute non-U.S. source "passive category income" or "general category income." The rules relating to the determination of the foreign tax credit are complex and prospective purchasers should consult their personal tax advisors to determine whether and to what extent they would be entitled to such credit. U.S. Holders that do not elect to claim foreign tax credits may instead claim a deduction for Chilean tax withheld.

A Non-U.S. Holder of ADS or shares of Common Stock generally will not be subject to U.S. federal income tax on dividends received on Common Stock or ADS, unless such income is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States.

Capital Gains

The sale or other disposition of ADS or shares of Common Stock will generally result in the recognition of capital gain or loss in an amount equal to the difference between the amount realized on the sale or other disposition and the U.S. Holder's tax basis in such ADS or shares of Common Stock. The U.S. Holder's initial tax basis in the ADS or shares of Common Stock will be such Holder's cost for the ADS or shares of Common Stock. Gain or loss upon the sale or other disposition of ADS or shares of Common Stock will be long-term or short-term capital gain or loss, depending on whether the ADS or shares of Common Stock have been held for more than one year and generally will be U.S. source gain or loss (in the case of losses, subject to certain limitations). Long-term capital gains realized by individuals generally are subject to tax at preferential rates. The deductibility of capital losses is subject to limitations.

As discussed under the heading "Chile-Capital Gains," gain realized from a sale or other disposition of shares of Common Stock by a U.S. Holder, unlike gain realized from a sale or disposition of ADS, could be taxable in Chile. Because U.S. taxpayers generally may only take a foreign tax credit against the U.S. federal income tax liability in respect of non-U.S. source income, in the case of gain realized from the sale or other disposition of shares of Common Stock, a U.S. Holder may not be able to use the foreign tax credit for Chilean tax imposed on that gain (because such gain would generally be U.S. source for U.S. federal income tax purposes) unless such U.S. Holder can apply such foreign tax credit against its U.S. federal income tax liability in respect of non-U.S. source income.

Deposits and withdrawals of Common Stock by U.S. Holders in exchange for ADS generally will not result in the realization of gain or loss for U.S. federal income tax purposes.

A Non-U.S. Holder of ADS or shares of Common Stock generally will not be subject to U.S. federal income tax on gain from the sale or other disposition of such ADS or shares unless such gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States or the Non-U.S. Holder is an individual who is present in the United States for 183 days or more and certain other conditions are met.

Passive Foreign Investment Company

The Company believes that it was not a PFIC in any prior taxable year and does not expect to be a PFIC for its current taxable year or any succeeding taxable year.

Under the Code, a foreign corporation will be a PFIC for any taxable year in which either (1) 75% or more of its income is passive income or (2) the average percentage of the value of its assets that produce (or are held for the production of) passive income is 50% or more.

If the Company were classified as a PFIC for a taxable year, certain adverse U.S. federal income tax consequences would generally apply to a U.S. Holder of ADS or Common Stock.

Backup Withholding and Information Reporting

Dividends paid to a U.S. Holder that does not establish an exemption and proceeds from such a U.S. Holder's sale or other disposition of ADS or shares of Common Stock may have to be reported to the U.S. Internal Revenue Service ("IRS"). Such payments may also be subject to a backup withholding tax unless the U.S. Holder (i) provides an accurate taxpayer identification number and otherwise complies with the requirements of the backup withholding rules or (ii) otherwise establishes an exemption.

Subject to certain certification requirements, dividends paid to a Non-U.S. Holder on and proceeds from a Non-U.S. Holder's sale or other disposition of, ADS or shares of Common Stock will generally not have to be reported to the IRS and will not be subject to backup withholding tax.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the holder's U.S. federal income tax liability if the required information is timely furnished to the IRS.

New Legislation

For taxable years beginning after March 18, 2010, certain U.S. Holders who are individuals or entities owned by individuals are required to report to the IRS information relating to an interest in the Company's ADSs or shares of Common Stock, subject to certain exceptions (including an exception for ADSs and Common Stock held in accounts maintained by certain financial institutions).

F. Dividends and paying agents

Not applicable.

G. Statements by experts

Not applicable.

H. Documents on Display

The Company files reports and other information with the Securities and Exchange Commission (the "SEC"). Any documents that the Company files with the SEC may be read and copied at the SEC's public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549; and 500 Madison Street, Suite 1400, Chicago, Illinois 60661.

I. Subsidiary Information

See Item 4 "Information on the Company — Organizational Structure."

ITEM 11: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's principal line of business is the production and bottling of wine for sale both domestically and internationally. The principal exposures to market risks faced by the Company are interest rate risk, foreign currency exchange rate risk and risk of fluctuations in the price of raw materials.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its debt obligations. As of December 31, 2010 the Company's total interest-bearing financial debt (including current maturities and accrued interest) amounted to Ch$76,470 million of which, as of December 31, 2010, Ch$27,329 million is short term debt and Ch$49,141 million is long term debt with maturities through 2013 for its bank debt and 2026 for the bond debt.

As of December 31, 2010, 82% of the debt has a fixed-rate and is denominated in Chilean pesos, Sterling Pounds, Brasilian Reais and Argentine pesos. The fair market value of total bank debt, as of December 31, 2010, does not significantly differ from the value at which it is listed in the Consolidated Financial Statements and has an average interest rate of 4.46% with maturities through 2026. The interest rate risk arises from the uncertainty regarding interest rate at which the Company can refinance its short term debt given the current uncertainty in the global financial markets.

The following table lists the cash flows related to interest payments, amortization of debt obligations and related interest rates by fiscal year maturing with respect to the Company's debt obligations. Interest rates disclosed represent the weighted average rates of the portfolio at year-end and fairly represent the approximate average annual interest rates for each of the years of maturity.

Interest Bearing Debt As of December 31, 2010
(in million of Ch$)
Expected Maturity Date

Short-Term and Long-Term Debt		Average Interest Rate %	2011 Mn.Ch$	2012 Mn.Ch$	2013 Mn.Ch$;	2014 Mn.Ch$	2015 Mn.Ch$	There after Mn.Ch$	Total Mn.Ch$	Fair Value Total Debt Mn.Ch$
U.S. Dollar	Fixed Rate	2.06%	5,523	2,340	6,787	—	—	—	14,650	14,637
U.S. Dollar	Variable Rate	2.29%	14,062	—	—	—	—	—	14,062	13,744
BRL	Fixed Rate	13.30%	1,420	—	—	—	—	—	1,420	1,422
Ch$ (UF)	Fixed Rate	3.90%	2,841	2,524	2,524	2,524	2,524	26,505	39,442	40,403
ARG$	Fixed Rate	12.67%	1,979	2,978	157	—	—	—	5,114	5,153
GBP	Fixed Rate	2.37%	1,277	—	—	—	—	—	1,277	1,278
Total			**27,102**	**7,842**	**9,468**	**2,524**	**2,524**	**26,505**	**75,965**	**76,637**
ARG$ (Leasing)	Fixed Rate	15.78%	227	268	—	—	—	—	495	418
Total			**27,329**	**8,110**	**9,468**	**2,524**	**2,524**	**26,505**	**76,460**	**77,055**

By comparison, as of December 31, 2009 the Company's total interest-bearing financial debt (including current maturities and accrued interest) amounted to Ch$97,407 million of which, as of December 31, 2009, Ch$35,310 million was short term debt and Ch$62,097 million was long term debt. As of December 31, 2009, most of the financed debt had a fixed-rate with an average interest rate of 3.55% with maturities through 2026 as presented in the table below.

Interest Bearing Debt As of December 31, 2009
(in million of Ch$)
Expected Maturity Date

Short-Term and Long-Term Debt		Average Interest Rate %	2010 Mn.Ch$	2011 Mn.Ch$;	2012 Mn.Ch$	2013 Mn.Ch$	2014 Mn.Ch$	There after Mn.Ch$	Total Mn.Ch$	Fair Value Total Debt Mn.Ch$
U.S. Dollar	Variable Rate	2.18%	14,585	15,669	1,826	1,826	—	—	33,906	33,762
Ch$	Variable Rate	1.95%	4,019	—	—	—	—	—	4,019	4,001
Ch$	Fixed Rate	2.62%	9,904	—	—	—	—	—	9,904	9,876
Ch$ (UF)	Fixed Rate	3.65%	3,388	2,464	2,464	2,464	2,464	28,334	41,578	40,761
ARG$	Fixed Rate	13.78%	2,624	414	—	—	—	—	3,038	3,063
ARG$	Variable Rate	13.43%	470	—	—	—	—	—	470	474
GBP	Variable Rate	2.37%	1	2,890	—	—	—	—	2,891	2,888
Euro	Variable Rate	2.22%	1	727	—	—	—	—	728	727
Total			**34,992**	**22,164**	**4,290**	**4,290**	**2,464**	**28,334**	**96,534**	**95,552**
UF (Leasing)	Fixed Rate	5.88%	95	—	—	—	—	—	95	94
ARG$ (Leasing)	Fixed Rate	15.78%	223	251	304	—	—	—	778	817
Total			**35,310**	**22,415**	**4,594**	**4,290**	**2,464**	**28,334**	**97,407**	**96,463**

Exchange Rate Risk

The primary exchange rate risk that the Company faces is the depreciation of the peso against the various currencies in which Company's revenues are denominated. The Company's export sales are primarily denominated in U.S. dollars, Euros, Pounds Sterling, Canadian dollars, Brazilian reais and Swedish and Norwegian crowns. During 2010 and 2009, 77% and 79%, respectively, of the Company's total revenues were related to foreign currency. This risk is partly offset by the natural hedge resulting from approximately 30% of the Company's costs and expenses being denominated in foreign currency, primarily U.S. dollars.

Additionally, to manage and mitigate the short-term effect of changes in currency exchange rates on the Company's functional currency based sales, the Company has adopted a policy of attempting to balance foreign exchange denominated assets and liabilities to minimize its exposure to exchange rate risks. Thus, the Company periodically purchases and/or sells forward instruments including forward exchange contracts, as part of its exchange rate hedging strategy. In addition, on a case-by-case basis, the Company fixes the exchange rate for a percentage of its exports as part of its pricing strategy related to its exports operations. The Company uses these instruments solely to reduce the financial impact of these risks and does not use forward instruments for trading purposes.

In addition, domestic sales of the Company's Argentine subsidiaries are denominated in Argentine pesos –which represent 2.3% of total sales of the Company and would therefore be affected by the devaluation of the local currency. To manage this risk the Company maintains debt in Argentine pesos.

The following table sets forth the Company's assets and liabilities subject to exchange rate risk as of December 31, 2010. The value of these foreign currency denominated assets and liabilities are represented in millions of Chilean pesos at the applicable exchange rate on December 31, 2010, which is included in the final row of the table.

Assets and Liabilities Subject to Foreign Exchange Risk
As of December 31, 2010
(in million of Ch$/except Exchange Rate)

Applicable Currency of Asset/Liability	USD	EUR	GBP	CAD	ARS	SEK	NOK	BRL	SGD
Cash	444	52	1,101	6	307	433	654	958	31
Derivatives Contracts Current	2,662	3,656	2,127	617	—	109	25	235	—
Other Assets Current	38,884	10,485	24,463	2,933	16,508	8,275	1,688	15,758	—
Property, Plant and equipment	26,011	—	—	—	—	—	—	—	—
Derivatives Contracts Non Current	1,754	3,585	57	370	—	—	—	—	—
Other Assets Non Current	76	—	—	—	946	—	—	—	—
Total Assets	**69,831**	**17,778**	**27,747**	**3,926**	**17,761**	**8,817**	**2,367**	**16,951**	**31**
Derivative Contracts Current	1,254	673	656	299	—	62	18	429	—
Current Liabilities	27,377	1,553	11,223	1,860	7,622	2,565	1,360	5,727	—
Derivative Contracts Non Current	64	—	618	147	—	—	—	—	—
Long-Term Liabilities	9,127	—	—	—	3,403	—	—	—	—
Total Liabilities	**37,822**	**2,226**	**12,497**	**2,306**	**11,025**	**2,627**	**1,378**	**6,156**	**—**
Exchange Rate	**468.01**	**621.53**	**721.01**	**467.87**	**117.78**	**69.38**	**79.51**	**281.31**	**363.25**

By comparison, the following table represents the Company's assets and liabilities subject to exchange rate risk as of December 31, 2009, expressed in constant Chilean pesos as of December 31, 2010.

Assets and Liabilities Subject to Foreign Exchange Risk
As of December 31, 2009
(in million of Ch$/except Exchange Rate)

Applicable Currency of Asset/Liability	USD	EUR	GBP	CAD	ARS	SEK	NOK	BRL
Cash	479	458	1,403	298	354	535	982	159
Derivatives Contracts Current	5,889	3,205	483	405	—	150	50	191
Other Assets Current	34,977	7,987	28,248	2,627	19,183	4,949	1,111	5,558
Property, Plant and equipment	21,576	—	—	—	—	—	—	—
Derivatives Contracts Non Current	168	3,444	—	294	—	—	—	37
Other Assets Non Current	1	—	—	—	495	131	—	—
Total Assets	**63,090**	**15,094**	**30,134**	**3,625**	**20,032**	**5,765**	**2,143**	**5,946**
Derivative Contracts Current	164	785	179	79		50	7	221
Current Liabilities	16,215	9,984	4,499	5,030	7,619	560	86	4,960
Derivative Contracts Non Current	—	—	—	45	—	—	—	—
Long-Term Liabilities	19,321	727	2,891	—	968	—	—	—
Total Liabilities	**35,700**	**11,496**	**7,569**	**5,154**	**8,587**	**610**	**93**	**5,181**
Exchange Rate	**507.10**	**726.82**	**814.42**	**481.12**	**133.48**	**70.74**	**87.44**	**290.94**

Commodity Price Risk

The Company relies on outside vineyards for supplies of grapes and bulk wine. Grapes purchased from outside vineyards are subject to fluctuation in price and quality and generally cost more than grapes from the Company's vineyards.

In 2010, 67% of the grapes used in the production of its premium, varietal, bi-varietals and sparkling wines were purchased by the Company from independent growers in Chile. Additionally, in 2010, the Company purchased the grapes and bulk wine required to produce approximately 100% of the popular wines sold by the Company. Disruptions of supplies of grapes or wine or increases in prices from these outside suppliers could have a material adverse effect on the Company's results of operations. As of December 31, 2010, the Company did not hold any grape price-sensitive instrument.

ITEM 12: DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

D. American Depositary Shares

D.3. Fees and expenses

The following charges shall be incurred by any party depositing or withdrawing shares or by any party surrendering ADSs or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the ADRs or deposited securities or a distribution of ADSs), whichever applicable:

- taxes and other governmental charges,
- such registration fees as may from time to time be in effect for the registration of transfers of shares generally on the share register of the Company or foreign registrar and applicable to transfers of shares to the name of the Bank of New York Mellon ("the Depositary") or its nominee or the agent of the Depositary or its nominee on the making of deposits or withdrawals hereunder,

- such cable, telex and facsimile transmission expenses as are expressly provided in the agreement between the Company and the Depositary
- such expenses as are incurred by the Depositary in the conversion of foreign currency,
- a fee not in excess of Ch$ 2,340 (approximately US$5.00) or less per 100 ADS (or portion thereof) for the execution and delivery of ADRs and the surrender of ADRs,
- a fee for and deduct such fee from, the distribution of proceeds of sales of securities or rights, such fee being in an amount equal to the fee for the issuance of ADS which would have been charged as a result of the deposit by owners of securities (for purposes of this clause 6 treating all such securities as if they were shares) or shares received in exercise of rights distributed to them, but which securities or rights are instead sold by the Depositary and the net proceeds distributed.

The Company will pay the fees, reasonable expenses and out-of-pocket charges of the Depositary and those of any registrar only in accordance with the agreements in writing entered into the Depositary and the Company from time to time.

D.4. Amounts payable by the depositary to the Company

Fees Incurred in Past Annual Period

Under the fee agreement between us and the Depositary, the Depositary agrees to pay certain fees relating to the maintenance of the ADRs. Certain fees we encounter related to our ADRs are reimbursed to us by the Depositary. From January 1, 2010 to December 31, 2010, we received from the Depositary Ch$ 17.8 million (approximately US$38,000) corresponding to the annual stock exchange listing fees.

ITEM 13: DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14: MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

To the Company’s knowledge, no one has (i) materially modified the instruments defining the rights of the Company’s shareholders or (ii) materially modified or qualified the rights, evidenced by the Company’s registered securities, by issuing or modifying any other class of securities.

ITEM 15: CONTROLS AND PROCEDURES

(a) *Disclosure Controls and Procedures*. The Company carried out an evaluation under the supervision and with the participation of the Company’s Management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s “disclosure controls and procedures” for the year ended December 31, 2010. Nevertheless, there are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon the Company’s evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms and that it is gathered and communicated to the Company’s Management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) *Management’s Annual Report on Internal Control over Financial Reporting*. Concha y Toro’s management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is designed under the supervision of the Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. It can only provide reasonable assurance regarding financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on the evaluation under these criteria, management has concluded that, as of December 31, 2010, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting has been audited by KPMG Auditores Consultores Ltda., an independent registered public accounting firm, as stated in their report which is included herein.

(c) *Attestation Report of the Registered Public Accounting Firm* See page F-3 of this Annual Report for the attestation report on the effectiveness of the Company's internal control over financial reporting of KPMG Auditores Consultores Ltda., the Company's independent registered public accounting firm. Their attestation report is included with the Consolidated Financial Statements filed as part of this Annual Report.

(d) *Changes in Internal Control Over Financial Reporting*. There were no changes in the Company's internal control over financial reporting that occurred during the period covered by this Form 20-F that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16.A. AUDIT COMMITTEE FINANCIAL EXPERT

The Company currently does not have an audit committee financial expert serving on its Audit Committee. Under Chilean law, the Company is not required to have an audit committee financial expert serving on its audit committee.

ITEM 16.B: CODE OF ETHICS

As of June 2004, the Company has disclosed its code of ethics to reflect SEC rules and other proposed regulations that were adopted by the Company's board of directors, officers and employees. All of the Company's officers and employees accepted the provisions of the code of ethics, which governs the actions of everyone who works for the Company, including the employees of the Company's subsidiaries. The Company's code of ethics deals primarily with the following issues:

- Duties of managers and personnel;
- Conflict of interests;
- Use of property and information;
- Privileged information;
- Independence;
- Communications and certificates,
- Fair behavior; and
- Compliance with environment, health and safety laws and regulations.

A copy of the Company's code of ethics is available on its website (www.conchaytoro.com).

ITEM 16.C: PRINCIPAL ACCOUNTANT'S FEES AND SERVICES

Aggregate fees for professional services rendered by KPMG Auditores Consultores Ltda. ("KPMG"), our independent registered public accounting firm, in each of the last two fiscal years, in each of the following categories are:

	2009 ThCh$	2010 ThCh$
Audit Fees	206,428	189,979
Audit-related fees	—	—
Tax Fees	100,401	12,028
All others fees	—	—
Total	**306,829**	**202,007**

"Audit Fees" are the aggregate fees billed and billable by KPMG for the audit of the Company's consolidated and annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements. Fees related to the audit of internal control over financial reporting are included in Audit Fees. "Tax fees" are for aggregate fees billed by KPMG for tax advice regarding transfer pricing, and other tax compliance review.

Pre-approval Policies and Procedures

Chilean law states that public companies are subject to "pre-approval" requirements under which all audit and nonaudit services provided by the independent auditor must be pre-approved by the Directors' Committee. In the Company's case, its Directors' Committee approves all audits, audit-related services, tax services and other services. Any services to be provided by independent auditors that are not specifically included within the scope of the audit must be pre-approved by the Directors' Committee prior to any engagement.

ITEM 16.D: EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Mr. Guilisasti is an affiliate of the Company or a representative of such an affiliate. Mr. Guilisasti has only observer status on the Audit Committee and is not a voting member or the chair of the committee. He also does not serve as an executive officer of the Company. Therefore, he relies on the exemption provided in Rule 10A-3(b)(1)(iv)(D) of the Exchange Act. We do not believe that his status as an affiliate materially adversely affects the ability of our Audit Committee to act independently or to satisfy the other requirements of the listing standards relating to audit committees contained in Rule 10A-3 under the Exchange Act. See Item 6.C. — "Board Practices."

ITEM 16.E: PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not Applicable.

ITEM 16.F: CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not Applicable.

ITEM 16.G: CORPORATE GOVERNANCE

American Depositary Shares representing shares of Common Stock are listed on the New York Stock Exchange (“NYSE”). However, because the Company is a “foreign private issuer,” as defined in the rules of the Securities and Exchange Commission, the Company is exempt from the governance rules set forth in Section 303A of the NYSE’s Listed Companies Manual, other than the obligation to maintain an audit committee in accordance with Rule 10A-3 under the Securities Exchange Act of 1934, as amended and the obligation to notify the NYSE if any of the Company’s executive officers becomes aware of any non-compliance with any applicable provisions of Section 303A. Instead, the rules of both the SEC and the NYSE require the Company to provide a summary, included below, of the significant ways in which the Company’s corporate practices differ from those applicable to U.S. domestic companies under NYSE listing standards.

Independent directors in the Board of Directors

According to NYSE, listed U.S. companies must have a majority of independent directors. Chilean law only requires at least one independent director and the Company’s Board of Directors is, in fact, comprised of a minority of independent directors.

Non-Executive or Independent Director Meetings

Pursuant to the NYSE listing standards, non-executive directors or independent directors of U.S. listed companies must meet on a regular basis without management present. In compliance with Chilean law, the Company does not have directors that simultaneously serve as executives, accountants or auditors of the Company. The Company’s directors may meet individually or collectively with those they deem necessary to inform themselves and make decisions regarding the company.

Directors’ Committee and Audit Committee

According to the NYSE, listed U.S. companies must have an audit committee consisting of a minimum of three independent directors who are financially literate and at least one who is a designated financial expert. Chilean law requires open stock companies with a market capitalization greater than UF 1.5 million (approximately Ch$ 32,574 million or US$69.6 million) and at least 12.5% of its shares issued with voting rights are held by individual shareholders who control or have less than 10% such shares, such as the Company, to have a Directors’ Committee, composed of three directors who meet the independence requirements under Chilean law (as described below). The Company has a Directors’ Committee, composed of a majority of independent directors as required by Chilean law, which also performs the functions of the Audit Committee required by the NYSE. For the non-independent director on the Directors’ Committee, the Company relies on an exemption of the NYSE listing standards relating to Audit Committees of Rule 10A-3 promulgated under the Exchange Act. Chilean law has no requirement for members to be financial experts.

The Directors’ Committee is responsible for

i. reviewing balance sheets, financial statements and reports from accounting oversight bodies and auditors;

ii. proposing outside auditors to the Board of Directors;

iii. reviewing background information regarding the Company’s operations with related parties;

iv. reviewing managers’ and chief executive officers’ compensation plans;

v. preparing an annual management report with main recommendations to shareholders;

vi. inform and advice the Board of director about hiring the external auditors for non-audit neither prohibited services; and

vii. any other task established in the By-laws or entrusted by the Board of Director or the shareholders meeting.

Director's independence qualification

Under the NYSE rules, a director must meet the requirements in the "Independence Test" in order to be considered an "Independent Director." Chilean law establishes a strict set of rules in order to consider someone as "Independent Director". This set of rules is principally related with the person's financial, management and kin relationship with the company, its controller and or its principal executives. Accordingly, although certain of our directors are "Independent" in accordance with Chilean law, they may not be deemed to be "Independent Directors" under NYSE listing standards.

Nominating/Corporate Governance Committee

According to the NYSE, listed U.S. companies must have a Nominating/Corporate Governance Committee composed entirely of independent directors, whose activities include identifying qualified individuals to serve on the board of directors and developing a set of corporate governance principles. This committee is not contemplated as such by Chilean law. Nominations for Board of Directors are made at the Ordinary Shareholders' Meeting, while the Board of Directors nominates the members of the Directors' Committee.

Corporate Governance Guideline

According to the NYSE, listed U.S. companies must adopt corporate governance guidelines establishing the following:

(i) director qualification standards;

(ii) director responsibilities;

(iii) director access to management;

(iv) director compensation;

(v) director orientation and continuing education;

(vi) management succession; and

(vii) annual performance evaluation of the Board of Directors.

Under Chilean law, no corporate governance guidelines are required, but directors' compensation must be discussed and voted on annually at the ordinary shareholders' meeting.

Code of Business Conduct and Ethics

According to the NYSE, U.S. listed companies must adopt and disclose a Code of Business Conduct and Ethics for directors, officers and employees. The Code must be uploaded on the Company website or otherwise be available for shareholders to obtain a copy. A Code of Conduct and Ethics is not required by Chilean law, but it has become a common practice for Chilean companies to have a Code. The Company has a Code of Business Conduct and Ethics entitled "Code of Business Conduct and Ethics of Concha y Toro," governing the actions of directors, officers and employees. Its observance and compliance is regulated by the senior management of the Company, including the General Manager and the Chief Financial Officer. The Code is available on the Company website at www.conchaytoro.com.

Internal Audit

According to the NYSE, listed U.S. companies must have an internal audit function to provide management with ongoing assessments of the company's risk management process and the system of internal controls. Although there is no local law requirement to do so, but the Company conducts an internal audit which provides evaluation, analysis and recommendations to senior management, the Board of Directors and the Directors' Committee.

CEO's awareness and certification of corporate governance violations

According to the NYSE, the CEO of a U.S. listed company must annually certify to the NYSE that he or she is not aware of any violation by the Company of the NYSE's corporate governance listing standards. Chilean law does not establish such a requirement and this provision of the NYSE does not apply to foreign private issuers such as the Company. However, according to the NYSE, all foreign private issuers, including the Company, must report to the NYSE when they become aware of a violation of the corporate governance listing standards and must provide an annual written affirmation to the NYSE of its compliance with the applicable NYSE audit committee rules and disclose significant differences with NYSE corporate governance rules applicable to domestic companies. In compliance with these rules, the Company annually submits a written annual affirmation to the NYSE.

The amended rules provide that all interested parties, not just shareholders, must be able to communicate their concerns regarding the listed company to the presiding director, or the non-management or independent directors as a group. There is no similar provision in Chilean law.

ITEM 17: FINANCIAL STATEMENTS

See Item 18 — "Financial Statements."

ITEM 18: FINANCIAL STATEMENTS

The following financial statements, together with the reports of KPMG Auditores Consultores Ltda. are filed as part of this Annual Report:

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Reports of Independent Registered Public Accounting Firm	F-2
Consolidated Statements of Financials Position as of December 31, 2009 and 2010	F-5
Consolidated Statements of Income by Function for each of the years ended December 31, 2009 and 2010	F-7
Consolidated Statements of Comprehensive Income for each of the years ended December 31, 2009 and 2010	F-8
Consolidated Statements of Changes in Net Equity from January 1, 2010 to December 31, 2010	F-9
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Consolidated Statements of Cash Flow for each of the years ended December 31, 2009 and 2010	F-11
Notes to the Consolidated Financial Statements	F-12

ITEM 19 EXHIBITS

List of Exhibits

1.1* By-Laws (*Estatutos*) of the Company, together with an English translation filed as Exhibit 1.1 to the Company's Annual Report on Form 20-F (No. 1-3358) for the fiscal year ended December 31, 2000.

2.1* Form of Deposit Agreement among the Company, The Bank of New York and holders from time to time of American Depositary Receipts issued thereunder, including the form of American Depositary Receipt, filed as Exhibit 4.1 to the Company's Registration Statement on Form F-1 (No. 33-84298) and incorporated by reference herein.

2.2* Form of Foreign Investment Contract among the Company, The Bank of New York and the Central Bank of Chile relating to the foreign exchange treatment of the investment in ADS and ADRs (with English translation), filed as Exhibit 4.3 to the Company's Registration Statement on Form F-1 (No. 33-84298) and incorporated by reference herein.

2.3* Central Bank of Chile Chapter XXVI, filed as Exhibit 4.4 to the Company's Registration Statement on Form F-1 (No. 33-84298) and incorporated by reference herein.

3.1* Agency Agreement dated as of August 31, 1993 between the Company and Banfi Products Corporation, filed as Exhibit 10.1 to the Company's Registration Statement on Form F-1 (No. 33-84298) and incorporated by reference herein.

3.2* English Translation of Powers of Attorney granted by the Board of Directors of *Inversiones Totihue S.A*. to Family Principal Shareholders filed as Exhibit 3.2 to the Company's Annual Report on Form 20-F (No. 1–3358) for the fiscal year ended December 31, 1998.

3.3* English Translation of Powers of Attorney granted by the Board of Directors of Rentas *Santa Bárbara S.A*. to Family Principal Shareholders filed as Exhibit 33 to the Company's Annual Report on Form 20-F (No. 1-3358) for the fiscal year ended December 31, 1998.

3.4* English Translation of Shareholders Agreement, dated August 20, 1999, entered into by Guilisasti family and other affiliated parties relating to, among others, the transfer and voting of Common Stock filed as Exhibit 3.4 to the Company's Annual Report on Form 20-F (No. 1-3358) for the fiscal year ended December 31, 1999.

4.1* English Translation of the Shareholders' Agreement, dated June 30, 1997, entered into by Viña Concha y Toro S.A. and Baron Philippe de Rothschild, relating to the creation of Viña Almaviva S.A. filed as Exhibit 4.1 to the Company's Annual Report on Form 20-F (No. 1-3358) for the fiscal year ended December 31, 2000.

4.2* English Translation of the Shareholders' Agreement, dated November 15, 2000, entered into by Viña Concha y Toro S.A. and Amorim & Irmaos, S.G.P.S. S.A. relating to, among others, the transfer and voting of common stock and the management and administration of Industria Corchera, S.A. filed as Exhibit 4.2 to the Company's Annual Report on Form 20-F (No. 1-3358) for the fiscal year ended December 31, 2000.

4.3 Stock Purchase Agreement, dated March 1, 2011, entered into by Viña Concha y Toro S.A. and Brown-Forman Corporation relating to the acquisition of Fetzer Vineyards (filed herewith).

8.1 List of Significant Subsidiaries. Our significant subsidiaries, their jurisdictions of incorporation and the names under which they do business are identified in Item 4 "Information on the Company — Organizational Structure."

12.1 Certification of Chief Executive Officer Pursuant to Section 302 of Sarbanes-Oxley (filed herewith).

12.2 Certification of Chief Financial Officer Pursuant to Section 302 of Sarbanes-Oxley (filed herewith).

13.1 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of Sarbanes-Oxley (filed herewith). (This Exhibit is furnished herewith, but not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act, as amended, except to the extent that the Company explicitly incorporates it by reference.)

*Previously filed.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIÑA CONCHA Y TORO S.A.
Registrant

By: /s/ EDUARDO GUILISASTI G.
Name: Eduardo Guilisasti G.
Title: Gerente General/
General Manager
(Chief Executive Officer)

Date: June 30, 2011

By: /s/ OSVALDO SOLAR V.
Name: Osvaldo Solar V.
Title: Gerente Corporativo de Administración y Finanzas/
Administration and Financial Corporate Manager
(Chief Financial Officer)

Date: June 30, 2011

EXHIBIT INDEX

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VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES

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Ch$	-	Chilean pesos
ThCh$	-	Thousands of Chilean pesos
USD	-	United States dollars
ThUSD	-	Thousands of United States dollars
UF	-	The UF (Unidad de Fomento) is an inflation-indexed, peso-denominated monetary unit. The UF rate is set daily in advance, based on the change in the Chilean Consumer Price Index of the previous month.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Viña Concha y Toro S.A.:

We have audited the accompanying consolidated statements of financial position of Viña Concha y Toro S.A. and subsidiaries (the Company) as of December 31, 2010 and 2009, and January 1, 2009, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Viña Concha y Toro S.A. and subsidiaries as of December 31, 2010 and 2009 and January 1, 2009, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2010, in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Viña Concha y Toro S.A.'s internal control over financial reporting as of December 31, 2010, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated June 30, 2011, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG Ltda.

Santiago, Chile
June 30, 2011

KPMG Auditores Consultores Ltda., sociedad de responsabilidad limitada chilena y una firma miembro de la red de firmas miembro independientes de KPMG afiliadas a KPMG International Cooperative ("KPMG International"), una entidad suiza. Todos los derechos reservados.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Viña Concha y Toro S.A.:

We have audited the internal control over financial reporting of Viña Concha y Toro S.A. (the Company) as of December 31, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Annual Report on Internal Control over Financial Reporting.* Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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In our opinion, Viña Concha y Toro S.A. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control -Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadvvay Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Viña Concha y Toro S.A. and subsidiaries as of December 31, 2010 and 2009 and January 1, 2009, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the two year period ended December 31, 2010, and our report dated June 30, 2011 expressed an unqualified opinion on those consolidated financial statements.

KPMG Ltda.

Santiago, Chile
June 30, 2011

KPMG Auditores Consultores Ltda., sociedad de responsabilidad limitada chilcna y una firma miembro de la red de firmas miembro independientes de KPMG afiliadas a KPMG International Cooperative ("KPMG International"), una entidad suiza.Todos los derechos reservados.

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	Note N°	As of December 31, 2010 Th$	As of December 31, 2009 Th$	As of January 1, 2009 Th$
Current assets				
Cash and cash equivalent	**(7)**	16,757,549	6,997,300	3,949,865
Other current financial assets	**(8)**	10,721,894	10,903,083	5,126,520
Other non-financial current assets		4,616,263	3,703,965	3,380,234
Trade and other accounts receivable, current	**(9)**	108,358,712	102,981,228	110,532,628
Accounts receivable from related parties, current	**(10)**	609,117	220,820	240,155
Inventories	**(11)**	107,233,780	118,196,897	111,600,565
Current biological assets	**(15)**	10,944,784	10,368,684	12,822,074
Current tax assets	**(22)**	14,853,251	12,657,009	15,381,635
Total current assets other than assets or groups of assets for disposition classified as maintained for sale or as maintained to distribute to owners		**274,095,350**	**266,028,986**	**263,033,676**
Assets held for sale	**(16)**	82,500	—	—
Total current assets		**274,177,850**	**266,028,986**	**263,033,676**
Non-Current Assets				
Other non-current financial assets	**(8)**	5,765,933	3,943,612	—
Other non-financial assets, non-current		2,442,581	2,779,252	3,244,011
Investments accounted for using the equity method	**(12)**	9,627,465	9,626,139	9,121,449
Intangible assets other than goodwill	**(13)**	8,863,353	8,379,752	8,417,493
Property, plant and equipment	**(14)**	225,070,491	229,469,990	226,652,653
Non-current biological assets	**(15)**	53,672,218	52,529,942	50,621,435
Deferred tax assets	**(21)**	5,295,823	4,015,976	3,376,166
Total non-current assets		**310,737,864**	**310,744,663**	**301,433,207**
Total Assets		**584,915,714**	**576,773,649**	**564,466,883**

The accompanying notes form an integral part of these consolidated financial statements.

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES	Note N°	As of December 31, 2010 Th$	As of December 31, 2009 Th$	As of January 1, 2009 Th$
Current liabilities				
Other current financial liabilities	**(18)**	30,732,214	36,891,049	75,069,473
Trade accounts payable and other current accounts payable	**(20)**	56,675,343	63,816,895	62,897,932
Current accounts payable to related companies	**(10)**	2,876,996	2,479,224	3,620,684
Other current provisions	**(24)**	14,687,986	18,621,917	21,530,839
Current tax liabilities	**(22)**	18,022,445	11,154,271	8,539,379
Other current non-financial liabilities		9,924,689	7,580,233	8,063,787
Total current liabilities		**132,919,673**	**140,543,589**	**179,722,094**
Non-current liabilities				
Other non-current financial liabilities	**(18)**	49,959,254	62,772,393	69,746,210
Other non-current accounts payable	**(20)**	2,137,049	2,211,541	2,393,975
Non-current accounts payable to related companies	**(10)**	1,452,471	1,664,255	1,947,240
Non-current liabilities due to deferrd taxes	**(21)**	25,930,099	25,003,032	23,225,431
Non-current provisions due to benefits to employees	**(24)**	1,841,740	1,606,683	1,582,919
Total non-current liabilities		**81,320,613**	**93,257,904**	**98,895,775**
Total Liabilities		**214,240,286**	**233,801,493**	**278,617,869**
Equity				
Issued capital		78,030,378	72,812,240	53,411,360
Issuance premiums		6,148,412	6,147,567	6,232,415
Accumulated Income		279,004,115	254,073,884	226,095,444
Other reserves	**(26)**	7,492,522	9,938,464	109,788
Equity attributable to the owners of the controlling entity		**370,675,427**	**342,972,155**	**285,849,007**
Non-controlling interest		1	1	7
Total equity		**370,675,428**	**342,972,156**	**285,849,014**
Total Liabilities and equity		**584,915,714**	**576,773,649**	**564,466,883**

The accompanying notes form an integral part of these consolidated financial statements.

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

CONSOLIDATED STATEMENTS OF INCOME BY FUNCTION

STATEMENT OF INCOME BY FUNCTION	Note N°	For the year ended December 31 2010 Th$	2009 Th$
Income from ordinary activities	**(29)**	374,018,545	354,418,905
Cost of sales	**(30)**	(241,775,864)	(223,443,943)
Gross Revenue		**132,242,681**	**130,974,962**
Other income by function		886,787	106,046
Distribution costs	**(30)**	(68,256,090)	(65,807,994)
Administrative expenses	**(30)**	(18,850,626)	(18,674,326)
Other expenses by function	**(30)**	(747,463)	(460,452)
Financial income	**(31)**	340,264	734,741
Financial expenses	**(31)**	(3,149,276)	(5,594,142)
Participation in income (loss) of associates and joint-ventures recorded using the equity method		984,406	811,500
Exchange differences	**(31)**	9,057,132	10,837,415
Income/expense by adjustment units	**(31)**	(866,507)	1,950,267
Income before tax		**51,641,308**	**54,878,017**
Income tax expense	**(22)**	(9,722,728)	(9,599,971)
Income from continued operations		**41,918,580**	**45,278,046**
Income		**41,918,580**	**45,278,046**
Income (loss) attributable to :			
Income attributable to owners of the company		41,918,574	45,278,038
Income attributable to non-controlling interests		6	8
Income		**41,918,580**	**45,278,046**
Income per share			
Income per basic share			
Income per basic share in continued operations		56.12	61.39
Income per basic share		56.12	61.39

The accompanying notes form an integral part of these consolidated financial statements.

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the year ended December 31	
STATEMENT OF COMPREHENSIVE INCOME	**2010 Th$**	**2009 Th$**
Net income for the year	41,918,580	45,278,046
Other comprehensive income components before taxes		
Currency translation differences		
Gains (losses) from foreign currency translation differences. before tax	(1,173,668)	(552,697)
Financial assets available for sale		
Gains (losses) due to new measures of financial assets available fo sale, before tax.	21,217	(78,404)
Cash flow hedges		
Gains (losses) due to cash flow hedges, before taxes	(1,554,083)	11,081,476
Income tax related to components of other comprehensive income		
Income tax related to financial assets available for sale of other comprehensive income	(3,602)	(5,610)
Income tax related to cash flow hedges of other comprehensive income	264,194	(1,883,851)
Total comprehensive income	**39,472,638**	**53,838,960**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the company	39,472,632	53,838,952
Comprenesive income attributable to non-controlling interest	6	8
Total comprehensive income	**39,472,638**	**53,838,960**

The accompanying notes form an integral part of these consolidated financial statements.

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

STATEMENT OF CHANGES IN NET EQUITY FROM JANUARY 1 TO DECEMBER 31, 2010
(Figures in thousands of pesos)

STATEMENT OF CHANGES IN EQUITY	Issued capital	Issuance premiums	Foreign currency translation difference reserve	Cash flow hedge reserve	Reserves of gains or losses in remeasurement of financial assets available for sale	Other several reserves	Other reserves	Accumulated Profits (losses)	Equity attributable to owners of the company	Non-controlling interests	Total equity
	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Beginning balance current period 1-1-2010	72.812.240	6.147.567	(552.697)	9.197.625	25.774	1.267.762	9.938.464	254.073.884	342.972.155	1	342.972.156
Re-expressed beginning balance	72.812.240	6.147.567	(552.697)	9.197.625	25.774	1.267.762	9.938.464	254.073.884	342.972.155	1	342.972.156
Income	—	—	—	—	—	—	—	41.918.574	41.918.574	6	41.918.580
Other comprehensive income	—	—	(1.173.668)	(1.289.889)	17.615	—	(2.445.942)	—	(2.445.942)	—	(2.445.942)
Comprehensive income	—	—	(1.173.668)	(1.289.889)	17.615	—	(2.445.942)	41.918.574	39.472.632	6	39.472.638
Dividends	—	—	—	—	—	—	—	(16.988.343)	(16.988.343)	—	(16.988.343)
Increase (decrease) due to other owner's contributions	5.218.138	845	—	—	—	—	—	—	5.218.983	—	5.218.983
Increase (decrease) for transfers and other changes	—	—	—	—	—	—	—	—	—	(6)	(6)
Total changes in equity	5.218.138	845	(1.173.668)	(1.289.889)	17.615	—	(2.445.942)	24.930.231	27.703.272	0	27.703.272
Final balance of current period 12-31-2010	**78.030.378**	**6.148.412**	**(1.726.365)**	**7.907.736**	**43.389**	**1.267.762**	**7.492.522**	**279.004.115**	**370.675.427**	**1**	**370.675.428**

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

STATEMENT OF CHANGES IN NET EQUITY FROM JANUARY 1 TO DECEMBER 31, 2009
(Figures in thousands of pesos)

STATEMENT OF CHANGES IN EQUITY	Issued capital	Issuannce premiums	Foreign currency translation difference reserve	Cash flow hedge reserve	Reserves of gains or losses in remeasurement of financial assets available for sale	Other several reserves	Other reserves	Accumulated Profits (losses)	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$	Th$
Beginning balance fo prior period 1-1-2009	53.411.360	6.232.415	—	—	109.788	—	109.788	226.095.444	285.849.007	7	285.849.014
Re-expressed beginning balance	53.411.360	6.232.415	—	—	109.788	—	109.788	226.095.444	285.849.007	7	285.849.014
Income	—	—	—	—	—	—	—	45.278.038	45.278.038	8	45.278.046
Other comprehensive income	—	—	(552.697)	9.197.625	(84.014)	—	8.560.914	—	8.560.914	—	8.560.914
Comprehensive income	—	—	(552.697)	9.197.625	(84.014)	—	8.560.914	45.278.038	53.838.952	8	53.838.960
Dividends	—	—	—	—	—	—	—	(17.299.598)	(17.299.598)	—	(17.299.598)
Increase (decrease) due to other owner's contributions	20.668.642	(84.848)	—	—	—	—	—	—	20.583.794	—	20.583.794
Increase (decrease) for transfers and other changes	(1.267.762)	—	—	—	—	1.267.762	1.267.762	—	—	(14)	(14)
Total changes in equity	19.400.880	(84.848)	(552.697)	9.197.625	(84.014)	1.267.762	9.828.676	27.978.440	57.123.148	(6)	57.123.142
Final balance of prior period 12-31-2009	**72.812.240**	**6.147.567**	**(552.697)**	**9.197.625**	**25.774**	**1.267.762**	**9.938.464**	**254.073.884**	**342.972.155**	**1**	**342.972.156**

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

CONSOLIDATED STATEMENTS OF DIRECT CASH FLOWS

Statements of cash flows	Balances between 01-01-2010 and 12-31-2010 Th$	Balances between 01-01-2009 and 12-31-2009 Th$
Cash flows provided by operating activities		
Collection from sales of goods and services delivery	324,064,183	314,250,165
Classes of payments		
Payments to suppliers related to the supply of goods and services	(273,522,269)	(242,500,862)
Payments to and in behalf of employees	(27,696,916)	(16,477,580)
Dividends paid	(18,435,975)	(14,325,149)
Dividends received	360,588	4,328
Interests paid	(2,090,326)	(5,400,571)
Interest received	3,210,644	765,687
Income taxes reimbursed (paid)	5,271,391	(15,795,765)
Other incomes (expenses) of cash	27,295,417	(850,224)
Net cash flows provided by (used in) operating activities	**38,456,737**	**19,670,029**
Cash flows provided by (used in) investing activities		
Amounts provided by sale of property, plant and equipment	1,893,167	299,047
Purchases of property, plant and equipment	(17,165,492)	(33,857,055)
Purchases of intangible assets	(1,234,739)	(248,653)
Amounts provided by government subsidise	69,845	12,669
Net cash flows provided by (used in) investing activities	**(16,437,219)**	**(33,793,992)**
Cash flows provided by (used in) financing activities		
Proceeds provided by shares issuance	5,218,138	20,625,286
Proceeds provided by the issuance of other equity instruments	—	5,113,400
Proceeds provided by short-term loans	50,049,950	57,458,547
Loan payments	(67,190,335)	(65,877,415)
Net cash flows provided by (used in) financing activities	**(11,922,247)**	**17,319,818**
Net increase (decrease) in cash and cash equivalent, before the effect of changes in exchange rate	**10,097,271**	**3,195,855**
Effects of variation in exchange rate on cash and cash equivalents		
Effects of variation in exchange rate on cash and cash equivalents	(337,022)	(148,420)
Net increase (decrease)of cash and cash equivalent	**9,760,249**	**3,047,435**
Cash and cash equivalent at beginning of period	6,997,300	3,949,865
Cash and cash equivalent at end of year	**16,757,549**	**6,997,300**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL CONSIDERATIONS

The Company's name is Viña Concha y Toro S.A. ID No. 90.227.000 – 0, registered as Open Corporation. The Company is located in Avda. Nueva Tajamar 481, North Tower, Floor Nº 15, Las Condes, Santiago, Chile, phone (56-2) 476-5000, fax (56-2) 203-6740, postal box No. 213, Central Post Office, Santiago, e-mail webmasterconchaytoro.cl, Website www.conchaytoro.com, with mnemonic in Chilean Stocks: Conchatoro and mnemonic in NYSE: VCO.

Viña Concha y Toro S.A. was formed as a public limited company by means of a Public Deed dated December 31, 1921, before the Notary Public of Santiago Mr. Pedro N. Cruz. The summary was inscribed under file 1,051 numbers 875 and 987 both of the Business Registry of Santiago from the Santiago Real Estate Custodian corresponding to year 1922 and was published in the Official Gazette under Nº13,420, dated November 6, 1922. The Existence Authorization Decree has Nº1.556, dated October 18, 1922.

The Company is currently registered under file 15,664 Nº12,447 in the Business Registry from the Santiago Real Estate Custodian, corresponding to year 1999; and in the Securities Register of the Superintendence of Securities and Insurance under Nº0043.

Viña Concha y Toro is the biggest wine producing and exporting company in Chile. The Company is vertically integrated and operates its own vineyards, wineries and bottling plants. In addition, Viña Concha y Toro has the largest wine distribution network in Chile. The Company also operates in Argentina, through Trivento Bodegas y Viñedos S.A.

The Company has developed a wide wine portfolio using the brand Concha y Toro. Likewise, the Company has powered innovating projects through its subsidiaries Viña Cono Sur, Viña Maipo, Viña Palo Alto, Viña Maycas del Limarí and Trivento Bodegas y Viñedos, the latter, in Argentina. Additionally, together with the prestigious French winery Barón Philippe de Rothschild, produce the icon Almaviva, a first class wine.

The Company has presence in the main vineyard valleys of Chile: Valle del Limarí, Casablanca, San Antonio, Maipo, Cachapoal, Colchagua, Curicó and Maule.

In the distribution business the Company participates through the subsidiaries, Comercial Peumo Ltda. (domestic) and Concha y Toro UK Limited (United Kingdom). In 2008, in order to strengthen its distribution, the Company established its own distribution offices in Brazil, Sweden, Norway and Finland; these began operations during 2009. In other export markets, the Company maintains strategic relationships with significant specialized dealers.

On March 30, 2010 the subsidiary VCT Group of Wineries Asia Pte. Ltd. was formed in Singapore aimed to reinforce the presence of Viña Concha y Toro in the area. The subsidiary is responsible to promote and distribute the products in the region.

The Company's twelve biggest shareholders are as follows:

Name	Number of shares	ownership %
INVERSIONES TOTIHUE S.A.	87,615,431	11.73%
RENTAS SANTA BARBARA S.A.	85,274,628	11.42%
A.F.P. PROVIDA S.A. FONDO DE PENSIONES	32,794,000	4.39%
INVERSIONES QUIVOLGO S.A.	30,032,000	4.02%
A.F.P. HABITAT S.A. FONDO DE PENSIONES	29,334,839	3.93%
FUNDACION CULTURA NACIONAL	26,964,775	3.61%
A.F.P. CAPITAL S.A. FONDO DE PENSIONES	26,184,511	3.51%
A.F.P. CUPRUM S.A. FONDO DE PENSIONES	24,541,425	3.29%
INVERSIONES GDF S.A.	24,439,851	3.27%
CONSTRUCTORA SANTA MARTA LTDA.	22,293,321	2.98%
BANCO ITAU CTA. DE INVERSIONISTAS	17,413,005	2.33%
BANCO DE CHILE CTA. DE TERCEROS	16,895,434	2.26%
TOTAL	**423,783,220**	**56.73%**

- **Directors**

The Company is managed by a Directory which is comprised of seven members duly designated by the General Shareholders Board. This Directory lasts a three-year period, which, once concluded, must be totally renewed, and its members can be indefinitely reelected. The current Directory was designated in the General Shareholders Board held on April 24, 2008, for a three-year term which ends in 2011.

Viña Concha y Toro S.A. maintains remuneration systems and compensation plans to managers and senior executives. Pursuant to its statutes, the Directory remuneration for 2010 was established by the Company's Shareholders Board in 1.3% of the net profit for the year. In addition, an assignation of UF300 per month was approved with respect to the executive responsibilities of the Directory Chairman.

The remuneration to Members of the Director's Committee for 2010 is equivalent to one third additional above the total remuneration that the Directors receives due to their regular responsibility, in accordance with that required by article 50 bis of the Public Limited Companies Law.

As of December 31, 2010, the Company's permanent personnel endowment was 1,911 people in the Parent Company, 545 people in Subsidiaries in Chile and 392 people in its Subsidiaries abroad, consequently, the Company's total staff reached to 2,848.

The distribution of employees pursuant to its functions is as follows:

	Parent Company	Affiliates in Chile	Affiliates abroad	Consolidated
Managers, submanagers and main executives	64	24	22	110
Professionals and technicians	463	118	138	719
Operators, sales and administrative employees	1,384	403	232	2,019
Total	**1,911**	**545**	**392**	**2,848**

NOTE 2. BASES OF PREPARATION AND PRESENTATION USED FOR THESE FINANCIAL STATEMENTS

2.1 Basis of preparation

2.1.1 FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

These Consolidated Financial Statements of Viña Concha y Toro and subsidiaries as of December 31, 2010 have been prepared in conformity with the International Financial Reporting Standards (IFRS) as issued by the IASB. These Consolidated Financial Statements have been approved by the Board on February 25, 2011, and therefore the Company's management is empowered to its publication.

As of December 31, 2009, Viña Concha y Toro S.A. issued its Official Consolidated Financial Statements in conformity with the Regulations of the Superintendence of Securities and Insurance (SVS) and Accounting Principles Generally Accepted in Chile, as required by the Regulating Entity which establishes that pursuant to legal requirements all Public Limited Companies or Corporate Companies must use the accounting criteria required by this Superintendence and the Accounting Principles Generally Accepted issued by the Chilean Association of Accountants in all those issues not addressed by the Superintendence if not opposed to its instructions. The aforementioned financial statements were approved by the Board on February 25, 2010.

This regulation incorporate the following relevant aspects: Significant changes in accounting policies, valuation criterion and presentation basis of financial statements, incorporation of a new financial statement, corresponding to the Statement of Changes in Net Equity and a significant increase of the information to be disclosed in the Notes to the Financial Statements.

For purposes of preparation of Notes, they include narrative descriptions or disintegration of these statements which are presented clearly, relevantly, trustable and comparable.

As a part of the first-time adoption process to International Financial Reporting Standards ("IFRS"), the Chilean Superintendence of Securities and Insurance has required, in its Circular No. 457 dated June 20, 2008, that Public Limited Companies registered in this entity to adopt IFRS (NIIF) beginning on January 1, 2009, including those who will take the option presented in Circular 427, this is, to adopt IFRS (NIIF) beginning on 2010, in comparison with 2009.

The reconciliation as of January 1, 2009 and as of December 31, 2009 between information prepared in conformity with the accounting principles generally accepted in Chile and IFRS (NIIF) is included in Note 3.

2.1.2 Classification of Balances in Current and Non-Current

Within the attached consolidated statement of financial position, balances are classified in function to its maturities, i.e., as current balances, those with maturities equal or lower than twelve months stet as non-current, those maturities which exceeds this period of time. In the case of obligations whose maturity is lower than twelve months, but whose long-term refinancing is secure at the Company's discretion through credit agreements unconditionally available with long-term maturity, may be classified as long-term liabilities.

2.1.3 New regulations and interpretations issued and not in-force

At the date of issuance of these Consolidated Financial Statements, the following accounting requirements have been issued by IASB but were not of mandatory application:

	New Standards	Mandatory application date
IFRIC 19	Liquidation of financial liabilities with equity instruments	July 1, 2010
IAS 24	Related party disclosures	January 1, 2011
IAS 32	Financial instruments : Presentation	January 1, 2011
Amendment CINIIF 14	Advanced payments on the obligation to maintain a minimum financing level	January 1, 2011
IFRS 9	Financial instruments : Classification and measurement	January 1, 2013
Amendment IFRS 7	Financial instruments :Information to be disclosed	July 1, 2011
Amendment IAS 12	Income taxes	January 1, 2012

The Company's management is currently evaluating and analyzing these regulations in order to determine whether or not have a significant impact in the Group's financial statements.

2.1.4 Use of Estimates and Criteria

In the preparation of these consolidated financial statements, certain estimates made by the Company's management have been used in order to quantify certain assets, liabilities, income, expenses and commitments which are recorded within. These estimates are basically referred as to:

- The evaluation of possible impairment losses on Property, plant and equipment, Intangibles and Investments.
- The fair value determination for Land. Pursuant to IFRS (NIIF) 1 the fair value of a fixed asset item can be used as attributed cost, but only in the transition date as of January 1, 2009.
- The criterion used in the valuation of certain assets.
- The actuarial calculation for severance indemnity obligations.
- The fair value of derivative contracts or other financial instruments.
- Estimates to net realizable value and obsolescence.

Despite the fact that these estimates have been performed based on the best available information as of the date of issuance of these financial statements on the facts analyzed, it is possible that events that may take place in the future obligating management to modify them (upward or downward) in the next years, which will be made prospectively, recognizing the effect of changes in estimates in the corresponding future consolidated financial statements.

2.1.5 Periods covered

These consolidated financial statements cover the following periods:

- Consolidated Classified Statement of Financial Position (the transition date) for the years ended as of December 31, 2010, December 31, 2009 and as of January 1, 2009.
- Consolidated Statement of Income by Function as of December 31, 2010 and December 31, 2009.
- Consolidated Statements of Comprehensive Income as of December 31, 2010 and December 31, 2009.
- Consolidated Statements of Changes in Net Equity as of December 31, 2010 and as of December 31, 2009.
- Consolidated Statements of Direct Cash Flows as of December 31, 2010 and December 31, 2009.

2.1.6 Measurement Bases

The Consolidated Financial Statements have been prepared on historical cost bases except for the following significant items included in the financial statements:

- Hedging financial instruments are valued at its fair value.
- Financial assets available for sale are valued at fair value.
- Financial instruments with changes in income are valued at fair value.
- Certain land items were valued at fair value which constitutes attributed cost as of the transition date.
- Severance indemnity accrual is determined pursuant to Actuarial calculation.

2.1.7 Significant Accounting Policies

The main critical policies are as follows:

- Bad debt estimate.
- Investment in Associates.
- Inventories.
- Intangible Assets.
- Biological Assets.
- Impairment of Property, Plant and equipment, Financial Assets.
- Financial Instruments.
- Accruals.
- Deferred Taxes.
- Benefits to Employees.
- Revenue Recognition.

2.2 Basis of Consolidation

The Consolidated Financial Statements include assets, liabilities, incomes and cash flows of Viña Concha y Toro and its subsidiaries. The effects of significant transactions performed with subsidiaries have been eliminated and recognized the related non-controlling ownership which are presented in both the statement of financial position and statement of income, within non-controlling ownership.

2.2.1 Subsidiaries

The subsidiaries are those entities on which Viña Concha y Toro exert, direct or indirect control, understood as the ability to direct the financial and operating policies of a company in order to obtain benefits from its activities. This ability is presented, in general but not solely, due to the property, direct or indirect, of 50% or more of the company's political rights.

To account for the acquisition of subsidiaries, Viña Concha y Toro uses the acquisition method. The acquisition cost is the fair value of assets delivered, of equity instruments issued and of liabilities incurred or assumed in the exchange date, and other costs directly attributable to the acquisition. Identifiable assets acquired, identifiable liabilities and contingencies assumed in a business combination are valued by its fair value in the acquisition date. The excess of acquisition cost on the fair value of the Company's ownership in net identifiable assets acquired is recognized as goodwill. Whether the acquisition cost is lower than the fair value of net assets of the acquired subsidiary, the difference is directly recognized in the statement of income.

The subsidiaries whose financial statements have been included in consolidation are as follows:

		OWNERSHIP PERCENTAGE				
		12-31-2010			12-31-2009	01/01/2009
Tax ID No.	COMPANY	DIRECT	INDIRECT	TOTAL	TOTAL	TOTAL
85.037.900-9	Comercial Peumo Ltda.	0.000	100.000	100.000	100.000	100.000
84.712.500-4	Viña Palo Alto Ltda.	99.999	0.000	99.999	99.999	99.999
82.117.400-7	Soc. Export.y Com. Viña Maipo Ltda.	0.000	100.000	100.000	100.000	100.000
85.687.300-5	Transportes Viconto Ltda.	0.000	100.000	100.000	100.000	100.000
86.326.300-K	Viña Cono Sur S.A.	0.000	100.000	100.000	100.000	100.000
0-E	Trivento Bodegas y Viñedos S.A.	19.055	80.944	100.000	100.000	100.000
0-E	Concha y Toro UK Limited	99.000	1.000	100.000	100.000	100.000
0-E	Cono Sur Europe Limited	0.000	100.000	100.000	100.000	100.000
96.585.740-0	Soc. Export. y Com. Viña Canepa S.A.	0.000	100.000	100.000	100.000	100.000
96.921.850-K	Inversiones Concha y Toro Ltda.	99.980	0.020	100.000	100.000	100.000
99.513.110-2	VCT Internacional Ltda.	0.000	100.000	100.000	100.000	100.000
0-E	Finca Lunlunta S.A.	0.000	100.000	100.000	100.000	100.000
76.898.350-K	Viña Maycas del Limarí Limitada	0.000	100.000	100.000	100.000	100.000
0-E	Finca Austral S.A.	0.000	100.000	100.000	100.000	100.000
0-E	VCT Brasil Importación y Exportación Ltda.	0.000	100.000	100.000	100.000	100.000
0-E	Concha y Toro Sweden AB	0.000	100.000	100.000	100.000	100.000
0-E	Concha y Toro Finland OY	0.000	100.000	100.000	100.000	100.000
0-E	Concha y Toro Norway AS	0.000	100.000	100.000	100.000	100.000
76.048.605-1	Viñedos Los Robles Spa	0.000	100.000	100.000	100.000	0.000
0-E	Concha y Toro Shanghai (Of. de Representación)	100.000	0.000	100.000	100.000	0.000
0-E	VCT Group Of Wineries Asia Pte. Ltd.	100.000	0.000	100.000	0.000	0.000

The interest of external partners, represent the portion assignable to them of own funds and of income (results) as of December 31, 2010 and December 31, 2009, of those companies which are consolidated, and are presented as “Non-controlling ownership”, in the total equity of the attached consolidated statement of financial position and in the epigraph of “Profit, attributable to non-controlling ownership”, of the attached consolidated statement of income.

The translation to the presentation currency of financial statements of foreign companies with functional currency other than the Chilean peso is performed as is indicated in 2.2.2:

Exchange differences generated in the translation to the currency used in the consolidated financial statements are recorded within the account “exchange differences” within equity.

Exchange differences generated prior to January 1, 2009 have seconded in reserves income with the Company is first-time adoption of IFRS (NIIF), to the exception foreseen for the translation of financial statements prepared using accounting principles generally accepted in Chile to IFRS.

All balances and transactions between companies consolidated have been eliminated in the consolidation process.

2.2.2 Functional Currency and Presentation

The Company has determined that its functional currency is the Chilean peso and the functional currency of each of its subsidiaries has been determined by each entity based on the economic environment in which they operates, the term foreign currency is defined as any currency other than the Chilean peso.

The definition of this functional currency relates to the fact that is the currency that manifests or represents the transactions, facts and conditions that lie behind and are relevant to handle the operations of Viña Concha y Toro. For this purposes, it has been considered the analysis of variables such as: sale price of its products, relevant markets for the company, financing sources, among others.

In consolidation, items in the comprehensive statement these corresponding to entities with functional currency other than the Chilean peso have been translated to Chilean pesos using the average exchange rates. Items in the statement of financial position have been translated using the year-end exchange rates. These differences related to the translation of net assets of these entities have been recorded to equity within the translation reserve a separate line.

The Company does not use a presentation currency different than the functional currency.

2.3 Financial Information by Operating Segment

The Group Concha y Toro present financial information by segments is a function of the information available to the entity's key decision makers, with respect to the subjects which allow the measure of profitability and to make decisions on investments in business areas as established in IFRS 8. The Company operates in two business segments: Wines and Others.

2.4 Transactions in Foreign Currency

Transactions and Balances

Transactions in foreign currency are recorded at the initial moment applying the exchange rate in-force at the transaction date. Balances of monetary assets and liabilities are translated at year-end exchange rate; non-monetary entries in foreign currency which are measured in terms of historic cost are translated using the exchange rate in-force at the transaction date. Non-monetary entries in foreign currency which could be valued at fair value are translated using the exchange rate in-force at the date in which the fair value is determined.

Exchange rates used to translate monetary assets and liabilities, denominated in foreign currency at each year-end with respect to the Chilean peso are as follows:

CURRENCY	NOMENCLATURE	12/31/2010	12/31/2009	01/01/2009
US DOLLAR	USD	468.01	507.10	636.45
CANADIAN DOLLAR	CAD	467.87	481.12	521.72
SWEDISH CROWN	SEK	69.38	70.74	81.94
NORWAY CROWN	NOK	79.51	87.44	90.96
JAPANESE YEN	JPY	5.73	5.48	7.05
EURO	EUR	621.53	726.82	898.81
BRAZILIAN REAL	BRL	281.31	290.94	271.70
POUND STERLING	GBP	721.01	814.49	918.27
ARGENTINEAN PESOS	ARS	117.78	133.48	184.49
UNIDAD DE FOMENTO	UF	21,455.55	20,942.88	21,452.57

2.5 Cash and Cash Equivalents

Cash equivalents correspond to short-term investments which are of a significant liquidity, that are easily convertible in cash known amounts and subject to a low exchange risk in its value with maturity no greater than three months.

2.6 Financial Instruments

2.6.1 Financial Assets other than derivatives

Viña Concha y Toro S.A. and subsidiaries classifies its financial assets in the following categories: held for trading at fair value with changes recorded in income and available for sale at fair value with changes recorded in comprehensive income. The classification depends of the purpose with which these financial assets were acquired. Management determines the classification of its financial assets at the moment of initial recognition.

2.6.1.1 Financial assets at fair value with changes seconded in income

Financial assets are classified at their fair value with changes in recorded in income if it is classified as held for trading. A financial asset is classified within this category when is mainly acquired to be sold in the short-term. Derivatives also are classified as acquired for its trade unless these were designed as hedging instruments. Assets of this category are classified as current assets.

These are initially recognized in income at its fair value.

2.6.1.2 Financial assets held to maturity

Investments held to their maturity are non-derivative financial assets which has fixed or determinable payments, has fixed maturities, and that the Company has the positive intention and ability to hold them to maturity. After the initial measurement, the financial investments maintained up to its maturity are subsequently measured at amortized cost. This cost is calculated as the amount initially recognized less capital prepayments, plus or less accumulated amortization using the effective rate method of any difference between the amount initially recognized and the amount at maturity, less any impairment loss determined pursuant to market values and conditions.

2.6.1.3 Borrowings and Accounts Receivables

Borrowings and accounts receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. In those instruments are included in current assets items except those with maturities which exceed 12 months from the year-end date, which are classified as non-current assets. Borrowings and accounts receivable are included in "Trade Receivables and Other Current Account Receivable" in the statement of financial position.

Trade Receivables and Other Current Accounts Receivable, are initially recognized by its fair value (par value which in some cases include an implicit interest) and subsequently by its amortized cost pursuant to the effective interest method, less a provision for value impairment loss. This cost is calculated as the amount initially recognized less capital prepayments, plus or less accumulated amortization using the effective rate method of any difference between the amount initially recognized and the amount at maturity, less any impairment loss determined pursuant to market values. Profits and losses are recognized in the statement of income when entries are taken out or are impaired, as well as through the amortization process. When the stated value of the account receivable does significantly differ from its fair value, the recognition is at stated value. A provision for impairment loss of trade receivables is established when there is objective evidence that based on a case-by-case analysis; that indicates a risk of collection exists.

Once all collection efforts have been exhausted, the Company proceeds to sign-off the assets against the constituted provision. For a better control, the Company only uses the provision method and not the direct write-off method.

Historic renegotiations and currently in-force are not material. The current policy is to analyze on a case-by-case basis in order to evaluate borrowings and accounts receivable pursuant to the existence of risk of loss to determining whether or not its reclassification to prejudicial collection accounts is appropiate. If a reclassification is merited, a provision for amounts overdue and to be mature is performed.

2.6.2 Financial liabilities other than derivatives

The Company classifies its financial liabilities in the following categories: at fair value with changes in income, trading creditors, loans which accrue interest or derivatives designed as hedging instruments.

Company's management determines the classification of its financial liabilities at the initial recognition.

The financial liabilities are extinguished when the obligation is paid, settled or expired.

2.6.2.1 Financial liabilities at fair value with changes in income

The financial liabilities are classified at fair value when these are maintained for trading or designed in its initial recognition at fair value through income. This category includes the derivative instruments not designated as qualified for hedging accounting.

2.6.2.2 Trading creditors

Balances payable to suppliers are subsequently valued at amortized cost using the effective interest rate method.

2.6.2.3 Loans which accrue interest

Loans are valued at amortized cost using the effective interest rate method. The amortized cost is calculated considering any premium or discount of the acquisition and includes transaction expenses which are an integral part of the effective interest rate. Profits and losses are recognized with a charge or credit to income when the liabilities are signed off or amortized.

2.6.3 Derivatives

2.6.3.1 Hedging derivatives

The global derivative instruments portfolio is comprised in 94.22% by contracts which qualify as hedging instruments. These were subscribed by the Group Concha y Toro within the financial risk management policy framework to mitigate the risks associated with exchange rate and interest rate fluctuations through currency forward contracts and interest rate swaps.

Derivatives are recorded by its fair value as of the date of the statement of financial position. If its value is positive, these are recorded under item "Other financial assets" and if its value is negative, these are recorded within item "Other financial liabilities", illustrating the change in its fair value in the comprehensive statement of income as described as follows, pursuant to the type of hedging to which correspond:

2.6.3.1.1 Fair value hedging

The portion of the underlying for which the risk is hedged its valued by its fair value in the same way than the hedging instrument, recording in the comprehensive statement of income, the value variations of both, offsetting the effects in the same item of the comprehensive statement of income. To date, Concha y Toro Group does not maintain derivatives qualified as fair value hedging.

2.6.3.1.2 Cash Flow hedging

Changes in the fair value of derivatives are recorded, in the portion that these hedging are effective, in a Reserve of Total Equity until these are transferred to the comprehensive statement of income offsetting this effect against the hedging object. The results corresponding to ineffective portion of hedging are directly recorded in the comprehensive statement of income.

2.6.3.1.3 Net Investment Hedging

Net investments hedging in a foreign operation, including hedging of monetary entry which is recorded as a part of the net investment, are recorded as follows: profits or losses by the hedging instrument related to the hedging effective portion are recognized as a charge or credit in equity accounts, while any gain or loss related to the ineffective portion is recognized as a charge or credit to income. When alienate the foreign operation, the accumulated amount of any gain or loss directly recognized in equity is transferred to the statement of income.

A hedging is considered as highly effective when changes in the fair value or in cash flows of the underlying directly attributable to the hedged risk, are offset against the changes in the fair value or in the hedging instrument cash flows, with effectiveness between a ranks of 80% - 125%.

2.6.3.2 Implicit Derivatives

Concha y Toro Group evaluates the existence of implicit derivatives in financial instruments contracts and grape purchase contracts performed with third parties in order to determine whether its characteristics and risks are closely related to the main contract. If concluded that the clauses in-force in contracts were related to the main contract, the derivative is valued at fair value.

2.6.3.3 Other derivatives

During the last quarter of 2010 the Company has contracted currency options, which do not comply with the requirements to be classified as hedging instruments and therefore, these were recorded at its fair value and classified as financial assets or liabilities at fair value with changes in income and recorded in other financial assets and liabilities, depending whether the fair value is positive or negative.

2.6.4 Fair value and classification of financial instruments

The fair value of different derivative financial instruments is calculated through the following procedures:

- For derivatives quoted in an organized market, for its quote at year-end.

- In the case of derivatives non-negotiable in organized markets, the Group use for its valuation, the discount of expected cash flows and generally accepted options valuation models, based on the market conditions, both from cash and forwards at year-end

In consideration to the abovementioned procedures, Viña Concha y Toro classifies its measures for fair value within the following levels:

Level 1 Fair value obtained through direct reference to prices quoted, with no adjustment.

Level 2 Fair value obtained through use of valuation models accepted in the market and based in prices, other than those indicated in Level 1, which are observable direct or indirectly as of the measuring date (Adjusted prices).

Level 3 Fair value obtained through models internally developed or methodologies which use information that are not observable or very few liquids.

2.6.5 Loans which accrue interest

All credits and loans are initially recognized at fair value of the payment received less direct costs attributable to the transaction. Subsequently to the initial recognition these are measured at amortized cost using the effective interest rate method.

Profits and losses are recognized with a charge or credit to income when the liabilities are signed off or amortized.

2.7 Assets held for sale

Assets, and Property, Plant and equipment whose book value will be recovered through a sale operation and not through its ongoing use, are classified as held for sale. This condition is considered as complied solely when the sale is highly probable and the asset is available for immediate sale in its current state being transferred to the current group.

Assets are classified as non-current assets held for sale when the determination has been made by management to dispose of the investment within twelve months following year-end.

These assets are valued at the lower value between the book value and the estimated sale value deducting the costs required for its realization, and are no longer depreciated from the moment in which are classified assets held for sale.

2.8 Inventories

Raw material, products in-process, finished products and supplies, are initially valued at cost, subsequent to the initial recognition. Subsequently these are valued at the lower value between the net realizable value and the cost initially recorded. Inventories of wine in bulk are valued at weighted average cost, determined through the system known as absorption costing, which implies adding to acquisition direct costs and/or grapes production cost those indirect costs incurred in the agriculture process, and direct and indirect costs of the wine production process.

The Company and its subsidiaries recorded impairment for obsolescence of raw material and supplies based on technical reports and on turnover level of stocks maintained and /or from the evaluation of its future utilization.

2.9 Other non-financial assets

Within other non-financial assets are current prepaid expenses. These include disbursements due to advance payments related to lease of farms and advertising. These are classified in current and non-current depending on the term of its maturity.

2.10 Investments in associates

Associates entities are considered those on which Concha y Toro Group is in position to exert a significant influence, but not control or jointly control, through being able to participate in decisions on its financial and operating policies. Pursuant to the equity method, the investment in a subsidiary will be initially recorded at cost and its book value will be increased or decreased to recognize the portion which corresponds to the investor in the profit or loss obtained by the entity in which maintains the investment, after the acquisition date.

The net income obtained in each year by these companies is illustrated in the consolidated comprehensive statement of income as "Ownership in profits (losses) of associates recorded using the equity method".

2.10.1 Goodwill of investments through equity method

The Goodwill obtained in the acquisition of the associated Industria Corchera S.A, it is not amortized and at each accounting year-end it is estimated if there are indications of impairment which may decrease its recoverable amount to an amount lower than the net cost recorded, in whose case, an adjustment due to impairment is performed.

The related assignation is performed in those cash generating units to which are expected to obtain a benefit from the business combination in which arose this acquired goodwill. This value is already added to the investment value for the case of Industria Corchera S.A.

2.11 Intangible Assets

2.11.1 Industrial Brand Rights

Viña Concha y Toro trade its products through the registration of it's own brands with a finite useful life, duly recorded and completely in-force. Those brands include Concha y Toro and sub brands Don Melchor, Amelia, Terrunyo, Trio, Casillero del Diablo, Sunrise, Frontera, Tocornal and Maipo. The subsidiaries have registered their brands Cono Sur, Isla Negra, Maycas del Limarí and Trivento.

- Registered in Chile.

Viña Concha y Toro, has a portfolio of it's own industrial brands registered in Chile for a ten-year period, renewable. These are valued at brand registration historic cost. This value is amortized in the period of time in which the register is in-force.

- Registered abroad.

The Company also registers its brands abroad in locations where it operates in the wine business. Normally, these registration rights have an in-force period from 5 to 10 years. The registration amounts are amortized in the in-force period of the related brand registration certificate pursuant to regulations of each country. These are recorded at historic cost net of amortization.

Viña Concha y Toro, value the related Industrial Brand Rights at its registration cost value. Disbursements incurred in developments of brands are recorded as operating expenses when incurred.

Brands acquired prior to the date in which Viña Concha y Toro adopted its transition to IFRS are presented at its value revalued by inflation and lessen by the related accumulated amortization.

2.11.2 Domain Rights

Correspond to the use rights for a unique internet address to which users can access. These domains can be domestic or foreign, to which its in-force period will correspond to that indicated by the law of each country and in general not higher than 5 renewable years.

2.11.3 IT Programs

Licenses for IT programs acquired are recorded at historic cost net of amortization. These costs are amortized using its estimated useful lives, generally 3 to 8 years.

Expenses related to the development or maintenance of IT programs are recognized as expense when incurred.

2.11.4 Research and development

Research and development expenses are recognized as expenses when incurred. The Company has no significant material disbursements for these concepts during the years ended as of December 31, 2010 and December 31, 2009.

2.11.5 Water rights

Water rights acquired by the Company correspond to the exploitation right of water existing in natural sources associated to agricultural land which are recorded at historic cost. These are recognized at its purchase value, and given that they are perpetual rights, these are not amortizable. However, the Company evaluates these water rights with respect to impairment on a yearly basis.

Water rights prior to the date in which Viña Concha y Toro, adopted its transition to IFRS are presented at its value restated by inflation and reduced by the related accumulated depreciation.

2.11.6 Easement Rights

Rights related to easement correspond to the amounts in acquisition of rights of way for use of service, between several co-owners from the area (access to allotments, aqueduct transit, and power lines), on agricultural land of Viña Concha y Toro, in addition to those of its subsidiary Viña Cono Sur S.A. These rights are indefinite therefore, are not amortized but subject to “impairment test” on an annual basis, restating the value in case the related market value were lower, based on the last transactions performed by the Company.

Rights acquired prior to the date in which Viña Concha y Toro adopted its transition to IFRS are presented at its value restated by inflation and reduced by the related accumulated depreciation.

2.11.7 Identification of classes of intangibles with finite and undefined useful life

Description of classes of intangible	Useful life definition finite or indefinite
Domains	Finite
Industrial brands, domestic (acquired)	Finite
Industrial brands rights, registered abroad	Finite
Water rights	Indefinite
Easement rights	Indefinite
IT Programs	Finite

2.11.8 Minimum and maximum useful lives for amortization of intangibles

Useful life by class of intangible assets	Minimum	Maximum
Licenses, Registered brands and other rights	5	10
IT Programs	3	8
Other identifiable intangible assets	3	10

2.12 Property, Plant and Equipment

Property, Plant and Equipment are recorded at cost, less accumulated depreciation, less losses for value impairment.

The element's cost of Property, Plant and equipment includes its acquisition price plus all the costs directly related to the asset location and its preparation for operation as foreseen by the Company and the initial estimate of any dismantling cost and removal of the element or rehabilitation of the site where is placed.

The cost of certain land has been determined as attributed cost as of January 1, 2009 pursuant to the exemption stipulated in IFRS 1. The Company hired independent engineers whose determined the fair value of these land. The higher resulting value is presented in Retained Earnings; given that the Company has defined that all assets will be valued beginning on that date based on cost.

When portions of an entry of property, plant and equipment own different useful lives, these are recorded as separate entries (important components) of property, plant and equipment.

Expenses of repair jobs, conservation and maintenance are charged to income in the period incurred. Note that certain elements of Property, Plant and equipment of Concha y Toro Group require reviews on a regular basis. In that sense, the elements subject to substitution are separately recognized from the remaining of the asset and with a segregation level which allows amortizing them in the period of time between the current and up to the following reparation.

2.12.1 Policy for loans which accrue interest

Property, Plant and Equipment, includes costs for financing interest attributable to the acquisition or construction of assets related to those assets that requires a substantial period of time before they are ready for use or sale. Financial expenses are obtained when applying a capitalization rate, which is determined with the weighted average of all costs for the entity's interest between the loans which have been in-force during the year.

The financing cost incurred from the acquisition of an asset, up to the date in which these are ready to be used, are incorporated to the asset value as established in IAS 23.

In the case that the period of time used for the construction of property, plant and equipment is higher than the reasonable, the interest capitalization is discontinued.

2.12.2 Depreciation

Property, Plant and equipment are depreciated following the straight-line method through the asset's acquisition cost distribution less the residual value estimated between the element's estimated useful lives.

Viña Concha y Toro and subsidiaries evaluates at each report's date the existence of any value impairment of assets related to Property, Plant and equipment. Any reversal of value loss due to impairment is recorded directly to income at year-end.

The useful lives of assets are presented as follows:

	YEARS
Building	10 to 30
Plant and equipment	3 to 20
IT Equipment	3 to 7
Fixed premises and accessories	5 to 30
Motorized vehicles	6
Other property, Plant and equipment	3 to 20

2.12.3 Government subsidy

The Company has received a government subsidy from the Chilean State, in conformity with The Law to Encourage Drainage and Irrigation, Law 18,450 related to the winegrowing activity developed.

These government subsidies in benefit of the Company are presented within item Plantations, Plants and Equipment, deducted from the construction value in-progress, and irrigation material.

2.13 Biological Assets

Within Biological Assets, Viña Concha y Toro includes all grapevine plantations. The agricultural product (Grapes) derived from plantations under production is purposed to be a supply for the wine production process.

In conformity with IAS 41, for those assets for which is not possible to reliably determine the fair market value, the Company has concluded to value the grapevine plantations at its historic cost less accumulated depreciation and accumulated losses due to impairment.

The Company depreciates its biological assets following the straight-line method in function of the estimated useful lives of grapevines and subjecting the value to impairment test in each year. Useful lives applied are as follows:

	Useful lives
Plantations vineyard	20-25

For agricultural product (grapes) which are in a growing process up to the grape harvest date, costs are accumulated up to the harvest date and then forms part of the inventory cost in the following processes.

2.14 Impairment of Non-financial assets value

On an annual basis, the Company assesses the impairment on the value of Property, plant and equipment, Intangibles, Investment in associates, Biological Assets and Financial Assets pursuant to the methodology established by the Company as established in IAS 36, assets on which this methodology applies are as follows:

- Property, plant and equipment
- Intangible Assets
- Investment in Associates
- Other long-term assets (Projects)
- Biological Assets (at historic cost)

Assets subject to depreciation and amortization are subject to impairment tests provided that any event or changes in circumstances indicate that the amount in books cannot be recoverable. An impairment loss is recognized to extent the amount currently recorded exceeds the estimated recoverable amount. The recoverable amount is the higher value between the asset fair value less the costs for the sale or the use value. In order to evaluate the value impairment loss, when is not possible to estimate the recoverable amount of the individual asset, assets are grouped in accordance to the cash generating units. Non-financial assets, other than goodwill that were been affected by an impairment loss are subject to reviews as of each year-end in case events have occurred that justify loss reversals. Impairment tests are performed under the following methods indicated in IFRS:

- Expected future cash flows for groups of Property, Plant and Equipment. (CGU) identified.

- Comparison of fair market values against cash flows in order to determine between both, the recoverable amount and then perform a comparison with the book value.

- Discounted income flows in order to evaluate investment impairment in associates.

2.14.1 Impairment of Property, Plant and equipment, investments in subsidiaries, associates and Biological Assets.

These assets are subject to tests to evaluate for impairment losses in order to verify as to whether or not there is any indication that the book value is lower than the recoverable amount. If that indication exists, the asset recoverable amount is estimated in order to determine the impairment scope, if any. In instances where the asset did not generate cash flows which were independent from other assets, the Company determines the recoverable value of the cash generating unit to which the asset belong pursuant to the business segment (wines and others).

2.14.2 Intangible assets impairment

The Company performs a test to evaluate intangible assets impairments for all assets with indefinite useful lives. This is performed on annual basis and every time that there is an indication that the asset could be impaired.

If the recoverable value of an asset is considered lower than its book value, the latter decreases to the recoverable value.

2.14.3 Financial assets Impairment

In the case of trading receivable assets, the Company has defined a policy to record provisions due to impairment based on the aging.

For its account receivable, the Company has defined age stratification parameters as well as the percentages to be applied in the impairment evaluation for these items.

In accordance with the information presented and evaluating if there is any indication of value impairment of some assets related to the wine's flow generating unit; we may conclude that there is no evidence of indication that support any impairment in the value of these assets.

2.14.4 Impairment on Investments in Associates

After the ownership application, Viña Concha y Toro S.A. and is subsidiaries determine whether it is necessary to recognize an additional impairment loss for the investment maintained in its associates. On an annual basis, the Company evaluates if objective evidence exists that the investment in associates or joint-ventures are at risk to be considered as impaired. The Company calculates the impairment amount as the difference between the fair value of the associate and the acquisition cost and, in the case in which the acquisition value is higher, the difference is recognized with a charge to income.

2.15 Lease Contracts

Lease contracts where all risks and substantial benefits are transferred are classified as financial leases.

Goods received in lease, which comply with the features of a financial lease, Viña Concha y Toro S.A. and subsidiaries record these as acquisition of Property, Plant and equipment at the lower value between the fair value and the present value of the minimum future payments.

Each lease payment is distributed between the liability and the financial charges in order to obtain a constant type of interest on the debt's outstanding balance.

The related lease obligations, net of financial charges are included in other non-current liabilities. The interest element of the financial expenses is charged in the statement of income during the lease period in order to obtain a constant recurring interest rate on the liability remaining balance for each period. The asset acquired as financial lease is depreciated during the lessor of its useful life or the contract lifespan.

Contracts which do not comply with the financial lease features are classified as operating leases.

It is considered an operating lease when the lessor maintains a significant portion of the risks an advantages derived from the tenure of goods granted in lease. Payments related to operating lease (net of any incentive received from the lessor) are charged in the statement of income or activated (if applicable) on a straight-line basis during the lease lifespan.

2.16 Income and deferred taxes

2.16.1 Income tax

Viña Concha y Toro S.A. and its subsidiaries recognize income tax based on net taxable income determined in accordance with the provisions of the Income Tax Law and the foreign countries where certain subsidiaries operate.

The income tax expense for the year of these companies is determined as the addition of each company's current taxes which result after applying the type of tax burden on the taxable basis for the year, and the application of the related taxable deductions accepted, plus the variation of deferred taxes of assets and liabilities and tax credits, both from negative taxable basis and deductions.

2.16.2 Deferred Taxes

Viña Concha y Toro S.A. and its subsidiaries record deferred taxes originated from all temporary differences and other events which generate differences between the accounting basis and tax basis of assets and liabilities, which are recorded pursuant to standards established in IAS 12 "Income tax ".

The differences between the accounting value of assets and liabilities and its tax basis, give rise to the balances of deferred taxes of assets and liabilities which are calculated using the tax rates expected in force when assets and liabilities are realized.

Variations in deferred tax assets and liabilities not coming from business combinations are recorded in income accounts or in Net Equity accounts of the Consolidated Statement of Financial Position depending on where the profits and loss which gave rise to these were recorded.

Deferred tax assets and tax credits are solely recognized when is considered as likely that the consolidated entities will have enough future tax profits to recover the deductions due to temporary differences and use the tax credits.

Deferred tax liabilities are recognized for all temporary differences, except those derived from the initial recognition of business funds as well as those associated to investments in subsidiaries, associates and entities under joint control in which is possible to control its reversals and probable not to perform a revert in a predictable future.

As of the statement of financial position date, the unrecognized deferred tax assets are revaluated and recognized provided that is highly probable that future taxable gains will allow the recovering of this deferred tax assets.

2.17 Benefits to employees

2.17.1 Vacations

Costs associated to personnel contractual benefits and related to services provided by employees during the year are charged to income in the related period.

2.17.2 Severance Indemnities

Company's management use assumptions in order to determine the best estimate of these benefits. The valuation of these obligations is performed through an actuarial calculation. The assumptions used in this calculation include the pension rotation hypothesis, the mortality rate, the discount rate the expected rise in remuneration and the future permanence, among other.

Actuarial gains or losses that can occur due to variations of defined pre-established obligations are directly recorded in income for the year.

Actuarial gains or losses arise from the deviations between estimates and actuality of the actuarial hypothesis behavior or in the reformulation of the established actuarial hypothesis.

2.18 Provisions

Provisions are recorded when relate to present obligations, legal or assumed, generated as a result of a past event for whose payment is expected a resource expense.

2.19 Capital

The capital of Viña Concha y Toro is represented by ordinary share of a unique series and with no par value.

2.20 Minimum dividend

Article N° 79 of Law for Corporations in Chile establishes that, unless a different agreement is adopted in the related Board, for the unanimity of issued shares, the Open Corporations must distribute on an annual basis as dividend in cash to their shareholders, at prorate of their shares or in the ratio established in statutes if preferred shares exists, at least 30% of the Company's net income of each year, except when correspond to assimilate accumulated losses from prior years.

2.21 Income (loss) per Share

The common gain (loss) per share is calculated as the quotient between the net income (loss) of the year attributable to the owners of the company and the weighted average number of ordinary shares of the company in circulation during the same year. The Company has not performed any type of operation wich would result in a potential diluted effect.

2.22 Direct statement of cash flow

For the purposes of the statement of cash flows, cash and cash equivalents relates to cash as defined previously.

The statement of cash flow gathers the cash movements performed during the year, determined by the direct method. In these statements of cash flow the following expressions are used as detailed below:

- **Cash Flows:** Incomes and egresses of cash or equivalents, including short term investments less than three months with high liquidity and low risk of value fluctuations.

- **Operating activities:** activities which constitute the main source of ordinary income for the Group, as well as other activities which cannot be classified as investment or financing.

- **Investing activities:** activities of acquisition, alienation or disposal by other means of assets and other investments not included in cash and its equivalents.

- **Financing activities:** activities which produce changes in the volume and composition of the net equity and of financial liabilities.

2.23 Recognition of incomes and expenses

Ordinary incomes due to sales and services are recognized by Viña Concha y Toro and subsidiaries when the relevant risks and product's property benefits are transferred to the purchaser. Usually, when the property and risk are transferred to the customer and products are delivered in the agreed location. Incomes are valued at the fair value of the received or to be received counterpart.

Expenses are recognized on an accrual basis.

Ordinary incomes are presented net of V.A.T., devolutions, rebates and discounts and after the elimination of the sale performed between subsidiaries, as described as follows:

2.23.1 Sale of Goods and Products

Ordinary incomes from sale of goods is recognized and recorded in the financial statements when each and all the following conditions are met:

a) The company has transferred to the purchaser the significant risks and advantages derived from good;

b) The company does not retain for itself any implication in the current management of goods sold, in the degree usually associated with the property, nor retain the effective control on these;

c) The amount of ordinary incomes can be valuated with reliability;

d) It is likely that the company receives the economic benefits associated with the transaction; and

e) The costs incurred or to be incurred with respect to the transaction can be valued with reliability.

2.23.2 Income due to Service Delivery

Ordinary income related to service delivery is recognized considering the service's realization degree at the balance sheet's date, provided that the transaction result can be estimated with reliability.

2.23.3 Financial Income

Income is recognized as interest is accrued in function of the principal that is pending of payment and of the applicable interest rate.

2.23.4 Dividends

Income due to dividends is recognized when the right of the Company and subsidiaries to receive the payment is established.

2.24 The Environment

Concha y Toro Group presents disbursements due to environmental investments in Water Treatment Plant in order to protect the environment. The amounts of elements incorporated in facilities, machinery and equipment are considered as immobilized assets.

NOTE 3. FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

As a part of the process to adopt the International Financial Reporting Standards (hereinafter "IFRS"), the Chilean Superintendence of Securities and Insurance has required, in its Circular N°457 dated June 20, 2008, to Corporations registered in this supervisory entity, to adopt IFRS beginning on January 1, 2009 (the transition date), including those whom will accept the alternative presented in Circular 427, this is, to adopt IFRS beginning on the accounting year 2010, comparative with accounting year 2009.

These consolidated financial statements have been prepared under IFRS issued by the IASB.

Section a) and b) of this title are presented the exemptions and reconciliations required by IFRS Nº1 between the beginning balances as of January 1, 2009 resulting after applying this standard.

a) Exemptions to the retroactive application defined by the Group Viña Concha y Toro

Exemptions indicated in IFRS 1 that the Group has decided to apply in its IFRS adoption process, are as follows:

I. Fair value or revaluation as attributable cost: IFRS 1 allows, as of the transition date, the measurement of a Property, plant and equipment either at its fair value, and to use this fair value as the attributed cost in such a date, or initial cost the cost monetarily restated.

The Company used as cost attributed to Property, plant and equipment, the initial cost value, monetarily restated as of December 31, 2008, whereas for certain Land, used fair value as of January 1, 2009, determined in function of valuations performed by experts (external appraisers). For new assets the Company used the historic cost in the related functional currency.

II. Intangible Assets: The Company has determined as cost, the net value of these assets, with price-level restatement as of December 31, 2008

III. Translation Differences: As of the transition date, IFRS 1 allows to value as zero all balances of accumulated differences due to translation of financial statements of foreign subsidiaries or for those which have a functional currency other than the Parent's currency.

The Company opted for this exemption, which resulted in the transfer of the accumulated balance of the equity account "Translation Difference" to the account "Accumulated Reserves" of the Statement of Change in Net Equity.

b) Reconciliation of Net Equity from Chilean GAAP to IFRS

The reconciliation presented as follows indicate quantification on the impact related to the transition to IFRS in Viña Concha y Toro Group. The reconciliation indicates the impact of transition with the following details:

b.1) Reconciliation of Net Equity from Chilean GAAP to IFRS as of January 1, 2009:

Concept	Reference	2009 Th$
Equity under Chilean GAAP as of January 1, 2009		**263,092,949**
Elimination of Deferred Tax complementary accounts	(i)	(1,760,791)
Recognition of the obligation to distribute a minimum dividend of 30%	(ii)	(4,768,828)
Translation adjustment of inventories value for the subsidiary Bodega y Viñedos Trivento S.A., at historic cost in Functional currency Dollar	(iii)	549,222
Recognition of differential for the indemnity obligation at actuarial value	(iv)	27,243
Translation adjustment of costs value for next harvest of subsidiary Bodega y Viñedos Trivento S.A., at historic cost in Functional currency Dollar	(vii)	101,898
17% of deferred tax on the differential of the severance indemnity at actuarial value	(iv)	(4,631)
Adjustment for market value of financial assets available for sale	(vi)	109,788
Minority interest		7
Biological assets, property, plant and equipment and intangibles at fair value of subsidiary Argentina	(vii)	(466,888)
Property, Plant and equipment at fair value pursuant to appraisal report	(viii)	37,407,313
Difference of higher liability due to deferred tax, resulting from the land appraisal	(ix)	(6,359,243)
Reversal of CM inventories	(v)	(2,079,025)
Equity under IFRS as of January 1, 2009		**285,849,014**

Explanation on the effects of transition to IFRS

I. Deferred taxes, complementary accounts.

Under IFRS a balance sheet criterion is applied, thus, any difference between accounting and tax value of an asset or liability represents the existence of deferred tax which must be recorded in the statement of financial position. Under Chilean GAAP, the determination of deferred taxes follows a scheme which is similar to IFRS, however certain exemptions established by Technical Bulletin N° 60 issued by the Chilean Association of Accountants “Accounting of Income and Deferred Taxes” and other complementary, give rise to differences with the aforementioned international standard which should be adjusted in the adoption process. The main difference relates to the fact that the Chilean GAAP used to accept recording the first application effect against an account of the statement of financial position denominated “complementary asset (liability) due to deferred liabilities (assets)”.

These complementary assets (liabilities) were amortized against income in the estimated reversal period of the temporary difference which gave its origin, except for the case of complementary liabilities originated for the accounting record of deferred tax assets due to taxable losses, in whose case; the amortization was performed in function of the actual utilization of these losses.

II. Minimum Dividend.

Article N° 79 of Law N°18,046 of Chilean Corporations (Public shareholders' companies) established that, unless the shareholders of shares issued with voting rights at the Shareholders' Meeting unanimously agree otherwise, open corporations will have to distribute on annual basis as dividend in cash to Company's shareholders, at prorate of their shares or in the proportion established by Company's statutes if preferred shares exists, at least 30% of net profit for each year, except when correspond to assimilate accumulated losses from prior years. For IFRS purposes, an accrual must be performed in order to recognize the corresponding decrease in equity at each balance sheet date. Under the prior standard, these dividends were not recorded until received the final approval from the Shareholders Board generally held in April of the next year. The adjustment effects of these dividends in the consolidated equity are shown in the reconciliation.

III. Inventories Goodwill in Subsidiary Trivento

Adjustment which correspond to the goodwill on inventories of the subsidiary Trivento Bodegas y Viñedos, due to translation to USD at historic exchange pursuant to inventories permanency, recorded in Argentinean subsidiary, with functional currency USD.

IV. Actuarial Calculation

IAS 19 required that the severance indemnity provision is calculated under the actuarial calculation method. In conformity with the application of this methodology, a higher liability has been recognized as initial adjustment due to this obligation amounting to Th$ 27,243 which has been taken to Accumulated Results. Likewise, this adjustment gave rise to a deferred tax amounting to (M$4,631).

V. Price -level restatement.

Chilean GAAP previously required that the financial statements were adjusted in order to reflect the effect of loss in the acquisition power of the Chilean peso in the financial position and operating results of reporting entities. The method described above, was based in a model which required the profit or loss calculation by net inflation attributable to monetary assets and liabilities exposed to variations in the local currency acquisition power. The historic costs of non-monetary assets and liabilities, equity accounts and income accounts were restated in order to reflect the variations of the Consumer Price Index (CPI) from the acquisition date up to year-end.

The change in the acquisition power, included in net gains or losses, used to illustrate the effects of inflation in monetary assets and liabilities maintained by the Company.

IFRS Standard does not allow the indexation due to inflation, in countries which are not hyper inflationary, such as Chile. Consequently, the Company has eliminated the accumulated price-level effect of amounts referred to Supply Inventories and material. With respect to wine inventories, these are presented valued at historic cost and adjusted to the variation in wine prices considering the turnover of different qualities of wine. For those items related with Property, Plant and equipment, Intangibles and Equity, for the latter, the Company considered its accounting value restated from the capital as attributed cost at the transition date, which has been maintained up to the adoption date for being considered capital contributions approved by the Company's shareholders.

The effects obtained after the application of price-level restatement described above are included in the proforma reconciliation and were applied pursuant IFRS 1, paragraph 16 to 19.

VI. Fair value of financial investments available for sale.

Under IFRS these investments must be valued at Fair Value. In accordance to the fair value, as of January 1, 2009 a higher value is generated which is recognized as an increase in Equity.

VII. Valuation of Property, Plant and Equipment, Intangible assets and Biological Assets for subsidiary Trivento S.A.

The subsidiary Trivento Bodegas y Viñedos S.A. adjusted the value of asset identifiable pursuant the classification and distribution of items required under IFRS.

VIII. Revaluation of Land at fair value as attributed cost.

The Company valued certain land items at fair value in accordance with the exemption contained in IFRS 1. The valuation performed was conducted one time only in accordance with IFRS1 and the new value determined corresponds to the initial cost of assets beginning on the transition date. The adjustment was performed through an increase in the amount of retained earnings.

The fair value effect is as follows:

Property, Plant and equipment	01-01-2009 Th$
Book value	189,245,340
Adjustment to fair value	37,407,313
Total Property, plant and equipment including fair value of land	**226,652,653**

IX. Adjustments in Deferred Taxes.

The adjustments in deferred taxes are mainly generated due to the appraisal indicated in prior paragraph with respect to land in accordance to IFRS 1, as well as for the adjustment at market value of assets available for sale, for the recognition at market value of Hedging higher than 90 days, eliminations of Price-level restatement for items of Property, Plant and equipment and Inventories.

X. Adjustment due to translation IFRS Foreign Subsidiaries

Corresponds mainly to the translation at historic exchange rate of foreign subsidiaries giving rise to differences in valuations of inventories, in its subsidiary Trivento as well as subsidiaries of UK, Sweden, Norway and Brazil.

XI. Adjustment due to accounting of Financial Assets qualified as Hedging, higher than 90 days.

Up to December 31, 2009, in accordance with the Chile GAAP in force at that date, the Company presented the effect of expected cash flow hedges exceeding 90 days as net values and did not show the right in an asset account and the obligation in a liability account, given that the value of these fair values was offset not generating any impact on equity or profit or loss. As a result of the change in the regulation that includes the IFRS, these financial operations were presented separately, presenting the effects in Equity as required by IFRS. These amounts correspond to unrealized values, which under IFRS are presented offset in Equity.

XII. Adjustment due to amortizations reversal

The adjustments due to amortization reversal are directly related to the cease in amortization of the goodwill, of intangible assets and amortization of deferred tax complementary accounts.

XIII. Income adjustment of Associates reconciled to IFRS

The income of associates were adjusted for the application of IFRS Standards; and these gave rise to differences in the results of these associates as a result of applying fair values.

b.2) Reconciliation of Net Equity from Chilean GAAP to IFRS as of December 31, 2009:

		Th$
Net consolidated equity based on Chilean GAAP as of December 31, 2009		**307,408,920**
Initial adjustment due to balance close of deferred tax complementary accounts	(i)	(1,760,791)
Translation adjustment of cost value for the next harvest of subsidiary Bodega Y Viñedos Trivento S.A. at historic cost in Functional Currency Dollar	(iii)	549,222
Initial adjustment of net effect on actuarial calculation for severance indemnity accrual	(vii)	101,898
Initial adjustment at fair value for financial assets available for sale	(iv)	22,612
Initial adjustment at fair value for financial assets available for sale	(vi)	109,788
Initial adjustment for valuation of Property, plant and equipment, Intangible assets, Biological assets, subsidiary Trivento Bodegas y Viñedos S.A.	(vii)	(466,888)
Initial adjustment for valuation of certain land, pursuant to appraisal report	(viii)	37,407,313
Initial adjustment for difference of higher liability due to deferred tax from land appraisal	(ix)	(6,359,243)
Initial adjustment for reversal of price-level restatement on Inventories as of December 31, 2008	(v)	(2,079,025)
Adjustment due to IFRS conversion in foreign subsidiaries	(x)	(56,105)
Adjustment to fair value, corresponding to Financial assets available for sale as of December 31, 2009	(iv)	(78,405)
Deferred taxes adjustments	(ix)	(2,860,749)
Accounting of financial assets qualified as Hedging, higher than 90 days not recorded in GAAP as of December 31, 2009	(xi)	11,081,476
Recognition of the obligation corresponding to 30% of minimum dividend to be distributed	(ii)	(7,687,670)
Adjustment due to price-level restatement	(v)	7,271,281
Adjustments due to amortizations reversal	(xii)	289,774
Minority ownership, corresponding to equity accounts	(v)	(4)
Adjustment of income for associates reconciled to IFRS	(xiii)	78,752
Total IFRS Adjustment		**35,563,236**
Net consolidated equity pursuant to IFRS as of December 31, 2009		**342,972,156**

b.3) Reconciliation of Gain as of December 31, 2009 from Chilean GAAP to IFRS.

		Th$
Consolidated income for 2009 under GAAP		**44,160,442**
Goodwill on inventories in subsidiary Trivento Bodegas y Vinedos S.A. due to translation to US$ at historic exchange rate as of December 31, 2009	(iii)	(14,752)
Adjustments due to amortizations reversal	(xii)	289,772
Adjustment on income of associate reconciled to IFRS	(xiii)	78,752
Deferred taxes adjustment	(ix)	(823,925)
Elimination adjustment of price-level restatement	(v)	1,587,757
Total IFRS adjustment		**1,117,604**
Consolidated income for 2009 in accordance with IFRS		**45,278,046**

c) There are no significant adjustments in the Direct Consolidated Statement of Cash Flow with respect to prior GAAP.

NOTE 4. ESTIMATES MADE BY MANAGEMENT

The preparation of financial statements require that Management perform estimates and use assumptions which affect the amounts included in these consolidated financial statements and related notes. Estimates made and assumptions used by the Company are based on the historic experience, changes in the industry and information provided by qualified external sources. However, the final results could differ from estimates under certain conditions, and in some cases have a significant variation.

Estimates and significant accounting policies are defined as those that are important to properly reflect the Company's results and financial position and/or those which require a high degree of Management's judgment.

Main estimates and applications of the professional criteria that as a result of its variation could give rise to significant adjustments on book values of assets and liabilities within the next financial period are related to the following concepts:

4.1 The evaluation of possible impairment losses on Property, Plants and equipment, Intangibles and Investments

At of the closing date of each year, or in those date in which is considered as necessary, an analysis is performed to asset's value in order to determine if there is an indication that these assets had an impairment loss. If any, estimation on the recoverable amount of this asset is performed, in this case, the recoverable amount with respect to the asset's book value. If these are identifiable assets which do not independently generate cash flows, an estimate is performed on the recoverability of the Cash Generating Unit to which this asset belongs

In the case of Cash Generating Units to which tangible or intangible assets have been assigned with an indefinite useful life, its recoverability analysis is performed systematically at each year-end or under circumstances considered as required to perform this analysis.

In the case of financial assets with a trading origin, the Company has defined a policy for the recording of impairment accruals in function of the irrecoverable status for the overdue balance, which is determined through an analysis on the age, historic collection and the collection status of accounts receivable.

4.2 Determination of fair value for Property, Plant and equipment (land appraisal)

The Company revalued certain items of Property, Plant and equipment, specifically Land. The revaluation performed was conducted a single time only in conformity with IFRS 1 and the new value corresponds to the asset attributed cost beginning on the transition date. The fair value of assets revalued has been determined through appraisals performed as of the transition date by independent appraisers. Under Chilean GAAP the land revaluation at fair value was not accepted.

4.3 The assignation of useful life of Property, Plant and equipment and Intangibles

The Company's management determines the estimated useful lives on technical basis and the related depreciation charges of its fixed assets and intangibles. This estimate is based on the projected life cycles of goods assigned to the respective segments: Wines and Others. Concha y Toro Group reviews the estimated useful lives of Property, Plant and equipment and Intangible assets, at the closing date of each annual financial report.

4.4 The actuarial calculation for severance indemnity obligations.

The Company's determination of severance indemnity provision is agreed to only the equivalent to a specific number of days per year, under certain conditions. This has been determined through the actuarial value of the benefit accrued cost. This method allowed performing estimates based on the future permanence of those involved in this benefit, mortality rates, future increases in remunerations and discount rates, among others.

4.5 The fair value of derivative contracts or other financial instruments (hedging)

In the case of derivative financial instruments, the assumptions used by the Group Viña Concha y Toro, are based on the market rates quoted, restated by the instrument's specific features.

NOTE 5. CHANGES IN ESTIMATES AND ACCOUNTING POLICIES

5.1 Changes in Accounting Estimates

At the closing date of these financial statements, there are no changes in accounting estimates for Viña Concha y Toro and subsidiaries.

5.2 Changes in Accounting Policies

The consolidated financial statements as of December 31, 2010, December 31, 2009 and January 1, 2009, the comprehensive statement of income, net equity and cash flow have been prepared in conformity with IFRS as issued by the IASB in which, the principles and accounting criterion were consistently applied.

The financial statements of Viña Concha y Toro S.A. as of December 31, 2010 present no changes in accounting policies in either the current year, the prior year or as of the transition date.

Changes in policies of accounting estimates with respect to prior local accounting principles and its effects were described in Note 3.

NOTE 6. FINANCIAL RISK MANAGEMENT

6.1 Market Risk Analysis

The Company is exposed to different types of market risks, among others main risks are; exchange rate risk, interest rate risk and variation risk in consumer price index.

6.1.1 Exchange Rate Risk

Due to the exporting nature of Viña Concha y Toro, the exchange rate risk corresponds to the appreciation risk of the Chilean Peso (its functional currency) with respect to the currencies in which the Company receives its Income.

The exchange rate risk exposure of Viña Concha y Toro corresponds to the net position between assets and liabilities denominated in currencies other than the functional currency. This net position is mainly generated by the differential between the addition of accounts receivable and inventories with respect to the asset and advertising contributions, financial debt and supplies costs with respect to the liability, all of them denominated in US$Dollars, Euros, Pound Sterling, Canadian Dollars, Swedish Crowns, Norwegian Kroner, Brazilian Real and Argentinean Pesos.

In order to mitigate and manage the exchange rate risk, the Company reviews on a daily basis the net exposure on each currency for the existing entries, and hedge this differential mainly using currency forward operations at a term lower or equal to 90 days. In certain opportunities the Company can also use Cross Currency Swaps, or any other derivatives.

The sensitivity analysis, assuming that the Company had no hedging during 2010, indicates that a depreciation /appreciation by 10% of the Chilean peso, with respect to the different currencies in which the Company maintains assets and liabilities, would have generated a loss/gain amounting to M$6,460. This analysis is performed assuming that all other variables remained constant and considering average assets and liabilities maintained during the indicated period of time on each abovementioned currencies.

Sensitivity analysis by currency, effect on Net Income 2010:

	Depreciation 10%	Appreciation 10%
	in Th$	in Th$
US$ Dollar	2,387,776	(2,387,776)
Pound Sterling	1,278,244	(1,278,244)
Euro	729,267	(729,267)
Canadian Dollar	227,745	(227,745)
Brazilian Real	1,169,896	(1,169,896)
Swedish Crown	340,644	(340,644)
Norwegian Kroner	80,853	(80,853)
Argentinean pesos	245,351	(245,351)
Total	**6,459,776**	**(6,459,776)**

Sensitivity analysis by currency, effect on Net Income 2009:

	Depreciation 10% in Th$	Appreciation 10% in Th$
US$ Dollar	2,960,084	(2,960,084)
Pound Sterling	1,377,869	(1,377,869)
Euro	565,020	(565,020)
Canadian Dollar	214,434	(214,434)
Brazilian Real	242,288	(242,288)
Swedish Crown	145,986	(145,986)
Norwegian Kroner	27,329	(27,329)
Argentinean pesos	281,608	(281,608)
Total	**5,814,618**	**(5,814,618)**

Additionally, and in accordance with the sensibility of the impact on net equity and the appreciation or depreciation of each currency, the Company hedges a portion of the expected entries pursuant to its sale forecasts with currency forward sales at terms higher than 90 days.

The impact in net equity on expected entries on one part emanate from losses /gains which could generate the depreciation /appreciation of the Chilean peso with respect to the currencies in which the export is made, as well as the gains/losses which could be generated as a result of lower/higher costs in the cases in which these currencies are denominated or indexed to the variation of these currencies.

The sensitivity analysis manifest that a depreciation/appreciation by 10% of the Chilean peso with respect to the different currencies in which the Company generates income and expenses, would have represented a loss /gain amounting to MM$20,324 in the first three quarters of the year. This sensitivity analysis is performed assuming all other variables as constant and considering the forecasted income and expenses for the first quarter of the year for each of the abovementioned currencies.

Sensitivity analysis by currency, effect on Equity 2010:

	Depreciation 10% in Th$	Appreciation 10% in Th$
US$ Dollar	9,016,326	(9,016,326)
Pound Sterling	4,615,860	(4,615,860)
Euro	2,808,959	(2,808,959)
Canadian Dollar	1,059,686	(1,059,686)
Brazilian Real	1,686,080	(1,686,080)
Swedish Crown	905,818	(905,818)
Norwegian Kroner	230,984	(230,984)
Argentinean pesos	—	—
Total	**20,323,713**	**(20,323,713)**

Sensitivity analysis by currency, effect on Equity 2009:

	Depreciation 10% in Th$	Appreciation 10% in Th$
US$ Dollar	10,924,972	(10,924,972)
Pound Sterling	4,956,182	(4,956,182)
Euro	3,300,904	(3,300,904)
Canadian Dollar	1,093,512	(1,093,512)
Brazilian Real	1,499,607	(1,499,607)
Swedish Crown	945,566	(945,566)
Norwegian Kroner	229,597	(229,597)
Argentinean pesos	—	—
Total	**22,950,340**	**(22,950,340)**

Notwithstanding the abovementioned, is scenarios of appreciation of our local currency is possible to mitigate the effect on income through adjustments in prices always considering, the appreciation level of the currencies of our competitors.

6.1.2 Interest rate risk

Interest rate risks impact the Company's financial debt. As of December 31, 2010 Viña Concha y Toro had total financial debt, net of interest, amounting to Th$75,926, 64.8% of this debt corresponds to long-term debt and 35.2% in the short-term. At this year-end, the Company maintains 18.5% of the debt with a variable interest.

In order to reduce the interest rate risk, the Company has contracted derivatives which fix the interest rate (Interest rate Swap) for all loans which are currently subject to a variable rate, which are currently denominated in United States Dollars subject to Libor rates.

The sensibility analysis, assuming that the Company does not perform interest rate hedging, indicate that, an increase/decrease of 100 base points in interest rates in all the loans with variable interest rate, in-force during 2010, would have generated a higher/lower interest expense amounting to M$47, with effect on income.

6.1.3 Variation risk in consumer price index

A particular feature of the Chilean financial market is the breadth of corporate bonds denominated in UF which is different for Chilean pesos. This is due to the fact that corporate bonds in UF provide a guarantee to the investor with a specific return in actual terms, isolating the inflation risk; however this is transferred to the debt issuer. In addition, there is an exposure to the variation of UF which proceeds mainly from debts with financial institutions issued in UF.

As of December 31, 2010, 51.5% of the Company's debt is denominated in UF. In order to hedge the fluctuation of UF, the Company has taken swap contracts.

During 2010 the Company recognized a loss amounting to M$963 which relates to the adjustment of short and long-term financial debts indexed to the variation of UF. A variation of 100 base points in the inflation that refine the UF in this period would generate a loss /gain amounting to M$399, with effect on income.

6.1.4 Price Risk in Raw material:

The Company depends on external vineyards for its grapes supply and wine in bulk. The grapes purchased from external producers are subject to fluctuations of price and quality and generally are more expensive than the Company's own grapes.

For the elaboration of premium wines, varietals (wine made exclusively or almost exclusively from one variety of grape) and sparkling, 68% of grapes and wine in bulk used corresponded to independent growers of Chile. Additionally, the Company purchased close to 100% of the grape and wine in bulk necessary to produce the popular quality wine. The disruption in the grape or wine offer, as well as the increase in prices on the part of these external suppliers could have an adverse effect on the Company's operating income.

The total of the purchases of wines from third-parties suppliers in 2010 amounted to Th$48,325,531. (The purchase 2009 amounted to Th$37,393,137).

6.2 Credit Risk

The Credit Risk relates to the uncertainty with respect to the compliance of obligations from the Company's counterparty, for particular contract, agreement or financial instrument, when this compliance generates a loss in the market value of any financial asset.

6.2.1 Accounts Receivable

The Company exports to more than 135 foreign countries through dealers with whom it maintains distribution contracts for its different companies and brands. In addition, the Company has formed distributing subsidiaries of its products in England, Sweden, Norway, Finland, Argentina, Brazil and Singapore.

All export sales is performed in terms with direct credit, except for some punctual cases that operate with export letter of credit.

In the domestic market the sale is diversified in more than 15,000 customers and after an internal evaluation, they are granted with a limited credit line.

The main credit risk corresponds to the lack of payment of a particular customer, although in some cases there are risks associated to exchange or legal restrictions in the countries where they are located and they are temporarily restrained to comply with their payment obligations.

The Company's policy is to protect all their customers with credit insurance. This is performed to both, domestic market customers and export customers either as nominated or non-nominated. In the cases in which the insurance company rejects to insure a particular customer, alternative mechanisms are considered in order to document the debt as the case of post-dated checks in the domestic market, export letter of credits, etc.

The impairment provision of accounts receivable is performed at each financial year-end after a case-by case analysis for customers with an indication of doubtful collection. This accrual is recorded in the statement of income.

a) Sales to third-parties from Chile:

In the case of accounts receivable from the domestic market, 84% of customers has a credit insurance which covers 90% of the claim. As of December 31, 2010 the main five customers concentrate 42.13% of accounts receivable for this market, consequently, 95.3% of this receivable is covered by the insurance credit. 67.4% of accounts receivable are concentrated in customers that maintain accounts receivable in amounts higher than M$100, while 23.6% correspond to customers with a receivable lower than M$10.

For exports performed from Chile to third-parties, 86.8% has an insurance credit which covers 90% of the claim. As of December 31, 2010 the twenty main customers concentrate 67.9% of accounts receivable for this market, consequently, 87.39% of this receivable is covered by an insurance credit. The remaining 32.1% is comprised by almost 199 customers.

b) Sales to third-parties from abroad:

Bodegas y Viñedos Trivento S.A. maintains credit insurances for 88.8% of its domestic accounts receivable, and 85.76% of its export accounts receivable. In both cases, the insurance covers 90% of the claim. 69.52% of its export accounts receivable are concentrated in the main 20 customers, from these, 96% of the debt is insured, while the 20 main customers of the domestic market, represents 69.77% of total accounts receivable, from these 96.0% is insured.

The subsidiary Concha y Toro UK maintains 90.24% of its accounts receivable portfolio hedged by a credit insurance, which covers 90% of the value. 77.54% of accounts receivable is concentrated in its 20 main customers, from these 93.39% of the debt is insured, while the remaining 22.46% of accounts receivable is distributed in more than 250 customers.

VCT Brazil concentrates 62.84% of its accounts receivable in its 20 main customers, distributing the remaining 37.16% in more than 450 customers. 51.01% of its accounts receivable are subject to a credit insurance, which covers 90% of the value.

The subsidiaries of Sweden, Norway and Finland, concentrates more than 90% of their accounts receivable in sales performed to state-owned monopolies that do not have credit insurance due to its low credit risk.

6.2.2 Short-term investments and forward

Surpluses of cash are invested pursuant the short-term investing policy, mainly, using sell–back agreements on central bank documents, time deposits with different financial institutions, short-term mutual fund units of fixed rent. These investments are recorded as cash and cash equivalents and in investments maintained up to its maturity.

Hedging instruments, mainly Forwards and Swaps, are agreed on terms up to four years with bank institutions only.

In order to decrease the counterparty risk, and that the assumed risk is known and managed by the Company, the investments are diversified with different bank institutions. Thus, the Company evaluates the credit quality of each counterparty and the investment levels, based on: (i) its risk classification and (ii) the counterparty equity size. With this information available, the Company generates the accruals resulting from this analysis, amounts which are recorded in the income statement when constituted.

6.3 Liquidity Risk

Liquidity risk is defined as the inability which may confront the company in the compliance, in time and form, with the contractual obligations assumed with suppliers and financial institutions.

The Company's main liquidity source is cash flows from operating activities. In addition, the Company has unused financing lines, and the ability to issue debt and equity instruments in the capital market.

As of December 31, 2010, the Company had Th$ 16,757,549 in Bank and time deposits, in addition to unused bank credit lines.

In order to mitigate and manage the liquidity risk, the Company, through projected cash flows, reviews on a monthly and annual basis, its ability to fund its working capital, future investments and its debts maturities.

- **Liquidity Risk with respect to agricultural activity**

The liquidity risk, with respect to the Company's agricultural activity, correspond to the inability that may confront for the compliance, in time and form, with its contractual obligations assumed with its grapes suppliers, given that the Company depends of external vineyards for its supply of grapes and wine in bulk.

NOTE 7. CASH AND CASH EQUIVALENTS

a) As OF December 31, 2010, December 31, 2009 and January 1, 2009, this item is detailed as follows:

Cash and cash equivalents as of December 31, 2010 includes time deposits and balances in banks:

Cash and cash equivalent	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
Time deposits and balances in banks	16,757,549	6,997,300	3,949,865
Total	**16,757,549**	**6,997,300**	**3,949,865**

Time deposits are detailed as follows:

Bank	Initial	Maturity	No. of days	Total days	Rate	Currency	Amount Th$	Interests Th$	Total amount Th$
Banco HSBC 132	12/03/2010	01/03/2011	28	31	0.300%	CLP	5,000,000	14,000	5,014,000
Banco Chile 136	12/30/2010	01/06/2011	1	7	0.300%	CLP	5,500,000	550	5,500,550
Balance as of 12-31-2010							**10,500,000**		**10,514,550**

b) Cash and cash equivalents of balances in banks and time deposits as of December 31, 2010, December 31, 2009 and January 1, 2009, classified by currencies is as follows:

Currency of origin	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
Chilean peso	12,772,977	2,330,130	1,478,299
US Dollar	443,653	478,730	1,264,730
Canadian Dollar	5,881	297,819	86,390
Swedish Crown	432,970	534,621	32,620
Norway Crown	653,596	982,160	18,192
Euro	51,621	457,582	242,121
Brazilian Real	957,747	159,237	149,041
Pound Sterling	1,101,175	1,402,684	669,731
Singapore Dollar	30,869	—	—
Argentinean peso	307,060	354,337	8,741
Total	**16,757,549**	**6,997,300**	**3,949,865**

NOTE 8. OTHER CURRENT FINANCIAL ASSETS

	Total current			Total non-current		
Other financial assets	**12/31/2010 Th$**	**12/31/2009 Th$**	**01/01/2009 Th$**	**12/31/2010 Th$**	**12/31/2009 Th$**	**01/01/2009 Th$**
Financial investments available for sale	1,202,725	529,587	475,547	0	0	0
Hedging derivative instruments	9,353,064	10,373,496	0	5,765,933	3,943,613	0
Non-hedging derivative instruments	166,106	0	4,651,324	0	0	0
Totals to date	10,721,895	10,903,083	5,126,871	5,765,933	3,943,613	0

All financial assets are valued at fair value.

(*) Correspond to financial instruments of forward and swap by expected flows.

- **Financial investments available for sale**

The financial assets available for sale correspond to marketable securities amounting to Th$1,202,725.

NOTE 9. TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE, NET

Description of classes of Trade receivables and other accounts receivable, net	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
Trade receivables and othe accounts receivable, net current	108,358,712	102,981,228	110,532,628
Trade receivable, net, current	98,473,707	98,544,589	106,275,990
Other accounts receivable, net, current	9,885,005	4,436,639	4,256,638

Balances included within this item, in general, do not accrue interest.

There are no restrictions to the provisions for this type of accounts receivable of significant amount.

It is important to note that the Company has dealers to sell its products through the export markets. The largest dealer of products in the United States is Productos Banfi Corporation ("Banfi"), whom represented 11.7% and 12.7% of the Company's income with respect to total exports as of December 2010 and 2009, respectively. With respect to the Company's total income, Banfi represented 8.7% and 10.0% as of December 2010 and 2009, respectively.

Sales to the Company's biggest five dealers, including Banfi, represented 28.5% and 28.8% of total export income as of December 2010 and 2009, respectively. It is expected that these five continue to represent a significant portion of the Company's income with respect to total exports in the future.

The Company has signed agreements with the majority of its dealers. Generally, these agreements are entered for a two-year period, which are renewable in an automatic manner. The Company's strategy to increase its sales in the most significant export markets depends significantly on the Company's dealer's behavior.

Debtor's impairment analysis is detailed as follows:

Overdue trade receivables with no impairment	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
1 to 90 days	4,545,554	5,371,608	8,072,025
91 to 180 days	738,729	733,463	289,015
181 to 360 days	318,402	106,717	1,869,189
361 and more	190,697	444,392	175,033
Total	**5,793,382**	**6,656,180**	**10,405,262**

The bad debt provision is performed at each year-end after a case-by-case analysis for customers with irrecoverable indication.

Financial assets	Th$
Beginning balance as of January 1, 2009	920,310
Increase for the period	93,868
Bad debt accrual as of December 31, 2009	**1,014,178**
Decrease for the period	(195,516)
Bad debt accrual as of December 31, 2010	**818,662**

NOTE 10. TRANSACTIONS WITH RELATED PARTIES

10.1 Information to be disclosed on related parties

At year-end, balances pending are not guaranteed and are to be settled in cash. There are no guarantees granted or received due to accounts receivable or payable to related parties. As of December 31, 2010, the Group has not recorded any impairment of accounts receivable related to amounts owed by related parties. This evaluation is performed on an annual basis through an analysis of the related party's financial position in the market in which the related party operates.

10.2 Controller Group

The controlled percentage directly and indirectly by the Controller Group is 41.71%. A non-formalized joint acting agreement exists between them.

In the chart below, is a detail of each legal person which represent to each member of the controller.

In addition, there is an indication of the legal persons and legal entities represented and its related ownership percentages. Those shareholders with percentages lower than 1% are grouped under item "others":

FAMILY GUILISASTI GANA	26.70%
Inversiones Totihue S.A.	11.73%
Rentas Santa Bárbara S.A.	11.42%
Others	3.55%

The Companies Rentas Santa Bárbara S.A. and Inversiones Totihue S.A. are Closed Corporations, both 100% controlled directly or indirectly by the Guilisasti Gana family which is integrated by the brothers Eduardo Guilisasti Gana (ID No. 6.290.361-9), Rafael Guilisasti Gana (ID No. 6.067.826-K), Pablo Guilisasti Gana (ID No. 7.010.277-3), José Guilisasti Gana (ID No. 7.010.293-3), and sisters Isabel Guilisasti Gana (ID No. 7.010.269-2), Sara Guilisasti Gana (ID No. 7.010.280-3), and Josefina Guilisasti Gana (ID No.7.010.278-1). The members of the Guilisasti Gana family, including Isabel Gana Morandé (ID No. 2.556.021-3), exert its rights as legal persons or through investment companies which are totally owned by the same family. The concept "others" include companies and legal persons which correspond by 100%, directly and indirectly to the Guilisasti Gana family.

LARRAÍN SANTA MARÍA, ALFONSO	7.00%
Inversiones Quivolgo S.A.	4.02%
Inversiones La Gloria Ltda.	2.15%
Others	0.83%

The Company Inversiones Quivolgo S.A. is 100% owned by Mr. Alfonso Larraín Santa María (ID NO. 3.632.569-0) and by family Larraín Vial, integrated by his spouse Teresa Vial Sánchez (ID NO. 4.300.060-8) and the brothers Felipe Larraín Vial (ID NO. 7.050.875-3), María Teresa Larraín Vial (ID NO. 10.165.925-9), Rodrigo Larraín Vial (ID NO. 10.165.924-0), María Isabel Larraín Vial (ID NO. 10.173.269-K) and Alfonso Larraín Vial (ID NO. 15.314.655-1). On the other hand, Inversiones La Gloria Ltda. is 100% controlled by the family Larraín Santa María, integrated by the brothers Alfonso Larraín Santa María, Andrés Larraín Santa María (ID NO. 4.330.116-0), Pilar Larraín Santa María (ID NO. 4.467.302-9), Gabriela Larraín Santa María (ID NO. 4.778.214-7) and Luz María Larraín Santa María (ID NO. 6.065.908-7).

FONTECILLA DE SANTIAGO CONCHA, MARIANO	3.64%
Inversiones GDF S.A.	3.27%
Others	0.37%

The property of Inversiones GDF S.A. correspond by 95% to Mr. Mariano Fontecilla de Santiago Concha (ID NO. 1.882.762-K) and by 5% to his sons Mariano Fontecilla Lira (ID NO. 6.495.101-7), Rodrigo Fontecilla Lira (ID NO. 8.404.996-4), Enrique Fontecilla Lira (ID NO. 6.613.074-6) y Francisco Antonio Fontecilla Lira (ID NO. 8.671.675-5).

CALVO SALAS, SERGIO	2.40%
Inversiones Rauten Ltda.	1.75%
Others	0.65%

Inversiones Rauten Ltda. is 100% owned by Mr. Sergio Calvo Salas, ID NO. 1.869.956-7 and family Calvo Rodríguez, integrated by his spouse María Leonor Rodríguez Larraín (ID NO. 1.980.696-0) and María Leonor Calvo Rodríguez (ID NO. 5.688.266-9) sister, Ana María Calvo Rodríguez (ID NO. 5.688.267-7), sister, Sergio Calvo Rodríguez (ID NO. 5.703.631-1), brother, Pilar Calvo Rodríguez (ID NO. 9.907.498-1) sister and María Elena Elvira Calvo Rodríguez (ID NO. 5.688.268-5) sister.

MORANDÉ FERNÁNDEZ, EDUARDO	1.98%
Inversiones Bretaña S.A.	1.52%
Other	0.46%

Inversiones Bretaña S.A. is 100% owned by Mr. Eduardo Morandé Fernández (ID NO. 1.848.987-2) and the family Morandé Montt, integrated by his spouse Carmen Montt Luco (ID NO. 3.326.289-2) plus brothers and sisters Verónica Morandé Montt (ID NO. 7.024.611-2), Carmen Morandé Montt (ID NO. 6.068.328-K), Catalina Morandé Montt (ID NO. 8.640.638-1), Eduardo Morandé Montt (ID NO. 7.024.596-5), Juan Ignacio Morandé Montt (ID NO. 7.024.597-3), Víctor Morandé Montt (ID NO. 7.024.595-7) and inheritance succession of Mr. José Vicente Morandé Montt.

There are no other legal persons or entities persons other than the Controller Group which own shares or rights which represent 10% or more of the Company's capital, as well as other legal persons who own less than 10% and that in the aggregate with his spouse and/or relatives reach this percentage, either directly or through legal entities.

The Company has intermediate controller entities which publicize Financial Statements publicly available.

10.3 Management Key Personnel

Management key personnel are those persons with authority and are responsible to plan, direct and control the Entity's activities, either directly or indirectly, including any Board's member (executive or not).

10.4 Senior Management Remuneration

Managers and main executives participate in an annual bonuses plan through participation on income and goals achievements. The global remuneration of the Company's managers and main executives during the year ended as of December 31, 2010 and 2009 is detailed as follows:

Senior Management remuneration	As of 12-31-2010 Th$	As of 12-31-2009 Th$
Short-term benefits to employees	8,146,838	8,818,268
Contract termination benefit	173,632	81,858
Total Remuneration	**8,320,470**	**8,900,126**

10.5 Accounts receivable from related entities, current

Related party Id No.	Related party name	Nature of relationship	Type of currency	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
76.021.221-0	Agrícola Gabriela Ltda.	By Director	Chilean pesos	—	44,483	—
96.512.200-1	Viñedos Emiliana S.A.	By Director	Chilean pesos	109,427	—	—
96.824.300-4	Viña Almaviva S.A.	Associate	Chilean pesos	58,967	108,921	238,788
90.950.000-1	Industria Corchera S.A.	Associate	Chilean pesos	353,633	—	—
99.562.040-5	Los Boldos de Tapihue S.A.	By Director	Chilean pesos	—	10,170	—
96.512.190-0	Fruticola Viconto S.A.	By Director	Chilean pesos	1,000	1,901	—
77.486.130-0	Soc. Ag. El Marco Dos Ltda.	By Director	Chilean pesos	—	13,163	—
76.088.641-6	Agricolas Las Pircas Ltda	By Director	Chilean pesos	4,991	—	—
78.335.990-1	Comercial Greenvic S.A.	By Director	Chilean pesos	80,699	42,182	—
77.486.290-0	Soc. Ag. Orrego Dos Ltda.	By Director	Chilean pesos	402	—	1,367
Total to date				**609,117**	**220,820**	**240,155**

10.6 Accounts payable to related entities, current

Related party Id No.	Related party name	Nature of relationship	Type of currency	12/31/2010 Th$	12/31/2009 Th$	01/01/2009 Th$
96.512.200-1	Viñedos Emiliana S.A.	By Director	Chilean peso	594,824	459,110	673,489
85.201.700-7	Agrícola Alto de Quitralman Ltda.	By Director	Chilean peso	1,698	4,040	10,700
90.950.000-1	Industria Corchera S.A.	Associate	Chilean peso	2,219,664	1,983,987	2,867,351
84.990.200-8	Importadora y Comercial Huasco S.	By Director	Chilean peso	—	14,929	41,443
79.592.130-3	Agrícola Las Petras Ltda.	By Director	Chilean peso	9,841	10,093	4,063
96.824.300-4	Viña Almaviva S.A.	Associate	Chilean peso	36,269	—	—
99.562.040-5	Los Boldos de Tapihue S.A.	By Director	Chilean peso	4,056	—	8,460
95.097.000-6	Forestal Quivolgo S.A.	By Director	Chilean peso	41	—	—
3.909.463-0	María Inés Cerda Fernández	By Director	Chilean peso	1,889	1,520	3,007
77.486.130-0	Soc. Ag. El Marco Dos Ltda.	By Director	Chilean peso	4,912	1,525	4,123
96.639.700-4	Agrícola Sextafrut S.A.	By Director	Chilean peso	1,106	—	1,345
5.084.186-3	José Eduardo Konar Silva	By Director	Chilean peso	237	—	—
79.571.480-4	Agricola Granaderos	By Director	Chilean peso	222	—	—
2.479.374-5	Osvaldo Solar Varela	By Director	Chilean peso	—	2,235	1,410
76.120.010-0	Soc.Com. Y Promotora La Uva Ltda.	By Director	Chilean peso	—	1,785	—
78.335.990-1	Comercial Greenvic S.A.	By Director	Chilean peso	2,237	—	4,614
95.512.190-0	Fruticola Viconto S.A	By Director	Chilean peso	—	—	343
84.945.100-6	Sociedad Agr. Popeta Ltda.	By Director	Chilean peso	—	—	335
88.259.100-k	Agricola Trigal Ltda.	By Director	Chilean peso	—	—	1
Total to date				**2,876,996**	**2,479,224**	**3,620,684**

10.7 Accounts payable to related entities, non- current

Related party ID No.	Related party name	Nature of relationship	Type of currency	12/31/2010 Th$	12/31/2009 Th$	01/01/2009 Th$
96.512.200-1	Viñedos Emiliana S.A.	By Director	UF	1,452,471	1,664,255	1,947,240
Total to date				**1,452,471**	**1,664,255**	**1,947,240**

10.8 Detail of transactions with related parties, by entity

Related party ID No.	Related party name	Nature of relationship	Nature of transaction	12-31-2010 Th$	12-31-2009 Th$
96.512.190-0	Fruticola Viconto S.A.	By Director	Sale of services and other	9,723	9,564
			Purchase of Property, plant and equipment	—	15,620
			Purchase of services and other	—	10,741
96.512.200-1	Viñedos Emiliana S.A.	By Director	Sale of raw material and products	260,651	152,880
			Sale of services and other	667,264	799,537
			Purchase of raw material and products	507,513	479,352
			Purchase of services and other	295,289	248,269
90.950.000-1	Industria Corchera S.A.	Associate	Purchase of raw material	6,853,216	6,877,970
96.824.300-4	Viña Almaviva S.A.	Coligated	Sale of raw material and products	118,541	77,958
			Sale of services and other	6,389	4,475
			Purchase of raw material and products	577,618	409,896
			Purchase of services and other	4,987	6,521
76.021.221-0	Agricola Gabriela Ltda.	By Director	Purchase of raw material	482,576	446,704
90.310.000-1	Gasco GLP S.A.	By Director	Purchase sale of service and other	913,096	497,528
90.042.000-1	CGE Distribución S.A.	By Director	Purchase of services and other	1,943,641	2,188,777
85.201.700-7	Agrícola Alto Quitralmán Ltda.	By Director	Sale of raw material and products	1,835	—
			Purchase of raw material and products	254,130	10,136
95.097.000-6	Forestal Quivolgo S.A.	By Director	Purchase of raw material and products	1,792	646
78.335.990-1	Comercial Greenvic S.A.	By Director	Sale of raw material and products	164,589	213,238
			Purchase of raw material and products	29,273	41,423
			Purchase of services and other	22,884	37,500

The amounts indicated as transactions in the above chart, correspond to trade operations with related companies, which are performed under market conditions with respect to price involved and payment terms.

There are no bad debt estimates which reduce balances receivables or guarantees related to this estimates.

NOTE 11. INVENTORIES

At each year-end, inventories are detailed as follows:

Class of inventories	Balances as of 12-31-2010 Th$	Balances of 12-31-2009 Th$	Balances as of 1-1-2009 Th$
Wine in bulk and bottled	93,065,565	97,773,643	91,520,724
Semi-elaborated wine	4,331,559	4,978,175	6,128,131
Liquors	2,533,046	3,377,096	808,055
Material and supplies	6,248,669	10,305,726	10,948,264
Other products	575,803	155,757	353,191
Inventories	479,138	1,606,500	1,842,200
Total inventories	107,233,780	118,196,897	111,600,565

Movements of estimates at net realizable value and obsolescence are detailed as follows:

	As of 12-31-2010 Th$	As of 12-31-2009 Th$	As of 1-1-2009 Th$
Beginning balance	(3,194,065)	(3,484,424)	(2,441,245)
Estimate of net realizable value and obsolescence	(2,839,001)	(3,565,467)	(3,549,001)
Inventory written-off	2,241,030	3,855,826	2,501,825
Total	(3,792,036)	(3,194,065)	(3,488,421)

There are no inventories pledged as guarantee for debt compliance.

NOTE 12. INVESTMENTS AND INFORMATION ON INVESTMENTS IN SUBSIDIARIES AND ASSOSIATES

12.1 Information to be disclosed on Investments in subsidiaries

i. Valuation of investments in Argentina

a. The financial statements of the Argentinean companies Trivento Bodegas y Viñedos S.A., Finca Lunlunta S.A. and Finca Austral S.A., in which Viña Concha y Toro S.A. has direct and indirect ownership of 100%, with 19.055% owned and mainly through VCT Internacional S.A. with 80.704% in Trivento Bodegas y Viñedos S.A, which implies to control the investments in US$Dollars, this is considering that the functional currency of this Company is US$Dollar.

b. As of December 31, 2010 there are profits which are potentially remittable of Argentinean subsidiaries amounting to Ch$ 1,915 million (US$ 4,091,297.96).

c. On January 28, 2009, the general shareholders' meeting approved a capital contribution of US$5,000,000 (Ch$ 2,340 million as of December 31st, 2010). The shareholders VCT internacional S.A. and Comercial Peumo Ltda., relinquish to their rights of preferential subscription, awarding Viña Concha Y Toro S.A. the subscription of 2,109,400 nominative non-endorsable ordinary shares, which are paid on February 17 amounting to US$5,000,000 (Ch$ 2,340 million as of December 31st, 2010). Consequently, the new capital is, Viña Concha y Toro S.A. with 39.031%, VCT Internacional S.A. with 60.375% and Comercial Peumo S.A. with 0.594%.

d. On May 15, 2009 a capital contribution is performed amounting to USD953,000 (Ch$ 446 million as of December 31st, 2010) and in June, another increase was performed amounting a total of USD6,650,000, thus, as of December 31, 2009 the total increase for the year amounted to USD12,603,000 (Ch$ 5,898 million as of December 31st, 2010). As a result, the final ownership of Viña Concha y Toro S.A. is 28.636%, VCT Internacional S.A. by 71.002% and Comercial Peumo Ltda., by 0.362%.

e. In July, August and September, 2009 a capital contribution was performed amounting a total of USD$9,682,246 (Ch$ 4,531 million as of December 31st, 2010), as of December 31 the capital contribution totalized USD$22.285.246 (Ch$ 10,430 million as of December 31st, 2010), therefore, the final ownership of Viña Concha y Toro S.A. is 19.055%, VCT Internacional S.A. 80.704% and Comercial Peumo Ltda., 0.241%.

ii. Valuation of investments in England

a. The financial statements of the English company Concha y Toro UK Ltd., in which Concha y Toro S.A. own a direct ownership of 99%, are expressed in Pound Sterling, which is the functional currency of the subsidiary.

b. As of December 31, 2010, there are gains potentially remittable from the subsidiary abroad amounting to 4,319,584.25 Pound Sterling (Ch$ 3,114 million as of December 31st, 2010).

iii. Valuation of investments in Brazil

a. The financial statements of the Company constituted in Brazil, in which Viña Concha y Toro S.A. owns a direct ownership of 100%, are expressed in Brazilian Real, which is the functional currency of the subsidiary.

b. On December 31, 2009, a capital contribution from VCT Internacional was performed amounting to USD$210,000 (Ch$ 98,3 million as of December 31st, 2010).

c. As of December 31, 2010, there are gains potentially remittable of the affiliated abroad amounting to R$10,783,407.59 (Ch$ 3,033 million as of December 31st, 2010).

iv. Constitution and valuation of Investments in Sweden, Norway and Finland

a. The financial statements of the companies constituted in Sweden, Norway and Finland, in which Viña Concha y Toro S.A. owns indirect ownership by 100%., are expressed in its local currencies, Swedish Crown, Norwegian Kroner and Euro, respectively and represent its functional currencies in each subsidiary.

b. As of December 31, 2010, there are potentially remittable gains from these subsidiaries amounting to NOK 1,598,435.64 (Ch$ 127.1 million as of December 31st, 2010), SEK 4,502,275.97 (Ch$ 312.3 million as of December 31st, 2010) in subsidiaries Concha y Toro Norway AB and Concha y Toro Sweden AS and subsidiary, respectively.

v. On February 1, 2009 Viñedos Los Robles S.P.A. was constituted with a capital of Th$1,000, the only shareholder is Viña Cono Sur S.A.

vi. On November 17, 2008 in Shanghai, China was constituted the representative office Concha y Toro Shanghai Representative Office. Its activities began in August 2009, and as of May 12, 2010 the operations were finished. The legal closing of the office is currently in process.

vii. On March 30, 2010 in Singapore was constituted the subsidiary VCT Group of Wineries Asia Pte Ltd. Its trading activities began in June 2010.

12.2 Summarized Financial Information of subsidiaries

Summarized Financial Information of subsidiaries at each year-end without consolidation adjustments is presented as follows:

12-31-2010											
				Asset			Liability				
Affiliated	Country of Incorporation	Functional currency	Owner-ship %	Current Th$	Non-current Th$	Total Th$	Current Th$	Non-current Th$	Total Th$	Ordinary Income Th$	Profit (loss) net Th$
Comercial Peumo Ltda.	Chile	Peso	100	17,828,562	1,786,047	**19,614,609**	14,416,927	5,197,682	**19,614,609**	80,356,640	3,628,217
Viña Cono Sur	Chile	Peso	100	9,691,416	40,200,386	**49,891,802**	29,822,658	20,069,145	**49,891,803**	55,973,149	4,586,344
Transporte Viconto Ltda.	Chile	Peso	100	834,167	30,270	**864,437**	140,128	724,309	**864,437**	463,062	22,373
Viña Maipo	Chile	Peso	100	4,235,132	12,408,955	**16,644,087**	7,094,919	9,549,168	**16,644,087**	21,171,904	7,222,699
Viña Canepa S.A.	Chile	Peso	100	413,446	159,402	**572,848**	371,719	201,129	**572,848**	2,548,749	360,510
Viña Palo Alto Ltda.	Chile	Peso	99.9	179,632	219,004	**398,636**	598,754	(200,118)	**398,636**	5,050,253	627,856
Inversiones CyT Ltda.	Chile	Peso	100	755	32,502,184	**32,502,939**	89,170	32,413,769	**32,502,939**	—	14,917,254
VCT Internac. Ltda.	Chile	Peso	100	158,689	21,129,916	**21,288,605**	6,958,283	14,330,322	**21,288,605**	—	2,094,461
Viña Maycas del Limari Ltda.	Chile	Peso	100	375,524	2,024	**377,548**	30,336	347,212	**377,548**	469,242	4,182
Viñedo Los Robles S.A.	Chile	Peso	100	511,323	—	**511,323**	299,824	211,499	**511,323**	743,536	211,158
Concha y Toro China SRO	China	Yuan	100	53,128	—	**53,128**	223,591	(170,463)	**53,128**	—	(135,619)
VCT Group Of Wineries Asia Pte. Ltd	Singapore	US$	100	499,285	83,487	**582,772**	666,651	(83,879)	**582,772**	399,160	(98,355)
Trivento Bodegas y Viñedos	Argentina	US$	100	18,713,752	20,928,875	**39,642,627**	13,009,001	26,633,626	**39,642,627**	29,466,918	(231,338)
Concha y Toro UK Ltd.	England	Pound Sterling	100	32,993,123	72,395	**33,065,518**	29,950,567	3,114,951	**33,065,518**	74,635,591	1,058,520
Concha y Toro Norway AS	Norway	Norway crown	100	2,341,879	509	**2,342,388**	2,175,599	166,789	**2,342,388**	3,388,624	66,770
Concha y Toro Sweden AB	Sweden	Swedish crown	100	7,784,926	10,697	**7,795,623**	7,471,826	323,797	**7,795,623**	16,637,134	221,172
VCT Brasil	Brazil	Real	100	16,719,184	183,626	**16,902,810**	13,494,142	3,408,668	**16,902,810**	22,186,461	1,770,666

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				12-31-2009							
				Asset			Liability				
Subsidiary	Country of Incorporation	Functional currency	Owner-ship %	Current Th$	Non-current Th$	Total Th$	Current Th$	Non-current Th$	Total Th$	Ordinary Income Th$	Profit (loss) net Th$
Comercial Peumo Ltda.	Chile	Peso	100	12,512,217	2,410,094	**14,922,312**	13,094,958	1,827,354	**14,922,312**	71,238,749	(699,898)
Viña Cono Sur	Chile	Peso	100	12,669,396	38,804,912	**51,474,308**	30,194,578	21,279,730	**51,474,308**	53,696,215	5,984,651
Transporte Viconto Ltda.	Chile	Peso	100	1,130,734	43,321	**1,174,055**	85,603	1,088,452	**1,174,055**	435,920	(23,029)
Viña Maipú	Chile	Peso	100	4,581,545	11,612,572	**16,194,116**	8,270,010	7,924,106	**16,194,116**	21,237,740	7,267,914
Viña Canepa S.A.	Chile	Peso	100	777,073	146,932	**924,004**	727,167	196,837	**924,004**	2,338,840	41,117
Viña Palo Alto Ltda.	Chile	Peso	99.9	1,557,560	86,895	**1,644,454**	1,463,578	180,877	**1,644,454**	6,365,669	780,592
Inversiones CyT Ltda.	Chile	Peso	100	80,153	26,503,041	**26,583,194**	10,334	26,572,860	**26,583,194**	—	10,660,535
VCT Internac. Ltda.	Chile	Peso	100	177,714	21,058,341	**21,236,055**	3,494,254	17,741,801	**21,236,055**	—	1,423,764
Viña Maycas del Limari Ltda.	Chile	Peso	100	466,560	—	**466,560**	123,533	343,027	**466,560**	636,595	(109,103)
Viñedo Los Robles S.A.	Chile	Peso	100	92,421	607	**93,029**	94,994	(1,966)	**93,029**	186,058	(2,966)
Trivento Bodegas y Viñedos	Argentina	US$	100	17,630,530	22,778,555	**40,409,085**	16,505,630	23,903,455	**40,409,085**	25,277,544	85,528,846
Concha y Toro UK Ltd.	England	Pound Sterling	100	15,490,074	61,201	**15,551,275**	12,986,648	2,564,627	**15,551,275**	2,965,651	1,124,947
Concha y Toro Norway AS	Norway	Norway crown	100	2,533,951	—	**2,533,951**	2,428,298	105,653	**2,533,951**	2,923,068	87,288
Concha y Toro Sweden AB	Sweden	Swedish crown	100	8,174,847	—	**8,174,847**	8,032,598	142,249	**8,174,847**	15,959,874	166,093
VCT Brasil	Brazil	Real	100	15,544,826	36,687	**15,581,513**	11,273,020	4,308,493	**15,581,513**	12,618,345	956,538

12.3 Information to be disclosed on investments in associates (in thousands of Ch$pesos)

A detail of main investments in associates under equity method as of December 31, 2010, December 31, 2009 and January 1, 2009 is presented as follows:

Associated	Assets Th$ 12-31-2010		Liabilities Th$ 12-31-2010		Equity 12-31-2010	Ordinary income	Net Profit (loss)	Assets Th$ 12-31-2009		Liabilities Th$ 12-31-2009		Equity 12-31-2009	Ordinary income	Net Profit (loss)
	Current	Non-current	Current	Non-current	Th$	Th$	Th$	Current	Non-current	Current	Non-current	Th$	Th$	Th$
Viña Almaviva S.A.	3,154,477	14,104,276	2,292,340	3,636,057	11,330,356	3,989,733	930,894	3,236,350	14,221,161	2,863,290	4,194,760	10,399,461	3,473,523	678,579
Industria Corchera S.A.	10,661,991	2,521,966	5,963,243	62,230	7,158,484	18,591	1,766,709	9,969,310	2,931,605	4,212,535	621,138	8,067,223	17,560	804,326
Total	**13,816,468**	**16,626,242**	**8,255,583**	**3,698,287**	**18,488,840**	**4,008,324**	**2,697,603**	**13,205,660**	**17,152,766**	**7,075,824**	**4,815,899**	**18,466,685**	**3,491,083**	**1,482,905**

-Detail of investments in associates (in thousands of Ch$ pesos)

Ownership of Viña Concha y Toro in its associates is detailed as follows:

ID No.	Company	Investment amount 12-31-2010	Investment amount 12-31-2009	Investment amount 1-1-2009	Country of incorporation	Functional currency	Ownership %	Main activities of the company
96.824.300-4	Viña Almaviva S.A. (*)	5,022,988	4,572,311	4,277,247	Chile	Chilean Peso	50%	Production and trading of premium wine "chateau" which is mainly exported
76.571.080-4	Inovacion Tecnológica Vitivinicola S.A. (***)	4,683	—	—	Chile	Chilean Peso	15.74%	Experimental research and development
90.950.000-1	Industria Corchera S.A. (**)	4,599,793	5,053,828	4,844,202	Chile	Chilean Peso	49.963%	Manufacturing, elaboration, import, distribution and commercialization of corks, cork stoppers, and covers for the vineyard markets in Chile and abroad
Total		**9,627,465**	**9,626,139**	**9,121,449**				

There are no contingent liabilities associated to these investments.
(*) The investment in Almaviva S.A. is presented deducted by 50% of the unrealized gain generated in the Land sale transaction in 2001 to Almaviva S.A.; given that this is an unrealized gain for Concha y Toro S.A. The deduction amounts to Th$ 642,190. The realization of this gain will be materialized when this land is alienated to a third other than the Group.
(**) Include goodwill equivalent to Th$1,023,201, which is presented net of the investment as indicated in Note 2.9.1
(***) A significant influence has been considered in this associate due to the fact that there is representation in the Directory of this company.

12.4 Goodwill

The gross and net value of goodwill purchased as of December 31, 2010, December 31, 2009 and January 1, 2009 amounts to Th$1,023,201 with no impairment presented.

The purchased goodwill generated prior to the date of our transition to IFRS is maintained at the net value recorded to that date and is controlled in the same currency of the investment (Chilean pesos).

The book value of the investment's goodwill was assigned to the cash generating unit (CGU) Investment in the Associate Industria Corchera, within the Wine segment.

Movements in Goodwill

During the years ended as of December 31, 2010, December 31, 2009 and January 1, 2009, no movements have been recorded in the goodwill generated by Industria Corchera S.A., thus, its value for the aforementioned periods of time amounts to Th$1,023,201.

NOTE 13. INTANGIBLE ASSETS

a) Classes of Intangible Assets

Balances of different classes of intangible assets as of December 31, 2010, December 31, 2009 and January 1, 2009, are detailed as follows:

Description of classes on intangible assets	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
Net intangible assets	**8,863,353**	**8,379,752**	**8,417,493**
Net Intangible asset with finite life	3,505,854	3,589,477	3,799,353
Net intangible assets with indefinite life			
Water right, net	5,339,431	4,772,631	4,599,713
Easement right, net	18,068	17,644	18,427
Net identifiable intangible assets	**8,863,353**	**8,379,752**	**8,417,493**
Licenses, Registered Brands and other rights, net	7,112,438	6,727,818	6,283,532
IT Programs, net	1,750,915	1,651,934	2,133,961
Gross Intangible assets	**15,548,474**	**14,244,316**	**13,217,510**
Gross Intangible assets identifiable	**15,548,474**	**14,244,316**	**13,217,510**
Licenses, Registered Brands and other rights, gross	8,546,719	7,884,591	7,281,414
IT Programs, gross	7,001,755	6,359,725	5,936,096
Total, Accumulated amortization and value impairment on Intangible assets	**6,685,121**	**5,864,564**	**4,800,017**
Accumulated amortization and value impairment on identifiable intangible assets	**6,685,121**	**5,864,564**	**4,800,017**
Licenses, Registered Brands and other rights	1,434,281	1,156,773	997,882
IT Programs	5,250,840	4,707,791	3,802,135

As of December 31, 2010, the Company has no restrictions on intangible assets and does maintain acquisition commitments.

The book value of intangible with indefinite useful life was assigned to the cash generating unit (CGU) which corresponds to agricultural land, within the Wines segment.

Changes of intangible as of December 31, 2010 are detailed as follows:

Changes in identifiable intangible assets	Licenses, Registered Brands and other rights, Net in Th$	IT Programs, Net in Th$	Identifiable intangible assets, net in Th$
Beginning balance	**6,727,818**	**1,651,934**	**8,379,752**
Changes :			
Additions	700,483	651,487	**1,351,970**
Withdrawals	(47,812)	—	**(47,812)**
Amortization	(268,051)	(552,507)	**(820,557)**
Total Changes	**384,621**	**98,981**	**483,601**
Final balance as of December 31, 2010	**7,112,438**	**1,750,915**	**8,863,353**

The amount due to amortization for the year amounts to Th$ 820,557 which is reflected in the statement of income in item "depreciation and amortization", within the line "administrative expenses "and in the line "costs of sales "corresponding to the portion which forms part of the inventories cost.

Changes of intangibles as of December 31, 2009 are detailed as follows:

Changes in Identifiable Intangible Assets	Licenses, Registered brands and other rights, net in Th$	IT Programs net in Th$	Identifiable intangible assets, net in Th$
Beginning balance	**6,283,532**	**2,133,961**	**8,417,493**
Changes:			
Additions	674,331	423,629	1,097,960
Withdrawals	(71,155)		(71,155)
Amortization	(158,891)	(905,656)	(1,064,547)
Total changes	**444,286**	**(482,027)**	**(37,741)**
Final balance as of December 31, 2009	**6,727,818**	**1,651,934**	**8,379,752**

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

14.1 Classes of Property, plant and equipment, by classes, As of December 31, 2010, December 31, 2009 and January 1, 2009, balances for Property, plant and equipment are detailed as follows:

Description of classes of Property, plant and equipment	12-31-2010 Th$	12-31-2009 Th$	1-1-2009 Th$
Property, plant and equipment, Net	**225,070,491**	**229,469,990**	**226,652,653**
Construction in-progress, Net	10,515,186	16,707,470	22,726,647
Land, Net	98,738,608	99,150,882	96,844,132
Buildings, Net	23,671,636	22,659,010	19,727,690
Plant and equipment, Net	27,087,786	25,403,751	27,364,271
IT Equipment, Net	830,546	2,763,587	2,941,483
Fixed facilities and Accessories, Net	61,923,034	60,683,818	54,114,854
Vehicles, Net	886,005	844,835	1,033,711
Other Property, plant and equipment, Net	1,417,690	1,256,637	1,899,865
Property, plant and equipment, Gross	**347,527,159**	**339,631,649**	**321,837,553**
Construction in-progress, Gross	10,515,186	16,707,470	22,726,647
Land, Gross	98,738,608	99,150,882	96,844,132
Buildings, Gross	38,305,215	36,244,036	31,961,871
Plant and equipment, Gross	70,730,337	65,294,677	62,808,942
IT Equipment, Gross	3,494,623	5,067,360	4,877,676
Fixed facilities and Accessories, Gross	119,255,873	110,850,699	96,250,205
Vehicles, Gross	3,350,236	3,222,956	3,115,307
Other Property, plant and equipment, Gross	3,137,081	3,093,569	3,252,773
Accumulated depreciation of Property, plant and equipment, Total	**(122,456,668)**	**(110,161,659)**	**(95,184,900)**
Accumulated depreciation, Buildings	(14,633,579)	(13,585,026)	(12,234,181)
Accumulated depreciation, Plant and equipment	(43,642,551)	(39,890,926)	(35,444,671)
Accumulated depreciation, IT Equipment	(2,664,077)	(2,303,773)	(1,936,193)
Accumulated depreciation, Fixed facilities and Accessories	(57,332,839)	(50,166,881)	(42,135,351)
Accumulated depreciation, Motorized vehicles	(2,464,231)	(2,378,121)	(2,081,596)
Accumulated depreciation, Others	(1,719,391)	(1,836,932)	(1,352,908)

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Changes in Property, Plant and equipment as of December 31, 2010 and December 31, 2009 and January 01, 2009 (Figures in Th$)

Reconciliation items of changes in Property, Plant and Equipment, by classes	Construction in-progress	Land	Buildings, Net	Plant and Equipment, Net	IT Equipment, Net	Fixed facilities and Accessories, Net	Motorized vehicles, Net	Other Property, plant and equipment, Net	Property, plant and equipment, Net
Beginning balance as of 12-31-2009	**16,707,470**	**99,150,882**	**22,659,010**	**25,403,751**	**2,763,587**	**60,683,819**	**844,835**	**1,256,637**	**229,469,990**
Changes:									
Additions	5,805,135	2,777	488,639	2,172,333	584,952	3,710,538	334,206	605,377	13,703,957
4% Fixed Asset credit	—	—	—	(19,692)	(6,350)	(10,822)	(1,027)	(1,352)	(39,243)
Disassociations	—	—	—	(74,516)	(899)	(92,425)	(12,997)	—	(180,837)
Transfers to (from) non-current assets and groups in disassociations maintained for sale	—	—	—	(84,060)	—	—	—	—	(84,060)
Reclassification of assets for work termination	(13,537,289)	2,091,843	2,130,495	2,558,865	65,375	6,377,044	7,192	165,497	(140,978)
Write-offs	(122,726)	(587,846)	(68,673)	(34,926)	(465)	(692,463)	—	(239)	(1,507,338)
Depreciation expense	—	—	(1,413,675)	(4,412,905)	(404,498)	(8,052,164)	(281,233)	(205,437)	(14,769,912)
Increase (decrease) in foreign currency exchange	1,662,596	(1,919,048)	(124,160)	333,403	(2,171,156)	1,072,283	(4,971)	(315,061)	(1,466,114)
Other increases (decreases)	—	—	—	1,245,534	—	(1,072,776)	—	(87,732)	85,026
Total changes	**(6,192,284)**	**(412,274)**	**1,012,626**	**1,684,036**	**(1,933,041)**	**1,239,215**	**41,170**	**161,053**	**(4,399,499)**
Final balance 12-31-2010	**10,515,186**	**98,738,608**	**23,671,636**	**27,087,786**	**830,546**	**61,923,034**	**886,005**	**1,417,690**	**225,070,491**

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

Reconciliation items of changes in Property, Plant and Equipment, by classes	Construction in-progress	Land	Buildings, Net	Plant and Equipment, Net	IT Equipment, Net	Fixed facilities and Accessories, Net	Motorized vehicles, Net	Other Property, plant and equipment, Net	Property, plant and equipment, Net
Beginning balance as of 1-1-2009	**22,726,647**	**96,844,132**	**19,727,690**	**27,364,271**	**2,941,483**	**54,114,854**	**1,033,711**	**1,899,865**	**226,652,653**
Changes:									
Additions	8,617,784	3,406,466	93,959	2,408,303	218,838	5,980,764	132,238	200,076	21,058,428
4% Fixed Asset credit	—	—	—	(30,347)	(43)	(16,765)	—	(810)	(47,965)
Disassociations	—	(1,401)	—	—	—	—	—	—	(1,401)
Transfers to (from) non-current assets and groups in disassociations maintained for sale	—	—	—	—	—	—	—	—	—
Reclassification of assets for work termination	(14,416,831)	—	4,439,205	395,120	17,960	9,328,210	—	(11,812)	(248,148)
Write-offs	(35,058)	—	—	(580)	(4,715)	(375)	—	(72)	(40,800)
Depreciation expense	—	—	(1,350,845)	(4,436,651)	(380,656)	(8,031,385)	(308,460)	(558,326)	(15,066,323)
Increase (decrease) in foreign currency exchange	(185,073)	(1,098,315)	(250,999)	(296,365)	(29,280)	(691,484)	(12,654)	(184,552)	(2,748,722)
Other increases (decreases)	—	—	—	—	—	—	—	(87,732)	(87,732)
Total changes	**(6,019,178)**	**2,306,750**	**2,931,320**	**(1,960,520)**	**(177,896)**	**6,568,965**	**(188,876)**	**(643,228)**	**2,817,337**
Final balance as of 12-31-2009	**16,707,470**	**99,150,882**	**22,659,010**	**25,403,751**	**2,763,587**	**60,683,819**	**844,835**	**1,256,637**	**229,469,990**

14.2 Additional Information

a) Property, plant and equipment

As a part of the first-time adoption to International Financial Reporting Standards ("IFRS"), Concha y Toro Group to measured certain land at its fair value as attributed cost at the transition date of January 1, 2009. The fair value of land amounted to Th$ 38,565,439.

The Company has no impairment indications which generate value loss of property, plant and equipment. The effects caused by the earthquake that hit a significant part of the Chilean territory on February 27, 2010, are presented detailed in Note 33, *Guarantees committed with third- parties*.

Assets under finance lease arrangements are not legally owned by the Company and therefore it cannot freely dispose of them until it exercises the related purchase option.

b) Commitments acquired and restrictions on property, plant and equipment acquisition.

As of December 31, 2010, commitments acquired due to acquisitions of property, plant and equipments amounts to Th$ 2,206,305.

The Company does not maintain restrictions on goods of property, plant and equipment, other than those reported in Note 33 Guarantees committed with third-parties

14.3 Assets under financial lease

a) Financial lease

Within Building, the office 1502 of Floor 15 of South Tower in World Trade Center Building is no longer a financial lease and became part of Property, Plant and Equipment of Viña Concha y Toro, beginning on August 11, 2010. With respect to the bottling line in Bodegas y Viñedos Trivento S.A, this continue as a leased asset (financial lease)

The book value of this bottling line corresponds to lease agreements of Bodega y Viñedos Trivento S.A. these assets are not legally owned by the Company until it exercises the related purchase option.

Item	December 31, 2010 Th$	December 31, 2009 Th$	January 1, 2009 Th$
Plant and equipment	989,535	1,074,871	1,395,527

b) Obligations for contracts or financial leases

The contract related with the financial lease is the following:

Type of good	Institution	Contract date	Contract amount Th$	Installment number	Annual interest	Purchase option Th$
Bottling line	Banco Santander	07-12-2007	1,246,969	61	15.78	12,470

Future payments and value of obligations related with the financial lease are disclosed in Note 22, Leases.

14.4 Costs of capitalized interests, Property, Plant and equipment

The cost of capitalized interests is determined applying an average rate or weighted average of all financing costs incurred by the Company to final monthly balances of work in-progress and which comply with the requirements of IAS 23. This is performed at each subsidiary.

Rates and costs for capitalized interests of property, plant and equipment are detailed as follows:

Concha y Toro S.A.

	12-31-2010	12-31-2009
Capitalization rate in costs of capitalized interest, Property, Plant and equipment	3.07%	2.88%
Amount in costs of capitalized interest Property, plant and equipment in Th$	119,452	309,688
Amount in costs of capitalized interest biological assets in Th$	285,287	456,973
Total in Th$	**404,739**	**766,661**

Cono Sur

	12-31-2010	12-31-2009
Capitalization rate in costs of capitalized interest, Property, Plant and equipment	2.73%	—
Amount in costs of capitalized interest Property, plant and equipment in Th$	15,364	—
Amount in costs of capitalized interest biological assets in Th$	—	—
Total in Th$	**15,364**	—

Trivento Bodegas y Viñedos

	12-31-2010	12-31-2009
Capitalization rate in costs of capitalized interest, property, plant and equipment	9.04%	9.57%
Amount in costs of capitalized interest property, plant and equipment in Th$	26,742	15,714
Amount in costs of capitalized interest biological assets in Th$	117,196	169,597
Total in Th$	**143,938**	**185,311**

NOTE 15. BIOLOGICAL ASSETS

The Company includes as a part of these assets, the grapevine plantations, both in growing stage and in production and also the grape product.

As contemplated in IAS 41, biological assets must be measured at fair value less the estimated costs to sell except for those in which the fair value cannot be measurable in a reliable way.

Based on the information and analysis prepared by Viña Concha y Toro, the biological asset valuation (planted grapevines in growing /production) at "reasonable value or fair value" is not feasible to determine in a reliable way in Chile, given that there is no active market in Chile for planted grapevines both in growing stage and in production.

Considering the valuation alternatives of IAS 41, which are summarized in; *Market Prices Net*; Present value *of net cash flows expected of assets* and Historic Costs, the main reasons which support this conclusion relate to the fact that in Chile there is no active market for planted grapevines in growing/production stage, given that these are not an asset commonly traded in our grapevine industry. There is not enough experience in the market with respect to the number of transactions on these goods which allow identifying reference prices for its valuation. Given the high of degree subjectivity to qualify the quality of grapes associated to the grapevine, for certain grapes plantations there is no objective market.

Also it is not possible to apply the cash flow present value, given that the grapevines in development and productive stage have no demand, and by itself, do not generate flows. Flows must be related with the realization of the agricultural product (grape) which will generate the biological asset. In the actual business, the grape coming from vineyards will be used to produce wine that subsequently will be traded, not for sale, thus, there is no reference on the grape price in the market.

In addition, the main variables of all flow models are *quantity* and *price*, these variables depend on the efficiency levels of each company when handling its vineyards, which in turn will depend on: adopted technology and know-how what makes difficult identifying the proper combination of variables to be considered (quantity and cost involved) and to be reliable.

After analyzing this matter, we may conclude that any methodology used is not fully reliable due to the fact that the basic variables which feed these, have no support in objective information which will finally allow measurable and reliable results. Consequently, today we have concluded that the use of flow models does not deliver a reliable fair value for biological assets.

As per the information and objective indicators analyzed so far, we have concluded that there are no valuation methods as appropriate as the cost. Valuation through the cost value method seems a better estimator on the biological asset value (grapevines) given the reality of our winegrowing industry and the market peculiarity as commented above.

The depreciation of grapevines in production is performed on linear basis and is based on the production estimated useful life, which is evaluated on a regular basis. Grapevines in growing stage are not depreciated until entering into production, which occurs the fifth year after planting when the vines begin to produce commercial grapes for the grapevine process. Costs incurred in acquisition and plantation of new grapevines is capitalized.

The agricultural products (grape) coming from grapevines in production are valued at its harvest value (cost) less the accumulated losses due to impairment, if any. This valuation is the best estimate of fair value. Grape acquired from third-parties, which is present in finished and semi-finished products, is reflected by the Company at the value established in the purchase contract entered into with third-parties.

15.1 Detail on Groups of Biological Assets

Biological assets maintained by Viña Concha y Toro S.A. and subsidiaries consist of grapevines in production and grapevines in growing stage.

Reconciliation of changes in Biological Assets:

Reconciliation of changes in biological assets	Current Th$	Non-current Th$
Biological Assets, beginning balance as of December 31, 2009	**10,368,684**	**52,529,942**
Biological Assets, gross at beginning of the period	—	68,105,195
Biological Assets, accumulated amortization and impairment at beginning of the period	—	(15,575,253)
Net Biological Assets at beginning of the period	**10,368,684**	**52,529,942**
Increases other than those coming from business combinations, Biological Assets	17,310,697	4,197,308
Acquisitions performed through business combinations, Biological Assets	—	—
Increases (decreases) for exchange difference (net), Biological Assets	—	(392,873)
Depreciation of Biological Assets	—	(2,388,185)
Profit (loss) of fair value adjustment, Biological Assets	—	—
Other decreases	—	(273,974)
Increases (decreases) of transfers and other changes, Biological Assets	—	—
Decreases due to harvests or pickup, Biological Assets.	(16,734,597)	—
Total Biological Assets as of December 31, 2010	**10,944,784**	**53,672,218**
Biological Assets, gross as of December 31, 2010	—	71,635,656
Biological Assets, Amortization and impairment accumulated as of December 31, 2010	—	(17,963,438)

(*) The other decreases correspond to vine pull ups

Reconciliation of changes in biological assets	Current Th$	Non-current Th$
Biological Assets, beginning balance as of January 1, 2009	**12,822,074**	**50,621,435**
Biological Assets, gross at beginning of the period	—	68,416,086
Biological Assets, accumulated amortization and impairment at beginning of the period	—	(17,794,651)
Net Biological Assets at beginning of the period	**12,822,074**	**50,621,435**
Increases other than those coming from business combinations, Biological Assets	10,157,670	5,876,452
Acquisitions performed through business combinations, Biological Assets	—	—
Increases (decreases) for exchange difference (net), Biological Assets	(12,611,060)	(1,543,505)
Depreciation of Biological Assets	—	(2,219,398)
Profit (loss) of fair value adjustment, Biological Assets	—	—
Other increases (decreases)	—	—
Increases (decreases) of transfers and other changes, Biological Assets	—	(205,042)
Decreases due to harvests or pickup, Biological Assets.	—	—
Total Biological Assets as of December 31, 2009	**10,368,684**	**52,529,942**
Biological Assets, gross at beginning of period	—	68,105,195
Biological Assets, accumulated amortization and impairment at beginning of the period	—	(15,575,253)

a) **Biological Assets pledged as guarantee**

The grapevines of Viña Concha y Toro S.A. and subsidiaries, either in production stage or in growing stage, are not subjet any restrictions, nor have been constituted as guarantees of financial liabilities.

b) **Government Subsidizes related to the agricultural activity**

Government subsidies have been received as of December 31, 2010 which amounted to Th$69,845.

c) **Commitments to developed or acquire Biologic Assets**

As of December 31, 2010, there are no commitments to develop or acquire biological assets.

d) Distribution of hectares as of December 31, 2010 (Unaudited):

	Vineyards in production	Vineyards in development	Total Planted Vineyards	Land in turnover	Fruit trees	Total Agricultural Area
Limarí	556	340	896	451	113	1,460
Casablanca	384	32	415	11	—	426
Leyda	130	—	130	—	—	130
Maipo	892	82	974	22	—	997
Cachapoal	1,054	252	1,306	462	60	1,828
Colchagua	1,327	430	1,757	13	—	1,770
Curicó	466	200	666	45	—	711
Maule	1,812	489	2,300	247	—	2,547
Total Chile	**6,621**	**1,824**	**8,445**	**1,251**	**173**	**9,870**
Argentina						
Mendoza	901	167	1,068	142	—	1,210
Total Holding	**7,522**	**1,992**	**9,513**	**1,392**	**173**	**11,079**

Distribution of hectares as of December 31, 2009 (Unaudited):

	Vineyards in production	Vineyards in development	Total Planted Vineyards	Land in turnover	Fruit trees	Total Agricultural Area
Limarí	548	325	873	430	113	1,416
Casablanca	388	27	415	12	—	427
Leyda	—	130	130	—	—	130
Maipo	945	59	1,004	2	—	1,006
Cachapoal	800	476	1,276	539	71	1,886
Colchagua	1,323	273	1,596	67	—	1,663
Curicó	505	237	742	77	—	819
Maule	1,757	446	2,203	193	—	2,396
Total Chile	**6,267**	**1,973**	**8,239**	**1,319**	**185**	**9,744**
Argentina						
Mendoza	780	281	1,061	151	—	1,212
Total Holding	**7,047**	**2,254**	**9,300**	**1,470**	**185**	**10,956**

The total vines planted include certain long-term leases that the Company has in Valle de Casablanca, del Maipo, and Colchagua.

The total agricultural area does not include the Company's land which are not usable for plantations as hills, roads, etc.

NOTE 16. NON-FINANCIAL ASSETS MAINTAINED FOR SALE

These assets were classified as maintained for sale in December, 2010. As per Company's regulations this required the previous approval of the related managers responsible of the areas involved with these assets. This decision was mainly based on the need to replace these assets for others with higher productivity.

The sale of these assets is expected to be completed during the first quarter of 2011. As reported in Note 2.7, these assets have been recorded at the lowest value between the book value and the estimated sale value.

As of December 31, 2010 assets maintained for sale are as follows:

Non-financial assets maintained for sale	As of December 31, 2010 Th$	As of December 31, 2009 Th$	As of January 1,2009 Th$
Plant and Equipment	82,447	—	—
Fixed facilities and accessories	53	—	—
Total	**82,500**	—	—

NOTE 17. FINANCIAL INSTRUMENTS

17.1 Category of financial instruments by nature

a) Fair values, based on categories of financial instruments, compared against the current and non-current book value included in the consolidated statements of financial position as of December 31, 2010

Classification	Group	Type	At amortized cost Th$		At fair value Th$
			Book value	Fair value	Book value
Financial assets	Cash and cash equivalent	Balances in banks	6,242,999	6,242,999	—
		Short-term deposits	10,514,550	10,514,550	—
	Trade receivables and other accounts receivable	Trade receivables, gross	108,358,712	108,358,712	—
Other financial assets	Accounts receivable from related companies	Currents	255,484	255,484	—
		Non-currents	—	—	—
	Financial assets available for sale	Current shares	—	—	1,202,725
		Non-current shares	—	—	—
	Financial assets at fair value with changes in income	Current derivatives	—	—	166,106
		Non-current derivatives	—	—	—
	Hedging assets	Current derivatives	—	—	9,353,064
		Non-current derivatives	—	—	5,765,933
Other financial liabilities	Bank loans	Currents	24,261,847	23,923,641	—
		Non-currents	12,261,171	12,310,476	—
	Obligations with the public	Currents	2,841,237	2,910,494	—
		Non-currents	36,600,644	37,492,801	—
	Other loans	Currents	227,306	191,594	—
		Non-currents	268,245	226,100	—
	Financial liabilities at fair value with changes in income	Current derivatives	—	—	178,384
		Non-current derivatives	—	—	—
	Hedging liabilities	Current derivatives	—	—	3,223,440
		Non-current derivatives	—	—	829,194
Financial liabilities	Trade accounts and other accounts payable	Current trading creditors	44,208,076	44,208,076	—
		Other current accounts payable	12,467,267	12,467,267	—
		Non-current trading creditors	2,137,049	2,137,049	—
	Accounts payable to related entities	Currents	2,876,996	2,876,996	—
		Non-currents	1,452,471	1,452,471	—

b) Fair values, based on categories of financial instruments, compared against the current and non-current book value included in the consolidated statements of financial position as of December 31, 2009

Classification	Group	Type	At amortized cost Th$		At fair value Th$
			Book value	Fair value	Book value
Financial assets	Cash and cash equivalent	Balances in banks	6,997,300	6,997,300	—
		Short-term deposits	—	—	—
	Trade receivables and other accounts receivable	Trade receivables, gross	102,981,228	102,981,228	—
Other financial assets	Accounts receivable from related companies	Currents	220,820	220,820	—
		Non-currents	—	—	—
	Financial assets available for sale	Current shares	—	—	529,587
		Non-current shares	—	—	—
	Hedging assets	Current derivatives	—	—	10,373,496
		Non-current derivatives	—	—	3,943,612
Other financial liabilities	Bank loans	Currents	26,490,158	26,486,808	—
		Non-currents	23,352,311	23,187,650	—
	Obligations with the public	Currents	7,906,714	7,893,990	—
		Non-currents	38,189,958	37,983,263	—
	Other loans	Currents	224,237	321,649	—
		Non-currents	554,665	589,305	—
	Notes payable	Currents	688,886	688,886	
		Non-currents			
Financial liabilities	Trade accounts payable and other accounts payable	Current trading creditors	—	—	1,581,054
		Other current accounts payable	—	—	675,460
		Non-current trading creditors	38,620,398	38,620,398	—
	Accounts payable to related entities	Currents	17,037,480	17,037,480	—
		Non-currents	2,211,541	2,211,541	—

17.2 Derivative instruments

In conformity with the risk management policy, Viña Concha y Toro contracts exchange rate derivatives and interest rate derivatives, which are classified as follows:

- Cash Flow hedges
- Net investment hedges
- Non-hedge derivatives (Those derivatives which do not qualify under the hedging accounting)

a) Assets and Liabilities by hedging derivative instrument

Financial derivatives qualifying as hedged instruments were recognized in the Statement of Financial Position in Assets and Liabilities as of December 31, 2010 and December 31, 2009 according to the following detail:

		As of 12-31-2010				As of 12-31-2009				As of 1-1-2009			
		Asset		Liability		Asset		Liability		Asset		Liability	
Assets and liabilities for hedging derivative instruments	Instrument	Current Th$	Non-current Th$	Current Th$	Non-current Th$	Current Th$	Non-current Th$	Current Th$	Non-current Th$	Current Th$	Non-current Th$	Current Th$	Non-current Th$
Type of interest hedging:		—	**273,142**	**98,805**	**64,799**	—	—	**102,723**	—	—	—	—	—
Cash flow hedging	Swap	—	273,142	98,805	64,799	—	—	102,723	—	—	—	—	—
Exchange rate hedging:		**9,353,064**	**5,492,790**	**3,124,636**	**764,395**	**10,373,496**	**3,943,612**	**1,478,331**	**675,460**	—	—	—	—
Cash flow hedging	Swap	88,888	—	546,183	—	83,572	—	96,126	603,318	—	—	—	—
Cash flow hedging	Forward	9,005,021	5,492,790	2,541,967	764,395	10,164,420	3,943,612	1,286,441	72,141	—	—	—	—
Net investment hedging	Forward	259,155	—	36,485	—	125,504	—	95,764	—	—	—	—	—
Total		**9,353,064**	**5,765,933**	**3,223,440**	**829,194**	**10,373,496**	**3,943,612**	**1,581,054**	**675,460**	—	—	—	—

b) Assets and Liabilities for derivative instruments at fair value with changes in income (Non-hedging)

Derivative operations which are recorded at fair value with changes in income were recognized in the Statement of Financial Position in Assets and Liabilities as of December 31, 2010 and December 31, 2009 according to the following detail:

Assets and liabilities for derivative instruments at fair value with changes in income	Instrument	As of 12-31-2010 Asset Current Th$	As of 12-31-2010 Asset Non-current Th$	As of 12-31-2010 Liability Current Th$	As of 12-31-2010 Liability Non-current Th$	As of 12-31-2009 Asset Current Th$	As of 12-31-2009 Asset Non-current Th$	As of 12-31-2009 Liability Current Th$	As of 12-31-2009 Liability Non-current Th$	As of 1-1-2009 Asset Current Th$	As of 1-1-2009 Asset Non-current Th$	As of 1-1-2009 Liability Current Th$	As of 1-1-2009 Liability Non-current Th$
Non-hedging derivative instruments		**166,106**	**—**	**178,384**	**—**	**—**	**—**	**—**	**—**	**4,651,324**	**—**	**2,679,649**	**—**
Derivative instruments	Options	348	—	178,059	—	—	—	—	—	—	—	—	—
Derivative instruments	Forward	165,758	—	325	—	—	—	—	—	1,930,562	—	1,317,844	—
Derivative instruments	Swap	—	—	—						2,720,762		1,361,805	
Total		**166,106**	**—**	**178,384**	**—**	**—**	**—**	**—**	**—**	**4,651,324**	**—**	**2,679,649**	**—**

c) Other information on derivative instruments

A detail of financial derivatives contracted as of December 31, 2010 and 2009, its fair value and its breakdown by maturity of contractual values is detailed as follows:

As of December 31, 2010

Detail by maturity	Instrument	Fair value Th$	Contractual values Year 2011 Th$	Year 2012 Th$	Year 2013 Th$	Subsequent Th$	Total Th$
Type of interest hedging:		**109,539**	**280,435**	**282,740**	**14,319,967**	**—**	**14,883,143**
Cash flow hedging	Swap	109,539	280,435	282,740	14,319,967	—	14,883,143
Exchange rate hedging:		**10,956,824**	**118,755,570**	**18,845,652**	**17,688,125**	**—**	**155,289,347**
Cash flow hedging	Swap	(457,296)	46,540,665	—	—	—	46,540,665
Cash flow hedging	Forward	11,191,449	67,174,104	18,845,652	17,688,125	—	103,707,881
Net investment hedging	Forward	222,670	5,040,801	—	—	—	5,040,801
Non-hedging derivatives		**(12,278)**	**12,280,215**	**—**	**—**	**—**	**12,280,215**
Total		**11,054,085**	**131,316,221**	**19,128,392**	**32,008,093**	**—**	**182,452,705**

As of December 31, 2009

Detail by maturity	Instrument	Fair value Th$	Contractual values Year 2010 Th$	Year 2011 Th$	Year 2012 Th$	Subsequent Th$	Total Th$
Type of interest hedging:		**(102,723)**	**4,633,855**	**—**	**—**	**—**	**4,633,855**
Cash flow hedging	Swap	(102,723)	4,633,855	—	—	—	4,633,855
Exchange rate hedging:		**12,163,317**	**107,930,071**	**62,180,153**	**13,223,997**	**6,372,552**	**189,706,774**
Cash flow hedging	Swap	(615,872)	8,049,992	41,446,165	—	—	49,496,157
Cash flow hedging	Forward	12,749,450	95,195,112	20,733,988	13,223,997	6,372,552	135,525,649
Net investment hedging	Forward	29,740	4,684,967	—	—	—	4,684,967
Non-hedging derivatives		**—**	**—**	**—**	**—**	**—**	**—**
Total		**12,060,594**	**112,563,926**	**62,180,153**	**13,223,997**	**6,372,552**	**194,340,628**

As of January 1, 2009

Detail by maturity	Instrument	Fair value Th$	Contractual values Year 2009 Th$	Year 2010 Th$	Year 2011 Th$	Subsequent Th$	Total Th$
Type of interest hedging:		—	—	—	—	—	—
Cash flow hedging	Swap	—	—	—	—	—	—
Exchange rate hedging:		—	—	—	—	—	—
Cash flow hedging	Swap	—	—	—	—	—	—
Cash flow hedging	Forward	—	—	—	—	—	—
Net investment hedging	Forward	—	—	—	—	—	—
Non-hedging derivatives		**1,971,675**	**58,351,259**	—	—	—	**58,351,259**
TOTAL		**1,971,675**	**58,351,259**	—	—	—	**58,351,259**

d) Cash flow transfers

A detail of cash flow transfers as of December 31, 2010 and 2009 is presented as follows:

Balance movements December 31, 2009 to December 31, 2010 Cash flow hedging	As of December 31, 2010 Forward in Th$	Swap in Th$	Total in Th$	As of December 31, 2009 In Th$	Swap in Th$	Total in Th$
Beginning balance December 31	**12,779,190**	**(718,595)**	**12,060,594**	—	—	—
Change in value of beginning balance	4,020,548	673,817	4,694,365	—	—	—
Valuation of new contracts	7,171,341	(425,493)	6,745,848	16,948,067	(570,676)	16,377,391
Transfer to income during period	(12,779,630)	122,515	(12,657,115)	(4,168,877)	(147,919)	(4,316,797)
Ending balance December 31	**11,191,449**	**(347,757)**	**10,843,692**	**12,779,190**	**(718,595)**	**12,060,594**

17.3 Fair value hierarchy

Financial instruments recognized at fair value in the statement of financial position are classified hierarchically as per the following criterion:

Level 1: Fair value obtained through direct reference to prices quoted, with no adjustment.

Level 2: Fair value obtained through the use of valuation models accepted in the market and based on prices, other than those indicated in Level 1, which are observable directly or indirectly at the measurement date (Adjusted prices)

Level 3: Fair value obtained through models internally developed or methodologies that use information which is not observable or a non liquid

The structure to obtain the fair value of financial instruments recorded at fair value in the statement of financial position is detailed as follows:

As of December 31, 2010				
Financial instruments measured at fair value	**12-31-2010 Th$**	**Level 1 Th$**	**Level 2 Th$**	**Level 3 Th$**
Financial assets				
Cash flow hedging derivatives	14,859,842	—	14,859,842	—
Net investment hedging derivatives	259,155	—	259,155	—
Derivatives not designed accountable as hedging	166,106	—	166,106	—
Financial assets available for sale, long-term	1,202,725	1,202,725	—	—
Total Financial assets	**16,487,827**	**1,202,725**	**15,285,102**	**—**
Financial liabilities				
Cash flow hedging derivatives	4,016,149	—	4,016,149	—
Net investment hedging derivatives	36,485	—	36,485	—
Derivatives not designed accountable as hedging	178,384	—	178,384	—
Total Financial liabilities	**4,231,018**	**—**	**4,231,018**	**—**

As of December 31, 2009				
Financial instruments measured at fair value	**12-31-2009 Th$**	**Level 1 Th$**	**Level 2 Th$**	**Level 3 Th$**
Financial assets				
Cash flow hedging derivatives	14,191,604	—	14,191,604	—
Net investment hedging derivatives	125,504	—	125,504	—
Financial assets available for sale, long-term	529,587	529,587	—	—
Total Financial assets	**14,846,695**	**529,587**	**14,317,108**	**—**
Financial liabilities				
Cash flow hedging derivatives	2,160,750	—	2,160,750	—
Net investment hedging derivatives	95,764	—	95,764	—
Total	**2,256,513**	**—**	**2,256,513**	**—**

NOTE 18. FINANCIAL LIABILITIES

As of December 31, 2010, December 31, 2009 and January 1, 2009, the Company's financial liabilities are detailed as follows:

	Current			Non-current		
Non- guaranteed	**12-31-2010**	**12-31-2009**	**01-01-2009**	**12-31-2010**	**12-31-2009**	**01-01-2009**
Loans from financial entities	24,261,847	26,490,158	70,321,495	12,261,171	23,352,311	26,968,465
Obligations with the employees (*)	2,841,237	7,906,714	1,611,528	36,600,644	38,189,958	41,643,224
Financial lease	227,306	224,237	456,801	268,245	554,665	1,134,521
Notes payable	—	688,886	—	—	—	—
Derivatives	3,401,824	1,581,054	2,679,649	829,194	675,460	—
Total	**30,732,214**	**36,891,049**	**75,069,473**	**49,959,254**	**62,772,393**	**69,746,210**

(*) Valued at amortized cost except for obligations with the employees which are valued through the effective rate method.

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

a) Loans from financial entities (non-derivative), current as of December 31, 2010.

Debtor entity ID No.	Debtor entity	Country of the debtor company	ID No. of creditor entity	Name of the creditor entity	Country of creditor company	Type of currency or adjustment unit	Type of amortization	Effective rate	Nominal rate	Maturities: Up to 90 days Th$	Maturities: More than 90 days to 1 year Th$	Total Th$
90.227.000-0	Viña Concha y Toro S.A.	Chile	97004000-5	Banco de Chile	Chile	US$ Dollar	At maturity	1.45%	1.45 %	—	18,554,072	18,554,072
90.227.000-0	Viña Concha y Toro S.A.	Chile	97030000-7	Banco del estado de Chile	Chile	US$ Dollar	At maturity	1.82%	1.82%	—	14,752	14,752
86.326.300-K	VIÑA CONO SUR S.A.	Chile	97004000-5	Banco de Chile	Chile	Pound sterling	At maturity	2.37%	2.37%	1,277,135	—	1,277,135
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Frances	Argentina	Argentinean pesos	At maturity	13.79%	13.79%	502,606	78,473	581,079
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Frances	Argentina	US$ Dollar	At maturity	1.20%	1.20%	103	280,806	280,909
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Nacion	Argentina	US$ Dollar	At maturity	2.95%	2.95%	25,721	—	25,721
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Nacion	Argentina	Argentinean pesos	At maturity	12.98%	12.98%	20,267	411,981	432,247
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Santander	Argentina	Argentinean pesos	At maturity	13.00%	13.00%	5,209	470,835	476,044
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Credicoop	Argentina	Argentinean pesos	At maturity	12.25%	12.25%	9,786	—	9,786
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Standard	Argentina	Argentinean pesos	At maturity	12.90%	12.90%	1,801	—	1,801
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Regional	Argentina	Argentinean pesos	At maturity	12.00%	12.00%	917	353,126	354,043
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	76645030-K	Banco Itaú	Argentina	US$ Dollar	At maturity	2.52%	2.52%	8,465	702,015	710,480
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Mendoza Fiduciaria	Argentina	Argentinean pesos	At maturity	9.43%	9.43%	124,237	—	124,237
0-E	VCT BRASIL IMP.Y EXP.	Brazil	97008000-7	Banco CitibanK	Brazil	Real	At maturity	13.30%	13.30%	—	1,419,541	1,419,541
Balances to date										**1,976,246**	**22,285,600**	**24,261,847**

b) Analysis of maturities for financial liabilities (non-derivatives) non-current as of December 31, 2010:

Debtor entity ID No.	Debtor entity	Debtor company country	ID No. creditor entity	Creditor entity	Creditor company country	Type of currency or adjustment unit	Type of amortization	Effective rate	Nominalrate	Maturities			Total Th$
										More than 1 year up to 3 years Th$	More than 3 years to 5 years Th$	More than 5 years Th$	
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Nacion	Argentina	US $	At maturity	2.95%	2.95%	2,340,050	—	—	2,340,050
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Nacion	Argentina	Arg.$	At maturity	12.50%	12.50%	1,765,631	—	—	1,765,631
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Credicoop	Argentina	Arg.$	At maturity	12.25%	12.25%	1,212,400	—	—	1,212,400
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Frances	Argentina	Arg.$	At maturity	14.40%	14.40%	156,945	—	—	156,945
90.227.000-0	Viña Concha y Toro S.A.	Chile	97030000-7	Banco Estado de Chile	Chile	US $	At maturity	1.82%	1.82%	6,786,145	—	—	6,786,145
Balances to date										**12,261,171**			**12,261,171**

c) Loans from financial entities (non-derivatives) current as of December 31, 2009:

Debtor entity ID No.	Debtor entity	Debtor company country	Credit entity ID No.	Creditor entity	Creditor company country	Type of currency or adjustment unit	Type of amortization	Effective rate	Nominal rate	Maturities		Total Th$
										Up to 90 days Th$	More than 90 days to 1 year Th$	
90.227.000-0	Viña Concha y Toro S.A.	Chile	97030000-7	Banco Estado de Chile	Chile	US$ Dollar	At maturity	1.53%	1.53%	—	1,958,457	1,958,457
90.227.000-0	Viña Concha y Toro S.A.	Chile	97030000-7	Banco Estado de Chile	Chile	Chilean pesos	At maturity	1.95%	1.95%	—	8,809,308	8,809,308
86.326.300-K	VIÑA CONO SUR S.A.	Chile	97004000-5	Banco de Chile	Chile	Pound sterling	At maturity	2.37%	2.37%	—	1,150	1,150
90.227.000-0	Viña Concha y Toro S.A.	Chile	97030000-7	Banco de Chile	Chile	US$ Dollar	At maturity	1.79%	1.79%	4,069,778	1,122,494	5,192,272
86.326.300-K	VIÑA CONO SUR S.A.	Chile	97004000-5	Banco de Chile	Chile	US$ Dollar	At maturity	1.93%	1.93%	—	2,034,174	2,034,174
90.227.000-0	Viña Concha y Toro S.A.	Chile	97030000-7	Banco de Chile	Chile	Euro	At maturity	0.00%	0.00%	—	—	—
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	97039000-6	Banco Santander	Chile	Argentinean pesos	At maturity	15.50%	15.50%	743,208	—	743,208
90.227.000-0	Viña Concha y Toro S.A.	Chile	97039000-6	Banco Santander	Chile	US$ Dollar	At maturity	1.75%	1.75%	—	372	372
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	97008000-7	Banco CitiBank	Chile	Argentinean pesos	At maturity	11.00%	11.00%	—	1,391,374	1,391,374
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	97951000-4	Banco Itaú	Argentina	US$ Dollar	At maturity	2.16%	2.16%	—	2,590,226	2,590,226
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Francés	Argentina	Argentinean pesos	At maturity	16.00%	16.00%	—	488,402	488.402
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Nación	Argentina	US$ Dollar	At maturity	5.90%	5.90%	2,654,235	—	2,654,235
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Nación	Argentina	Argentinean pesos	At maturity	15.28%	15.28%	—	471,526	471.526
0-E	VCT BRASIL IMP.Y EXP.	Brazil	97951000-4	HSBC Banco	Chile	US$ Dollar	At maturity	2.35%	2.35%	—	155,454	155,454
Balances to date										**7,467,221**	**19,022,938**	**26,490,158**

d) Analysis of maturities for financial liabilities (non-derivative) non-current as of December 31, 2009

Debtor entity ID No.	Debtor entity	Debtor company country	Credit entity ID No.	Creditor entity	Creditor company country	Type of currency or adjustment unit	Type of amortization	Effective rate	Nominal rate	Maturities			Total Th$
										More than 1 year to 3 years Th$	More than 3 years to 5 years Th$	More than 5 years Th$	
86.326.300-K	VIÑA CONO SUR S.A.	Chile	97004000-5	Banco de Chile	Chile	Pound sterling	At maturity	2.37%	2.37%	2,891,440	—	—	2,891,440
90.227.000-0	Viña Concha y Toro S.A.	Chile	97030000-7	Banco de Chile	Chile	US$ Dollar	At maturity	1.85%	1.85%	9,837,740	1,825,560	—	11,663,300
90.227.000-0	Viña Concha y Toro S.A.	Chile	97030000-7	Banco de Chile	Chile	Euro	At maturity	2.22%	2.22%	726,820	—	—	726,820
90.227.000-0	Viña Concha y Toro S.A.	Chile	97039000-6	Banco Santander	Chile	US$ Dollar	At maturity	1.81%	1.81%	7,657,210	—	—	7,657,210
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Francés	Argentina	Argentinean pesos	At maturity	16.00%	16.00%	413,541	—	—	413,541
Balances to date										**21,526,751**	**1,825,560**	**—**	**23,352,311**

e) Loans from Financial Entities (non-derivative) current as of January 1, 2009:

Debtor entity ID	Debtor entity	Country of debtor company	Creditor entity ID	Creditor entity	Country of creditor entity	Type of currency or adjustment unit	Type of amortization	Effective rate	Nominal rate	Maturities		Total Th$
										Up to 90 days Th$	More than 90 days to 1 year Th$	
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.004.005-5	Banco de Chile	Chile	Chilean pesos	At maturity	7.65%	7.65%	71,917	2,342,099	2,414,016
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.004.005-5	Banco de Chile	Chile	Euro	At maturity	5.81%	5.81%	—	666,281	666,281
86.326.300-K	VIÑA CONO SUR S.A.	Chile	97.004.005-5	Banco de Chile	Chile	Euro	At maturity	6.22%	6.22%	—	1,472,316	1,472,316
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.004.005-5	Banco de Chile	Chile	UF	At maturity	3.08%	3.08%	119,537	4,890,199	5,009,736
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.004.005-5	Banco de Chile	Chile	US$ Dollar	At maturity	4.04%	4.04%	96,516	5,844,419	5,940,935
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.039.000-6	Banco Santander	Chile	Chilean pesos	At maturity	5.22%	5.22%	2,294,443	249,420	2,543,863
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.039.000-6	Banco Santander	Chile	US$ Dollar	At maturity	4.34%	4.34%	—	10,348,820	10,348,820
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.032.000-8	Banco BBVA	Chile	Euro	At maturity	5.81%	5.81%	265,444	67,213	332,657
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.032.000-8	Banco BBVA	Chile	Chilean pesos	At maturity	9.51%	9.51%	—	4,101,669	4,101,669
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.023.000-9	Banco Corpbanca	Chile	Chilean pesos	At maturity	7.43%	7.43%	—	7,873,966	7,873,966
86.326.300-K	VIÑA CONO SUR S.A.	Chile	97.023.000-9	Banco Corpbanca	Chile	Chilean pesos	At maturity	10.38%	10.38%	—	1,829,270	1,829,270
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.080.000-K	Banco BICE	Chile	Chilean pesos	At maturity	7.92%	7.92%	—	3,448,104	3,448,104
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.951.000-4	Banco Itau	Chile	Chilean pesos	At maturity	7.80%	7.80%	—	3,144,950	3,144,950
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.951.000-4	Banco Itau	Chile	UF	At maturity	2.59%	2.59%	—	3,420,980	3,420,980
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Citibank Argentina	Argentina	Argentinean peso	At maturity	11.00%	11.00%	—	1,938,078	1,938,078
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Río de la Plata	Argentina	Argentinean peso	At maturity	28.41%	28.41%	429,417	—	429,417
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Francés	Argentina	Argentinean peso	At maturity	16.00%	16.00%	886,073	150,860	1,036,933
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Francés	Argentina	US$ Dollar	At maturity	8.75%	8.75%	—	749,726	749,726
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Regional	Argentina	Argentinean peso	At maturity	28.41%	28.41%	1,094,383	—	1,094,383
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Nación	Argentina	US$ Dollar	At maturity	5.80%	5.80%	6,440,508	1,399,706	7,840,214
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Nación	Argentina	Argentinean peso	At maturity	28.41%	28.41%	265,134	—	265,134
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	BNL Hezagon	Argentina	Argentinean peso	At maturity	28.41%	28.41%	48,073	—	48,073
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Standard Banco	Argentina	US$ Dollar	At maturity	6.90%	6.90%	—	280,894	280,894
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Standard Banco	Argentina	Argentinean peso	At maturity	28.41%	28.41%	89,325	—	89,325
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Credicoop	Argentina	US$ Dollar	At maturity	6.07%	6.07%	—	3,873,421	3,873,421
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Credicoop	Argentina	Argentinean peso	At maturity	28.41%	28.41%	128,334	—	128,334
Balances to date										**12,229,104**	**58,092,391**	**70,321,495**

f) Analysis of maturities for financial liabilities (non-derivative) non-current as of January 1, 2009

Debtor entity ID	Debtor entity	Debtor company country	Creditor entity ID	Creditor entity	Country of creditor entity	Type of currency or adjustment unit	Type of amortization	Effective rate	Nominal rate	Maturities			Total Th$
										More than 1 up to 2 years Th$	More than 3 up to 5 years Th$	More than 5 years Th$	
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.004.005-5	Banco de Chile	Chile	UF	At maturity	4.85%	4.85%	7,508,400	—	—	7,508,400
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.004.005-5	Banco de Chile	Chile	US$	At maturity	4.36%	4.36%	1,145,610	4,582,440	—	5,728,050
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.039.000-6	Banco Santander	Chile	US$	At maturity	3.76%	3.76%	9,610,395	—	—	9,610,395
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Itau	Argentina	US$	At maturity	5.57%	5.57%	982,070	—	—	982,070
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco CitiBanco Argentina	Argentina	Argentinean pesos	At maturity	11.00%	11.00%	1,904,619	—	—	1,904,619
0-E	TRIVENTO B.Y VIÑEDOS	Argentina	0-E	Banco Frances	Argentina	Argentinean pesos	At maturity	15.68%	15.68%	1,234,931	—	—	1,234,931
Balances to date										**22,386,025**	**4,582,440**	**—**	**26,968,465**

NOTE 19. OBLIGATIONS WITH THE PUBLIC

Obligations with the public as of December 31, 2010, December 31, 2009 and January 1, 2009 are detailed as follows:

a) Obligations for Current Bonds as of December 31, 2010

										Maturities		
Debtor entity ID	**Debtor entity**	**Debtor company country**	**Creditor entity ID**	**Creditor entity**	**Country of creditor company**	**Type of currency or adjustment unit**	**Type of amortization**	**Effective rate**	**Nominal rate**	**Up to 90 days Th$**	**More than 90 days up to one year Th$**	**Total Th$**
90.227.000-0	Viña Concha y Toro S.A.	Chile	97.036.000-k	Banco Santander Chile	Chile	UF	At maturity	4.09%	3.90%	1,579,146	1,262,091	2,841,237
Total										**1,579,146**	**1,262,091**	**2,841,237**

b) Obligations for Non-current Bonds as of December 31, 2010

										Maturities			
Debtor entity ID	**Debtor entity**	**Debtor company country**	**creditor entity ID**	**Creditor entity**	**country of creditor company**	**type of currency or adj. unit**	**type of Amortization**	**effective rate**	**Nominal rate**	**More than 1 up to 3 years Th$**	**More than 3 up to 5 years Th$**	**More than 5 Th$**	**Total Th$**
90.227.000-0	Viña Concha y Toro S.A.	Chile	97,036,600-k	Banco Santander Chile	Chile	UF	Maturity	4,09%	3,90%	5,048,365	5,048,365	26,503,915	36,600,644
Total										**5,048,365**	**5,048,365**	**26,503,915**	**36,600,644**

Obligations for current promissory notes as of December 31, 2009

Debtor entity ID	Debtor entity	Country of debtor company	Creditor entity ID	Creditor entity	Country of creditor company	Type of currency or adj. unit	Type of amortization	Effective rate	Nominal rate	Maturities		
										Up to 90 days Th$	More than 90 days to 1 year Th$	Total Th$
90,227,000-0	Viña Concha y Toro S.A.	Chile	97,004,000-5	Banco de Chile	Chile	Non-adjustable $	At maturity	3.47%	3.24%	—	5,113,400	5,113,400
Total										**—**	**5,113,400**	**5,113,400**

c) Obligations for current bonds as of December 31, 2009

Debtor entity ID	Debtor entity	Country of debtor company	Creditor entity ID	Creditor entity	Country of creditor company	Type of currency or adj. unit	Type of amortization	Effective rate	Nominal rate	Maturities		
										Up to 90 days M$	More than 90 days to 1 year M$	Total M$
90,227,000-0	Viña Concha y Toro S.A.	Chile	97,036,000-k	Banco Santander Chile	Chile	UF	At maturity	4.09%	3.90%	2,793,314	—	2,793,314
Total										**2,793,314**	**—**	**2,793,314**

d) Obligations for Non-Current bonds as of December 31, 2009

Debtor entity ID	Debtor entity	Country of debtor company	Creditor entity ID	Creditor entity	Country of creditor company	Type of currency or adj. unit	Type of amortization	Effective rate	Nominal rate	Maturities			
										Years, more than 1 up to 3 Th$	More than 3 up to 5 years Th$	More than 5 Th$	Total Th$
90,.227,000-0	Viña Concha y Toro S.A.	Chile	97,036,000-k	Banco Santander Chile	Chile	UF	At maturity	4.09%	3.90%	4,927,736	4,927,736	28,334,486	38,189,958
Total										**4,927,736**	**4,927,736**	**28,334,486**	**38,189,958**

e) Obligations for current bonds as of January 1, 2009

Debtor entity ID	Debtor entity	Country of debtor company	Creditor entity ID	Creditor entity	Country of creditor company	Type of currency or adj. unit	Type of amortization	Effective rate	Nominal rate	Maturities Up to 90 days Th$	More than 90 days to 1 year Th$	Total Th$
90,227,000-0	Viña Concha y Toro S.A.	Chile	97,036,000-k	Banco Santander Chile	Chile	UF	Upon maturity	4.09%	3.90%	—	1,611,528	1,611,528
Total										—	**1,611,528**	**1,611,528**

f) Obligations for Non-current bonds as of January 1, 2009

Debtor entity ID	Debtor entity	Country of debtor company	Creditor entity ID	Creditor entity	Country of creditor company	Type of currency or adj. unit	Type of amortization	Effective rate	Nominal rate	Maturities More than 1 up to 3 years Th$	More than 3 up to 5 years Th$	More than 5 years Th$	Total Th$
90,227,000-0	Viña Concha y Toro S.A.	Chile	97,036,000-k	Banco Santander Chile	Chile	UF	Upon maturity	4.09%	3.90%	5,047,664	5,047,664	31,547,896	41,643,224
Total										**5,047,664**	**5,047,664**	**31,547,896**	**41,643,224**

Obligations whit the public correspond to the placement in Chile of Bonuses in UF. These are presented valued at the principal value plus accrued interests at year-end.

g) Issuance Expenses and Placement of equity securities and debt securities

Issuance expenses net of amortization as of December 31, 2010, December 31, 2009 and January 1, 2009 amounts to Th$574,086 Th$609,460 and Th$617,069, respectively. Issuance expenses includes, all disbursements related reports of Risk Rating Agencies, legal and financial advisories, and taxes, printing house and placement commissions. As of December 31, 2010, December 31, 2009 and January 1, 2009 the amortization amounts to Th$35,772, Th$45,294 and Th$35,771, respectively.

NOTE 20. TRADE ACCOUNTS AND OTHER ACCOUNTS PAYABLE

This item is detailed as follows:

	Total current			Total Non-current		
	12-31-2010 Th$	**12-31-2009 Th$**	**1-1-2009 Th$**	**12-31-2010 Th$**	**12-31-2009 Th$**	**1-1-2009 Th$**
Trade creditors	44,208,076	38,620,398	43,082,394	—	—	—
Notes payable	87,089	2,998,923	3,557,506	—	—	—
Other creditors	4,254,355	12,567,062	9,680,020	2,137,049	2,211,541	2,393,975
Dividends payable	2,273,305	1,942,842	1,809,184	—	—	—
Prov. Minimum Dividend 30%	5,852,518	7,687,670	4,768,828	—	—	—
Total	**56,675,343**	**63,816,895**	**62,897,932**	**2,137,049**	**2,211,541**	**2,393,975**

NOTE 21. INCOME TAXES AND DEFERRED TAXES

a) Balances of deferred taxes are as follows:

	ASSETS		
Description of deferred tax assets	**12-31-2010 Th$**	**12-31-2009 Th$**	**01-01-2009 Th$**
Provisions	1,686,253	1,414,939	1,201,657
Personnel benefits obligations	100,190	277,619	273,539
Taxable losses	1,705,078	1,871,508	1,900,970
Other	1,804.302	451,910	—
Deferred tax assets	**5,295,823**	**4,015,976**	**3,376,166**

	LIABILITIES		
Description of deferred tax liabilities	**12-31-2010 Th$**	**12-31-2009 Th$**	**01-01-2009 Th$**
Depreciation	12,154,997	12,022,238	10,950,559
Amortization	234,816	—	—
Foreign currency contracts	1,846,181	2,060,507	310,308
Personnel benefits obligations	4,631	4,630	4,631
Revaluations of Property, plant and equipment	6,359,243	6,359,243	6,359,243
Other	5,330,231	4,556,414	5,600,690
Deferred tax liabilities	**25,930,099**	**25,003,032**	**23,225,431**

b) Deferred tax assets, unrecognized

Deferred tax assets generated by the offsetting tax loss are recognized provided that it is probable the realization of the tax benefit through future tax benefits. The Company has not recognized deferred tax assets related to its affiliate, VCT internacional Ltda. of ThCh$795,032, related to losses of ThCh$ 4,676,659 for offsetting in future periods against tax benefits given that the current background information it is not possible to ensure the realization of the tax benefit.

Description of unrecognized deferred tax assets	**12-31-2010 Th$**	**12-31-2009 Th$**	**01-01-2009 Th$**
tax loss	795,032	627,656	105,572
Description of unrecognized deferred tax assets, Total	**795,032**	**627,656**	**105,572**

c) Information on taxes related to amounts charged to Net Equity

The Company has recognized amounts with effect on equity, which gave rise to the deferred tax detailed as follows:

Description of recognized deferred tax assets	**12-31-2010 Th$**	**12-31-2009 Th$**	**01-01-2009 Th$**
Revaluation of land	6,359,243	6,359,243	6,359,243
Other	1,565,638	1,828,435	(61,026)
Description of unrecognized deferred tax assets, Total	**7,924,881**	**8,187,678**	**6,298,217**

d) Effects for transitory increase in Income Tax Rate, in Chile.

On July 31, 2010, Law Nº 20,455 was published in the Official Gazette, which contemplates the obtaining of resources destined to fund the reconstruction of the country. For this purpose the law established a temporary increase in Corporate Income Tax for 2011 and 2012.

The tax rate will be 20% and 18.5% for 2011 and 2012, respectively. In 2013 the tax rate will return to the permanent rate established in article 20 of Income Tax Law (17%).

Considering the assets and liabilities determined by the companies in Chile and its reversal period, an effect in deferred taxes has been determined in these financial statements as follows:

- Largest deferred tax liability (with effect in income) amounting to Th$542,275.

e) Deferred tax variations

Changes in "Deferred Taxes" of the statement of income for 2009 and 2010, is as follows:

Movements in deferred taxes	Asset Th$	Liability Th$
Balance as of 1-1-2009	3,376,166	23,225,431
Increase(decrease) in income	639,810	71,119
Increase(decrease) in equity	—	1,889,461
Other increases(decreases)	—	(182,979)
Balance as of 12-31-2009	**4,015,976**	**25,003,032**
Increase(decrease) in income	1,278,280	836,597
Increase(decrease) in equity	—	(262,797)
Other increases(decreases)	1,567	353,267
Balance as of 12-31-2010	**5,295,823**	**25,930,099**

f) Expense composition for income tax.

1) The expense (income) for income tax, separated in deferred and income tax as of December 31,2010 and December 31, 2009 is as follows:

Description of expenses (income) for current and deferred taxes	12/31/2010 Th$	12/31/2009 Th$
Current income tax expense		
Current tax expenses	10,718,320	9,445,805
Adjustments to prior year current tax	(614,216)	640,383
Other current tax expense	60,306	82,474
Current tax expense, net, total	**10,164,411**	**10,168,662**
Income deferred tax expense		
Deferred expense(income) for taxes related to the creation and reversal of temporary differences	(983,958)	(568,691)
Deferred expense (income) due to taxes related to changes of tax rate or new rates	542,275	—
Other deferred tax expense	—	—
Deferred tax expense, net, total	**(441,683)**	**(568,691)**
Expense (Income) in income tax	**9,722,728**	**9,599,971**

2) The composition of expense (income) from income tax, considering the source (Chile or abroad) and the type of tax is as follows:

Description of expense (income) in taxes of foreign and domestic	12-31-2010 Th$	12-31-2009 Th$
Current income tax expense on foreign and domestic parts, net		
Current tax expense, net, foreign	1,560,081	1,328,422
Current tax expense, net, domestic	8,604,329	8,840,240
Current tax expense, Net, Total	**10,164,411**	**10,168,662**
Income deferred tax expense on foreign and domestic parts, net		
Deferred taxes expense, net, foreign	(60,086)	(16,250)
Deferred taxes expense, net, domestic	(381,597)	(552,441)
Deferred tax expense, Net, Total	**(441,683)**	**(568,691)**
Expense (Income) for income tax	**9,722,728**	**9,599,971**

g) Reconciliation of income tax expense

1) Reconciliation of values in which are indicated the amounts that give rise to variations of the income tax expense recorded in the Statement of Income, beginning from the tax amount resulting after applying the taxable rate on "Income before taxes".

Reconciliation of tax expense	12-31-2010 Th$	12-31-2009 Th$
Taxes expense using the legal rate	**8,779,021**	**9,329,263**
Tax effect of rates in other jurisdictions	802,472	632,341
Tax effect of ordinary income, non-taxable	(171,150)	(124,566)
Tax effect of expenses non-taxable deductible	87,514	102,004
Tax effect on the use of tax losses not previously recognized	—	—
Tax effect of tax benefit not previously recognized in the Statement of Income	—	—
Tax effect of a new assets evaluation for unrecognized deferred taxes	—	—
Tax effect of change in taxable rates	542,275	—
Tax effect of tax provide in excess in prior periods	—	—
Taxation calculated with applicable rate	—	—
Other increase (decrease) in charge for legal taxes	(317,404)	(339,071)
Adjustments to tax expense using the legal rate, Total	**943,707**	**270,708**
Tax expense using the effective rate	**9,722,728**	**9,599,971**

2) Reconciliation of effective rate (%), indicating the current variations which have effect in that the effective rate, which finally affect income, is different from the legal rate in force (17%).

	12-31-2010	12-31-2009
Tax expense using the legal rate (%)	**17.00%**	**17.00%**
Tax effect of rates in other jurisdictions (%)	1.55%	1.15%
Tax effect of non-taxable Ordinary Income (%)	-0.33%	-0.23%
Tax effect of expenses not taxable deductible (%)	0.17%	0.19%
Tax effect after using tax losses not previously recognized (%)	—	—
Tax effect of tax benefit not previously recognized in the Statement of Income (%)	—	—
Tax effect of a new evaluation of unrecognized deferred tax assets (%)	—	—
Tax effect of change in tax rates (%)	1.05%	—
Tax effect of tax provide in excess in prior periods (%)	—	—
Taxation calculated using the applicable rate (%)	—	—
Other Increase(Decrease) in charge for legal taxes (%)	-0.61%	-0.62%
Adjustments to the expense for taxes using legal tax , total (%)	**1.83%**	**0.49%**
Tax expense using the effective rate (%)	**18.83%**	**17.49%**

h) Current tax assets are detailed as follows:

Description	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
VAT Credit	4,571,258	3,819,548	6,437,194
IABA Credit*	541,537	628,184	535,543
Income tax current and prior years	9,875,088	6,885,914	7,281,710
Other credits	168,949	1,626,945	1,440,450
Provision for other recoverable taxes	(303,582)	(303,582)	(313,261)
Total	**14,853,251**	**12,657,009**	**15,381,635**

*** IABA: Additional Tax to Non-alcoholic Beverages**

i) Current tax liabilities are detailed as follows:

Description	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
Income tax	14,684,958	8,767,556	5,983,778
VAT debit	780,462	426,735	512,288
IABA debit	1,788,952	1,455,067	1,367,788
Provision for taxes	731,074	467,132	630,386
Other	36,998	37,780	45,138
Total	**18,022,445**	**11,154,271**	**8,539,379**

*** IABA: Additional Tax to Non-alcoholic Beverages**

NOTE 22. LEASES

a) Future financial lease minimum payments of Sociedad Trivento Bodega y Viñedos S. A. which correspond to the bottling line as of December 31, 2010, December 31, 2009 and January 1, 2009, the payments committed are as follows:

Minimum payable	12-31-2010 Th$ Gross investment	12-31-2009 Th$ Gross investment	01-01-2009 Th$ Gross investment
Less than a year	227,306	415,093	636,415
More than a year but less than 5 years	268,245	587,402	1,424,263
More than 5 years	—	—	—
Sub- Total	**495,551**	**1,002,495**	**2,060,678**
Deferred interest	(85,890)	(181,601)	(485,365)
Present value	**409,661**	**820,894**	**1,575,313**

b) The operating leases which mainly correspond to long-term lease of farms for agricultural land in which grapes for wine were planted are recorded as of December 31, 2010. These contracts have no implicit derivatives given that do not comply with the features described in Note 2.6.9 *Implicit Derivatives.*

Minimum payments payable are:

Short-term portion Th$	1 to 5 years Th$	More than 5 years Th$	Total amount owed Th$
747,176	1,191,441	1,857,984	3,796,601

c) Operating leases consumed during 2010-2009 are detailed as follows:

Leases	2010 Th$	2009 Th$
Consumed leases	4,276,803	4,462,512
Total	**4,276,803**	**4,462,512**

NOTE 23. BENEFITS TO EMPLOYEES

23.1 Employee benefits and expenses

The movement in classes of expenses is detailed as follows:

Employee benefits and expenses	12-31-2010 Th$	12-31-2009 Th$
Participation in profits, bonuses and expenses	**40,615,584**	**37,419,590**
Participation in profits and bonuses, current	8,530,953	8,304,437
Personnel expenses	**32,084,631**	**29,115,153**
Wages and Salaries	26,167,412	24,057,522
Short-term benefits to employees	3,563,180	2,704,567
Expense for obligation of personnel benefits	346,589	325,366
Other long-term benefits	964,924	1,068,683
Other personnel expenses	1,042,526	959,015

23.2 Severance Indemnities Obligations

A. General aspects:

Viña Concha y Toro and some of its subsidiaries located in Chile provide severance indemnity benefit plans to active employees which are determined and recorded in the financial statements following the criterion described in Note 2.23). These benefits are mainly referred to:

- Severance indemnity:

The beneficiaries receive the equivalent of a determined number of days per contractual years of service at his/her retirement date and/or due to cease of his/her functions. In case of dissociation due to a Company decision, beneficiaries receive the equivalent stipulated by law.

B. Openings, movements and presentation in financial statements:

Balances of obligations related with severance indemnities are as follows:

	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 Th$
Severance indemnity obligation	1,841,740	1,606,683	1,582,919
Total	**1,841,740**	**1,606,683**	**1,582,919**

Movement of obligations for employment termination for the year ended as of December 31, 2010 and December 31, 2009 is detailed as follows:

Employment termination benefits	**Severance indemnity Th$**
Initial balance	1,582,919
Balance as of January 1, 2009	**1,582,919**
Current period costs of services	180,694
Cost for interest	68,995
Actuarial (Profits) losses	(28,069)
Paid benefits	(168,441)
Costs of past services	—
Other	(29,415)
Balance as of December 31, 2009	**1,606,683**
Current period costs of services	203,824
Cost for interest	78,291
Actuarial (Profits) losses	(6,188)
Paid benefits	(43,240)
Costs of past services	—
Other	2,370
Balance as of December 31, 2010	**1,841,740**

The main actuarial hypothesis used for the calculation of severance indemnity obligations as of December 31, 2010 and December 31, 2009 is detailed as follows:

Actuarial Hypothesis	**As of December 31, 2010**	**As of December 31, 2009**
Retirement rate	0.7%	0.7%
Mortality rate	RV-2004	RV-2004
Discount rate	5.0%	5.0%
Salary increase rate	3.5%	3.0%
Future permanence (years)	7.2	7.2

During the Company's Board meeting held on May 28, 2009 it was agreed to offer the balance of shares not subscribed by shareholders during the preferred option period (with charge to the Company's capital contribution agreed during the Shareholder's Board meeting held on December 18, 2008), between all the employees of Viña Concha y Toro S.A. and subsidiaries whom voluntarily wish to participate in this program, at prorate of their age in the Company and salaray, in the same price and subject to the same conditions offered to the shareholders during this period. Unsubscribed shares in the preferred option period reached a total of 1,674,591, equivalent to 5.98% of the new issuance (which correspond to 0.22% of the Company's total shares). Shares purchases reached Th$ 1,404,149 as of December 31, 2009.

The purpose of the explanation in the aforementioned paragraph is to establish a procedure for employees to effectively participate in the Company's property, as shareholders, and concentrate their efforts to achieve a greater value to the company and for their own investment.

The amounts recorded in the consolidated statement of comprehensive income by function as of December 31, 2010 and 2009 are as follows:

	For the twelve months ended as of December 31,	
Recognized expense of employment termination benefits	**2010 Th$**	**2009 Th$**
Cost of services for current period	203,824	180,694
Interest cost	78,291	68,995
Actuarial(Profits) losses	(6,188)	(28,069)
Paid benefits	256,958	25,474
Costs of past services	—	—
Other	—	—
Total expense recognized in the Consolidated Statement of Comprehensive Income by Function	**532,885**	**247,093**

NOTE 24. PROVISIONS

23.1 Other short-term provisions

The composition of other short-term provisions as of December 31, 2010, December 31, 2009 and January 1, 2009, respectively, is as follows:

Concept	12-31-2010 Th$	12-31-209 Th$	01-01-2009 Th$
Provision for advertising expense(1)	13,939,484	17,729,306	20,659,543
Other provisions (2)	552,378	696,486	675,170
Provision for restructuring (3)	196,126	196,126	196,126
Total	**14,687,987**	**18,621,918**	**21,530,839**

1. Provisions for advertising expenses correspond to the estimates of amounts payable to foreign customers - dealers on advertising services.

2. Expenses estimate are included in other provisions.

3. The provision for restructuring has been a plan applied since 2005 related to Company's personnel dissociation which ends in 2011. To date, approximately 60% of the plan has been materialized.

Movement of other short-term provisions between January 1, 2010 and December 31, 2010, is detailed as follows:

Movement in Provisions	Provision for restructuring Th$	Advertising expense provision Th$	Other provisions Th$	Total Th$
Balance as of 1-1-2010	196,126	17,729,306	696,486	18,621,918
Provisions constituted in the period	—	9,174,993	1,992,667	11,167,659
Provisions used in the period	—	(12,964,815)	(2,136,775)	(15,101,590)
Final balance as of 12-31-2010	**196,126**	**13,939,484**	**552,378**	**14,687,987**

Movement of other short-term provisions between January 1, 2009 and December 31, 2009, is detailed as follows:

Movement in Provisions	Provision for restructuring Th$	Advertising expense provision Th$	Other provisions Th$	Total Th$
Balance as of 1-1-2009	196,126	20,659,543	675,170	21,530,839
Additional provisions	—	705,886	642,314	1,348,200
Other increase(decrease)	—	(3,636,123)	(620,999)	(4,257,122)
Final balance as of 12-31-2009	**196,126**	**17,729,306**	**696,485**	**18,621,917**

NOTE 25. PROFIT PER SHARE

24.1 Information to be disclosed on basic earnings (losses) per share

Earnings per basic shares will be calculated dividing the gain for the period attributable to Company's shareholders by the weighted average of the number of common shares in circulation during the year.

As indicated, the basic earnings per share amounted to:

Basic earnings per share	12-31-2010 Th$	12-31-2009 Th$
Profit (loss) attributable to the company's shareholders	41,918,574	45,278,038

	12-31-2010 Units	12-31-2009 Units
Number of common shares in circulation	747,005,982	747,005,982

	12-31-2010 $	12-31-2009 $
Basic earnings per share	56.12	61.39

24.2 Information to be disclosed on diluted earnings (losses) per share

The Company has not performed any type of operation of potential diluted effect which suppose a diluted benefit per share other than the common benefit per share.

NOTE 26. CAPITAL AND RESERVES

26.1 Subscribed and paid capital

As of December 31, 2010 the capital of Viña Concha y Toro S.A. amounts to Th$ 78,030,378 which is comprised of 747.005.982 shares at par value totally subscribed and paid, the variations experienced between December 2010 and December 2009 correspond to the payment of subscribed shares.

The issuance premium corresponds to the surcharge in the placement of shares generated in the capital contributions operations.

26.2 Shares

- Number of shares as of December 31, 2010.

	Number of subscribed shares	Number of paid shares	Number of shares with voting rights
100% PAID SHARES	747,005,982	747,005,982	747,005,982

- Number of shares as of December 31, 2009.

	Number of subscribed shares	Number of paid shares	Number of shares with voting rights
100% PAID SHARES	747,005,982	735,617,803	747,005,982
50% PAID SHARES	—	11,388,179	—

Shares of Concha y Toro are, ordinary, of a unique series and with no par value.

The movement of shares between January 1, 2010 and December 31, 2010 is as follows:

N° of subscribed shares as of 1-1-2010	**747,005,982**
Movements in the year:	
Capital contribution with issuance of payment shares	—
N° of subscribed shares as of 12-31-2010	**747,005,982**

The movement of shares between January 1, 2009 and December 31, 2009 is as follows:

N° of subscribed shares as of 1-1-2009	**719,170,735**
Movements in the year:	
Capital contribution with issuance of payment shares	27,835,247
N° of subscribed shares as of 12-31-2009	**747,005,982**

26.3 Capital management

In order to attempt the optimization of return for its shareholders, through the efficient management of financing costs, the Company uses several short and long-term financial sources as well as its own capital and gains generated by operations.

The Company's objective is to maintain a proper capital structure, considering its leverage levels, financing costs (internal and external) and evaluates on a regular basis the different financing instruments available as well as the market conditions.

26.4 Other reserves

- Conversion Reserves: This amount represents the conversion loss of subsidiaries with functional currency other than pesos.

The detail of conversion differences, net of taxes is detailed as follows:

Accumulated conversion difference	as of 12-31-2010 Th$	as of 12-31-2009 Th$
Conversion adjustment in Colligated (Ind. Corchera)	304,702	—
Adjustment in foreign subsidiaries (Sweden, Finland, Norway, Brazil, UK)	(2,031,067)	(552,697)
Total	**(1,726,365)**	**(552,697)**

- Hedging Reserves: Represents the fair value of future cash flows of expected entries which qualify as hedging and which will affect incomes and are presented net of deferred taxes.

- Reserves for investments available for sale: This amount represents the change of market value of financial assets available for sale, constituted of investments in other companies and which are presented net of deferred taxes.

26.5 Dividends

A detail of dividends of column Profit (losses) accumulated as of December 31, 2010:

Dividend provision	Payment date	Total Th$
Provisional dividend No.240	sep-10	2,241,018
Provisional dividend No.241	dec-10	2,241,018
Provisional dividend No.242	mar-11	2,241,018
Total Dividends Provision 2010		**6,723,054**
Final dividend Profit 2009		10,265,289
Balance as of 12-31-2010		**16,988,343**

The intention of the Board is to distribute with charge to income expected to be obtained during 2010, the dividends Nº 240, Nº 241 and Nº 242 of $3,00 each, which will be paid as provisional on September 30, and December 29, 2010 and March 31, 2011, respectively.

These provisional dividend payments will be subject to the Company's cash availability. A fourth dividend will be paid for the amount which result necessary up to complete 40% of 2010 profits, in the date determined by the Shareholders Meeting celebrated in 2011.

A detail of dividends in Column “Accumulated profits (losses) “as of December 31, 2009 is presented as follows:

Dividend provision	Payment date	Total Th$
Provisional dividend No.237	sep-09	1,853,487
Provisional dividend No.238	dic-09	1,853,487
Provisional dividend No.239	mar-10	1,853,487
Total Dividends Provision 2009		**5,560,461**
Final dividend profit 2008		11,739,137
Balance as of 12-31-2009		**17,299,598**

26.6 Increase(Decrease) for other contributions of owners :

The amount of Th$5,218,138 expressed in the Statement of Changes in Net Equity as of December 31, 2010, in column Issued Capital correspond to the payment of 5,610,879 subscribed shares.

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

NOTE 27. EFFECT OF VARIATIONS IN EXCHANGE RATES OF FOREIGN CURRENCY

Assets and Liabilities in Foreign Currency

	12/31/2010		12/31/2009		01/01/2009	
Current Assets	**Up to 90 days Th$**	**From 91 days to 1 year Th$**	**Up to 90 days Th$**	**From 91 days to 1 year Th$**	**Up to 90 days Th$**	**From 91 days to 1 year Th$**
Cash and cash Equivalents	16,757,549	—	6,997,300	—	3,949,865	—
CLP	7,023,732	—	2,335,256	—	1,478,300	—
USD	3,443,325	—	478,730	—	1,264,730	—
CAD	657,698	—	297,819	—	86,389	—
EUR	1,480,906	—	457,582	—	242,121	—
GBP	1,800,515	—	1,402,684	—	669,730	—
SEK	432,970	—	534,621	—	32,620	—
NOK	653,596	—	982,160	—	18,192	—
ARS	307,060	—	349,211	—	8,742	—
BRL	957,747	—	159,237	—	149,041	—
Other current financial assets	10,721,894	-	10,903,083	—	5,126,520	—
CLP	1,036,619	—	529,587	—	2,446,871	—
USD	2,827,766	—	5,889,081	—	2,679,649	—
CAD	616,700	—	405,415	—	—	—
EUR	3,655,601	—	3,205,350	—	—	—
UF	88,888	—	—	—	—	—
GBP	2,126,511	—	482,519	—	—	—
SEK	109,307	—	149,987	—	—	—
NOK	25,208	—	50,072	—	—	—
BRL	235,294	—	191,072	—	—	—
Other non-financial current assets	82,500	—	—	—	—	—
CLP	82,500	—	—	—	—	—
Trade receivables and other accounts receivables	108,358,712	—	99,524,546	3,456,682	110,532,628	—
CLP	20,151,585	—	23,333,232	307,892	18,413,222	—
USD	33,011,452	—	27,280,265	2,867,926	40,778,544	—
CAD	2,933,259	—	2,423,301	203,943	2,936,380	—
EUR	7,858,958	—	7,574,903	73,923	16,376,514	—
UF	79,676	—	192,493	2,998	131,603	—
GBP	23,191,515	—	23,620,329	—	28,530,391	—
SEK	4,549,891	—	4,386,547	—	—	—
NOK	1,111,120	—	1,110,054	—	—	—
ARS	6,159,719	—	5,828,741	—	2,835,841	—
BRL	9,311,537	—	3,774,681	—	530,133	—
Account receivable from related entities, current	609,117	—	220,820	—	240,155	—
CLP	609,117	—	220,820	—	240,155	—

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

		12/31/2010		12/31/2009		01/01/2009	
Current assets		**Up to 90 days Th$**	**From 91 days to 1 year Th$**	**Up to 90 days Th$**	**From 91 days to 1 year Th$**	**Up to 90 days Th$**	**From 91 days to 1 year Th$**
Inventories		107,233,780	—	118,196,897	—	111,600,565	—
	CLP	24,493,476	—	102,431,787	—	98,117,458	—
	EUR	65,554,740	—	303,981	—	303,981	—
	GBP	271,919	—	3,830,954	—	3,830,954	—
	SEK	3,635,027	—	541,027	—	541,027	—
	NOK	577,441	—	—	—	—	—
	ARS	6,798,624	—	8,448,766	—	8,448,766	—
	BRL	5,902,553	—	1,778,775	—	358,379	—
Biological assets, current		10,944,784	—	10,368,684	—	12,822,074	—
	CLP	9,664,955	—	10,360,615	—	8,211,356	—
	USD	1,279,829	—	8,069	—	139,940	—
	UF	—	—	—	—	2,848,523	—
	SEK	—	—	—	—	3,155	—
	ARS	—	—	—	—	1,619,100	—
Prepayments, current		4,616,263	—	3,703,965	—	3,380,234	—
	CLP	1,416,139	—	—	—	3,380,234	—
	USD	579,595	—	117,202	—	—	—
	EUR	2,564,317	—	—	—	—	—
	UF	21,700	—	2,352,982	—	—	—
	GBP	31,532	—	—	—	—	—
	SEK	2,980	—	21,545	—	—	—
	NOK	—	—	920	—	—	—
	ARS	—	—	1,211,316	—	—	—
Current tax assets		14,853,251	—	12,657,009	—	15,381,635	—
	CLP	5,745,786	—	4,284,154	—	8,843,810	—
	USD	3,847,340	—	3,842,598	—	897,564	—
	EUR	62,697	—	33,984	—	—	—
	UF	48,706	—	—	—	—	—
	GBP	967,965	—	797,764	—	1,622,498	—
	SEK	86,394	—	—	—	4,429	—
	ARS	3,549,997	—	3,694,055	—	4,013,334	—
	BRL	544,366	—	4,454	—	—	—
Other assets, current		—	—	—	—	—	—
	USD	—	—	—	—	4,418	—
	UF	—	—	—	—	(4,418)	—
Total current		**274,177,850**	—	**262,572,304**	**3,456,682**	**263,033,676**	—
	CLP	70,223,909	—	143,495,451	307,892	141,131,406	—
	USD	44,989,307	—	38,477,552	2,867,926	45,764,845	—
	CAD	4,207,657	—	3,126,535	203,943	3,022,769	—
	EUR	81,177,219	—	11,575,800	73,923	16,922,616	—
	UF	238,970	—	2,545,475	2,998	2,975,708	—
	GBP	28,389,957	—	30,134,250	—	34,653,573	—
	SEK	8,816,569	—	5,633,727	—	581,231	—
	NOK	2,367,365	—	2,143,206	—	18,192	—
	ARS	16,815,400	—	19,532,089	—	16,925,783	—
	BRL	16,951,497	—	5,908,219	—	1,037,553	—

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

		12/31/2010		12/31/2009		01/01/2009	
		Up to 90 days	From 91 days to 1 year	Up to 90 days	From 91 days to 1 year	Up to 90 days	From 91 days to 1 year
Non-current assets		**Th$**	**Th$**	**Th$**	**Th$**	**Th$**	**Th$**
Other non-financial non-currents assets		2,442,581	—	2,779,252	—	3,244,011	—
	CLP	2,442,581	—	2,779,252	—	3,244,011	—
Investments in associates recorded using the equity method		9,627,465	—	9,626,139	—	9,121,449	—
	CLP	9,627,465	—	9,626,139	—	9,121,449	—
Intangible assets, net		8,863,353	—	8,379,752	—	8,417,493	—
	CLP	8,863,353	—	8,379,752	—	8,417,493	—
Goodwill		—	—	—	—	—	—
	CLP	—	—	—	—	—	—
Property, plant and equipment		225,070,491	—	229,469,990	—	226,652,653	—
	CLP	199,059,654	—	207,893,341	—	199,141,225	—
	USD	26,010,837	—	21,576,649	—	27,438,353	—
	GBP	—	—	—	—	47,680	—
	BRL	—	—	—	—	25,395	—
Non-current biologic asset		53,672,218	—	52,529,942	—	50,621,435	—
	CLP	53,672,218	—	52,529,942	—	50,621,435	—
Deferred tax assets		5,295,823	—	4,015,976	—	3,376,166	—
	CLP	4,274,262	—	3,389,936	—	2,609,149	—
	USD	75,792	—	—	—	—	—
	SEK	—	—	131,338	—	—	—
	ARS	945,769	—	494,702	—	767,017	—
Other non-current		5,765,933	—	3,943,612	—	—	—
	CLP	—	—	—	—	—	—
	USD	1,754,407	—	167,848	—	—	—
	CAD	369,941	—	294,233	—	—	—
	EUR	3,584,960	—	3,444,055	—	—	—
	GBP	56,625	—	—	—	—	—
	BRL	—	—	37,476	—	—	—
Total non-current		**310,737,864**	**—**	**310,744,663**	**—**	**301,433,207**	**—**
	CLP	277,939,533	—	284,598,362	—	273,154,763	—
	USD	27,841,036	—	21,744,497	—	27,438,353	—
	CAD	369,941	—	294,233	—	—	—
	EUR	3,584,960	—	3,444,055	—	—	—
	UF	—	—	—	—	—	—
	GBP	56,625	—	—	—	47,680	—
	SEK	—	—	131,338	—	—	—
	NOK	—	—	—	—	—	—
	ARS	945,769	—	494,702	—	767,017	—
	BRL	—	—	37,476	—	25,395	—
	CHF	—	—	—	—	—	—
Total assets		**584,915,714**	**—**	**573,316,967**	**3,456,682**	**564,466,883**	**—**

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

Current liabilities		12/31/2010 Up to 90 days Th$	12/31/2010 From 91 days to 1 year Th$	12/31/2009 Up to 90 days Th$	12/31/2009 From 91 days to 1 year Th$	01/01/2009 Up to 90 days Th$	01/01/2009 From 91 days to 1 year Th$
Other current financial liabilities							
Bank loans		6,957,216	23,774,998	9,797,697	27,093,352	15,032,349	60,037,124
	CLP	—	—	—	8,809,308	2,366,360	22,989,479
	USD	1,288,171	19,551,645	6,888,130	7,863,536	9,216,673	22,496,986
	CAD	299,019	—	79,237	—	—	—
	EUR	672,568	—	785,329	—	265,444	2,205,810
	UF	1,590,297	1,262,091	785,012	7,906,714	165,796	10,060,129
	GBP	1,933,262	—	178,843	—	—	—
	SEK	62,366	—	49,550	—	—	—
	NOK	18,068	—	7,146	—	—	—
	ARS	664,822	1,541,721	803,744	2,513,794	3,018,076	2,284,720
	BRL	428,643	1,419,541	220,706	—	—	—
Trade, creditors and other accounts payable current		56,675,343	—	63,816,895	—	62,897,932	—
	CLP	41,360,701	—	48,788,450	—	39,011,997	—
	USD	1,322,302	—	760,111	—	2,707,986	—
	CAD	390,590	—	31,949	—	153,442	—
	EUR	961,994	—	275,197	—	1,462,426	—
	UF	161,668	—	—	—	3,936,717	—
	GBP	3,251,775	—	4,171,200	—	9,483,079	—
	SEK	269,768	—	560,071	—	9,238	—
	NOK	150,673	—	85,926	—	—	—
	ARS	5,407,939	—	4,288,489	—	5,211,728	—
	BRL	3,397,933	—	4,855,502	—	921,319	—
Accounts payable to related entities, current		2,876,996	—	2,479,224	—	3,620,684	—
	CLP	2,876,996	—	2,479,224	—	3,620,684	—
Provisions, current		14,687,986	—	18,621,917	—	21,530,839	—
	CLP	2,154,182	—	104,285	—	3,250,558	—
	USD	4,996,407	—	867,412	—	2,881,362	—
	CAD	455,086	—	4,997,766	—	1,444,674	—
	EUR	455,086	—	9,708,115	—	3,925,957	—
	UF	(162,882)	—	3,008,319	—	383,835	—
	GBP	6,476,269	—	144,590	—	8,889,841	—
	SEK	269,310	—	—	—	—	—
	NOK	44,528	—	—	—	—	—
	ARS	—	—	—	—	747,124	—
	BRL	—	—	—	—	7,488	—

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
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(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

	12/31/2010		12/31/2009		01/01/2009	
Current liabilities	**Up to 90 days Th$**	**From 91 days to 1 year Th$**	**Up to 90 days Th$**	**From 91 days to 1 year Th$**	**Up to 90 days Th$**	**From 91 days to 1 year Th$**
Accounts payable due to tax payables current	18,022,445	—	11,154,271	—	8,539,379	—
CLP	11,364,783	—	10,865,589	—	8,295,243	—
USD	1,252,018	—	—	—	—	—
CAD	1,014,383	—	—	—	—	—
EUR	136,458	—	—	—	—	—
UF	6,454	—	—	—	—	—
GBP	218,012	—	183,394	—	147,025	—
SEK	2,025,847	—	—	—	—	—
NOK	1,164,494	—	—	—	—	—
ARS	—	—	—	—	97,111	—
BRL	839,996	—	105,288	—	—	—
Deferred taxes	7,289	—	12,694	—	—	—
ARS	7,289	—	12,694	—	—	—
Accumulated liabilities or accrued, total	9,917,400	—	7,567,539	—	8,063,787	—
CLP	9,627,132	—	7,567,539	—	7,150,147	—
USD	220,712	—	—	—	885,182	—
EUR	—	—	—	—	15,543	—
ARS	—	—	—	—	12,915	—
BRL	69,556	—	—	—	—	—
Total current liabilities	**109,144,675**	**23,774,998**	**113,450,237**	**27,093,352**	**119,684,970**	**60,037,124**
CLP	67,383,794	—	69,596,517	8,809,308	63,694,989	22,989,479
USD	9,079,610	19,551,645	8,515,653	7,863,536	15,691,203	22,496,986
CAD	2,159,078	—	5,108,952	—	1,598,116	—
EUR	2,226,106	—	10,768,641	—	5,669,370	2,205,810
UF	1,595,537	1,262,091	3,793,331	7,906,714	4,486,348	10,060,129
GBP	11,879,318	—	4,678,027	—	18,519,945	—
SEK	2,627,291	—	609,621	—	9,238	—
NOK	1,377,763	—	93,072	—	—	—
ARS	6,080,050	1,541,721	5,104,927	2,513,794	9,086,954	2,284,720
BRL	4,736,128	1,419,541	5,181,496	—	928,807	—

VIÑA CONCHA Y TORO S.A. AND SUBSIDIARIES
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(Thousands of Chilean pesos)
For the year ended as of December 31, 2010 and 2009 and as of January 1, 2009

	12/31/2010			12/31/2009			01/01/2009		
Current liabilities	**1 to 3 years Th$**	**3 to 5 years Th$**	**More than 5 years Th$**	**1 to 3 years Th$**	**3 to 5 years Th$**	**More than 5 years Th$**	**1 to 3 years Th$**	**3 to 5 years Th$**	**More than 5 years Th$**
Loans which accrue interest, non-current	18,406,974	5,048,365	26,503,915	26,452,677	6,753,296	29,566,418	28,568,210	9,630,104	31,547,896
CLP	—	—	—	27,035	—	—	1,134,521	—	—
USD	9,190,993	—	—	17,494,950	1,825,560	—	11,738,075	4,582,440	—
CAD	146,799	—	—	44,675	—	—	—	—	—
EUR	—	—	—	727,251	—	—	—	—	—
UF	5,048,365	5,048,365	26,503,915	4,298,866	4,927,736	29,566,418	12,556,064	5,047,664	31,547,896
GBP	617,596	—	—	2,891,440	—	—	—	—	—
ARS	3,403,221	—	—	968,460	—	—	3,139,550	—	—
Trade creditors and other accounts payable non-current	2,137,049	—	—	2,211,541	—	—	2,005,280	388,695	—
CLP	—	—	—	—	—	—	1,259,454	—	—
UF	2,137,049	—	—	2,211,541	—	—	95,853	—	—
ARS	—	—	—	—	—	—	649,973	388,695	—
Accounts payable to related entities non-current	1,452,471	—	—	1,664,255	—	—	742,465	377,822	826,953
UF	1,452,471	—	—	1,664,255	—	—	—	—	—
Deferred tax liabilities	1,850,812	5,330,231	18,749,056	15,618,791	13,811	9,370,430	13,822,249	12,588	9,390,594
CLP	1,850,812	5,330,231	18,749,056	15,618,791	13,811	9,370,430	13,822,249	12,588	9,390,594
Severance indemnity obligations non-current	—	1,841,740	—	—	1,606,683	—	—	1,582,919	—
CL	—	1,841,740	—	—	1,606,683	—	—	1,582,919	—
Total non-current liabilities	**23,847,306**	**12,220,336**	**45,252,971**	**45,947,266**	**8,373,790**	**38,936,848**	**45,138,204**	**11,992,128**	**41,765,443**
CLP	1,850,812	7,171,971	18,749,056	15,645,828	1,620,494	9,370,430	16,958,689	1,973,329	10,217,547
USD	9,190,993	—	—	17,494,950	1,825,560	—	11,738,075	4,582,440	—
CAD	146,799	—	—	44,675	—	—	—	—	—
EUR	—	—	—	727,251	—	—	—	—	—
UF	8,637,885	5,048,365	26,503,915	8,174,662	4,927,736	29,566,418	12,651,917	5,047,664	31,547,896
GBP	617,596	—	—	2,891,440	—	—	—	—	—
SEK	—	—	—	—	—	—	—	—	—
NOK	—	—	—	—	—	—	—	—	—
ARS	3,403,221	—	—	968,460	—	—	3,789,523	388,695	—
BRL	—	—	—	—	—	—	—	—	—

NOTE 28. OPERATION SEGMENTS

Viña Concha y Toro S.A. centers its operations in the wine activity with a special approach in the production and merchandising of wine, which represents more than 90% of the Company's income at the consolidated level. Viña Concha y Toro S.A. performs other businesses which represent in the aggregate less than 10% of its consolidated income, which will be defined as "Other products".

The operation segments determined based on the aforementioned paragraph is detailed as follows:

- Wines: Production, distribution and merchandising of wines under all its brands, which include the agricultural operations, enology and packing operations which are transversal to all products and markets in Chile and Argentina; the storage, transportation and merchandising of these in the domestic and export markets, including the consolidation in those countries where exist an importer, dealer or related commercial office.

- Others: Group of other products which do not qualify with 10% of sales, assets or operating result as the liquor distribution and premium beers in Chile, wine bar, tours in Pirque and sale of fruit, among others.

Directors and the General Manager for Viña Concha y Toro S.A. are responsible to make decisions with respect to the management and assignment of resources. They are also responsible of the performance evaluation for the operation segment of wine and other products described above.

a) Basis and application methodology

The information by segments presented below is based on information assigned directly and indirectly, as per the following opening:

The operating income of segments correspond to income directly attributable to the segment. The expenses of each segment break down between those directly attributable to each segment through the assignation of costs centers differentiated for each one and expenses which can be distributed to segments using reasonable distribution basis.

Assets and liabilities of segments are those directly related to the segments operation.

The transactions between segments are performed under the regular terms and conditions of the market. The accounting policies used for segments are those described in Note 2.3 Financial Information by operating segments.

b) Information by segments as of December 31, 2010:

a) General information on income, assets and liabilities	Wines Th$	Other Th$	Non-assigned Th$	Total Th$
Income from ordinary activities of external customers segment	348,107,447	25,542,004	369,094	374,018,545
Depreciation included in costs of sale and administrative expenses	13,916,356	12,709	—	13,929,065
Profit (loss) of segments	38,009,297	3,540,190	369,094	41,918,580
Segments assets	558,978,293	8,843,764	16,746,887	584,568,944
Segments liabilities	49,006,928	996,550	534,565,466	584,568,944

Ordinary incomes from segments are presented by geographic location.

b) Ordinary incomes of external customers by geographic areas	Wines Th$	Other Th$	Non-assigned Th$	Total Th$
Chile	58,547,512	25,542,004	369,094	84,458,610
Europe	147,186,160	—	—	147,186,160
U.S.A.	35,224,387	—	—	35,224,387
South America	45,216,208	—	—	45,216,208
Asia	20,301,083	—	—	20,301,083
Canada	14,714,329	—	—	14,714,329
Central America	21,313,028	—	—	21,313,028
Other	2,351,294	—	—	2,351,294
Africa	3,253,447	—	—	3,253,447
Total	**348,107,447**	**25,542,004**	**369,094**	**374,018,545**

Non-current assets are presented by geographic location:

c) Ordinary assets of external customers by geographic areas	Wines Th$	Other Th$	Non-assigned Th$	Total Th$
Chile	289,026,892	435,901	—	289,462,793
Argentina	20,931,219	—	—	20,931,219
England	72,395	—	—	72,395
Sweden	10,697	—	—	10,697
Norway	509	—	—	509
Brazil	183,626	—	—	183,626
Asia	83,487	—	—	83,487
Total	**310,308,825**	**435,901**	—	**310,744,726**

d) Interest, taxes and non-current assets	Wines Th$	Other Th$	Non-assigned Th$	Total Th$
Financial income	724,007	—	—	724,007
Financial expense	—	—	3,149,276	3,149,276
Income tax	—	—	9,722,728	9,722,728
Amounts of additions of non-current assets	17,889,894	11,371	—	17,901,265
Total	**18,613,901**	**11,371**	**12,872,004**	**31,497,276**

c) Information by segments as of December 31, 2009

a) General information on incomes, assets and liabilities	Wines Th$	Other Th$	Non-assigned Th$	Total Th$
Income from ordinary activities of external customers segment	333,343,877	20,250,861	824,167	354,418,905
Depreciation included in costs of sale and administrative expenses	14,298,640	4,084	—	14,302,724
Profit (loss) of segments	41,433,772	3,020,107	824,167	45,278,046
Segments assets	561,473,926	8,302,424	6,997,300	576,773,649
Segments liabilities	62,128,818	1,340,073	513,304,758	576,773,649

Ordinary incomes from segments are presented by geographic location.

b) Ordinary incomes of external customers by geographic areas	Wines Th$	Other Th$	Non-assigned Th$	Total Th$
Chile	52,517,986	20,250,861	824,167	73,593,014
Europe	152,186,953	—	—	152,186,953
U.S.A.	38,457,144	—	—	38,457,144
South America	35,910,896	—	—	35,910,896
Asia	17,906,476	—	—	17,906,476
Canada	12,626,759	—	—	12,626,759
Central America	18,962,658	—	—	18,962,658
Other	1,989,073	—	—	1,989,073
Africa	2,785,933	—	—	2,785,933
Total	**333,343,877**	**20,250,861**	**824,167**	**354,418,905**

Non-current assets are presented by geographic location:

c) Ordinary assets of external customers bye geographic areas	Wines Th$	Other Th$	Non-assigned Th$	Total Th$
Chile	286,236,938	525,141	—	286,762,079
Argentina	23,733,666	—	—	23,733,666
England	56,395	—	—	56,395
Sweden	152,883	—	—	152,883
Brazil	39,641	—	—	39,641
Total	**310,219,522**	**525,141**	—	**310,744,663**

d) Interests, taxes and non-current assets	Wines Th$	Other Th$	Non-assigned Th$	Total Th$
Financial expense	—	—	5,594,142	5,594,142
Income tax	—	—	9,599,971	9,599,971
Amounts of additions in assets and liabilities	26,933,826	1,054	—	26,934,880
Total	**26,933,826**	**1,054**	**15,194,113**	**42,128,993**

NOTE 29. ORDINARY INCOME

Classes of Ordinary Income

Classes of Ordinary Incomes	12-31-2010 Th$	12-31-2009 Th$
Sale of goods	372,486,788	352,721,450
Lending of services	1,531,757	1,697,456
Total	**374,018,545**	**354,418,905**

NOTE 30. COSTS AND EXPENSES BY NATURE

Costs and expenses by nature as of December 31, 2010 are disclosed as follows.

Nature of cost and operating expenses	Cost of Sale Th$	Distribution Cost Th$	Administrative expense Th$	Other expenses by function Th$	Total Th$
Direct cost	236,295,058	—	—	—	236,295,058
Maintenance	286,222	3,176,573	2,624,377	—	6,087,172
Depreciations and amortizations	439,095	1,438,406	629,261	—	2,506,762
Power	198,553	719,459	33,200	—	951,212
Transportation and distribution	426,876	9,151,547	161,346	—	9,739,769
Remunerations	2,057,177	14,452,667	13,028,678	—	29,538,522
Advertising and promotions	230,670	34,176,365	31,207	—	34,438,242
Leases	1,608,497	1,449,509	480,753	—	3,538,759
Other expenses	233,716	3,691,564	1,861,804	747,463	6,534,547
Total	**241,775,864**	**68,256,090**	**18,850,626**	**747,463**	**329,630,043**

The costs distribution and expenses by nature as of December 31, 2009 are disclosed as follows:

Nature of cost and operating expenses	Cost of Sale Th$	Distribution Cost Th$	Administrative expense Th$	Other expenses by function Th$	Total Th$
Direct cost	215,900,388	—	—	—	215,900,388
Maintenance	1,190,801	2,768,575	2,242,252	—	6,201,628
Depreciations and amortizations	424,824	1,016,337	607,783	—	2,048,944
Power	158,076	562,482	25,674	—	746,232
Transportation and distribution	842,426	20,894,343	197,683	—	21,934,452
Remunerations	1,921,786	12,053,061	13,426,816	—	27,401,663
Advertising and promotions	273,889	24,779,549	636,169	—	25,689,607
Leases	388,963	1,538,248	241,662	—	2,168,873
Other expenses	2,342,790	2,195,399	1,296,287	460,452	6,294,928
Total	**223,443,943**	**65,807,994**	**18,674,326**	**460,452**	**308,386,715**

NOTE 31. FINANCIAL RESULTS

The financial result as of December 31, 2010 and 2009 is disclosed as follows.

Financial expenses	**2010 Th$**	**2009 Th$**
Banco loans expenses	(830,783)	(2,672,348)
Public obligations expenses	(1,625,423)	(1,760,223)
Other financial expenses	(121,920)	(273,104)
Financial expenses, related entities	(975,889)	(1,655,128)
Activated financial expenses	404,739	766,661
Total	**(3,149,276)**	**(5,594,142)**

Financial income	**2010 Th$**	**2009 Th$**
Investments incomes	120,130	29,411
Swap incomes	128,244	603,030
Other financial income	39,633	22,907
Financial income, related entities	52,257	79,393
Total	**340,264**	**734,741**

Income by adjustment units	**2010 Th$**	**2009 Th$**
Obligations with the public	(891,515)	1,236,481
Banco loans	(1,499)	524,918
Other	26,507	188,868
Total	**(866,507)**	**1,950,267**

Exchange difference	**2010 Th$**	**2009 Th$**
Exchange difference in trade debtors	(4,442,060)	(10,033,285)
Exchange difference in related entities	(2,438,575)	(3,365,329)
Exchange difference in advertising contributions	934,000	2,308,680
Exchange difference in derivatives	12,780,968	19,522,393
Exchange difference in Banco loans	1,904,338	1,372,886
Other exchange differences	318,461	1,032,070
Total	**9,057,132**	**10,837,415**

NOTE 32. THE ENVIRONMENT

32.1 Information to be disclosed on disbursements related to the environment

The Company is committed to protect the environment. Consequently, each executive and operator is committed to perform their operations and to provide their services taking due care in minimizing, as long as possible and reasonable, an impact in the environment and to always comply with the related legislation in force. Likewise, persons involved with this Code, which hold information of any event or activity related to the Company, which have a pollutant effect or have a harmful effect on the environment or imply an eventual infringement of the regulation applicable, will inform the Company's competent administrative area as soon as possible.

When legally applicable or considered necessary or correct, the Company will report this situation to its shareholders, the regulatory entities and the public in general, completely and truthful, thus, complying with requirements established by law on this matter.

32.2 Detail of information on disbursements related to the environment

As of December 31, 2010, the net balance of assets destined to improve the environment amounted to Th$2,528,138, which is represented in items as Construction and works of infrastructure and Machinery and equipment. As of December 31, 2009, this balance amounted to Th$ 2,672,145, which was represented in items as Construction and works of infrastructure and Machinery and equipment.

32.3 Disbursements of the period related to the environment performed as of December 31, 2010

	Identification of the Parent or Subsidiary	Name of the project to which the disbursement is associated	Detail of the concept for which the disbursement was performed or will be performed	Indication if the disbursement forms part of the asset's cost or was indicated as expense	Description of the asset or expense item	Disbursement amount Th$	Certain or estimate date in which the future disbursements will be performed
1	Concha y Toro	Water treatment	Maintenance an supplies, water treatment plants	Indicated as expense	Expenses in oenology warehouses and water treatment	737,522	There is no estimate
		Total disbursements for the period related with the environment				**737,522**	

NOTE 33. GUARANTEE COMMITTED WITH THIRD PARTIES

33.1 Direct Guarantee

	Debtor			Assets involved		Balances payable pending as of the closing date of financial statements			Guarantee release					
Guarantee creditor	**Name**	**Relationship**	**Type of guarantee**	**Type**	**Accounting value**	**12-31-2010 Th$**	**12-31-2009 Th$**	**01-01-2009 Th$**	**12-31-2011**	**Act.**	**12-31-2012**	**Act.**	**12-31-2013**	**Act.**
Agrícola Siemel Ltda.	Viña Concha y Toro	—	Mortgage	Land (1)	—	—	—	1,640,987	—	—	—	—	—	—
BBVA	Viña Concha y Toro	—	Promissory Note	—	—	—	—	374,686	—	—	—	—	—	—
SECURITY	Viña Concha y Toro	—	Letter	—	—	—	—	3,437	—	—	—	—	—	—
SECURITY	Viña Concha y Toro	—	Letter	—	—	—	—	4,294	—	—	—	—	—	—
SECURITY	Viña Concha y Toro	—	Letter	—	—	—	—	15,753	—	—	—	—	—	—
Cooperativa Curico	Viña Concha y Toro	—	Mortgage	Land (2)	—	—	1,943,312	—	—	—	—	—	—	—

(1) Correspond to a land located in Curicó, 8,793,825 sq. meters.

(2) Correspond to a land located in commune of Pudahuel, corresponding to Lot Number Two.

33.2 Indirect guarantee

	Debtor			Assets involved		Balances payable pending as of the closing date of financial statements			Guarantee release					
Guarantee creditor	Name	Relationship	Type of guarantee	Type	Accounting value	12-31-2010 Th$	12-31-2009 Th$	01-01-2009 TH$	12-31-2011	Act	12-31-2012	Act.	12-31-2013	Act.
Banco Santander Santiago	Concha y Toro UK	Subsidiary	Guarantor	—	—	2,884,040	1,935,098	2,020,194	—	—	—	—	—	—
Banco Chile	Viña Concha y Toro	Subsidiary	Guarantor	—	—	92,275	94,470	—	—	—	—	—	—	—
Banco Chile	Viña Concha y Toro	Subsidiary	Guarantor	—	—	954,120	1,044,600	—	—	—	—	—	—	—
Banco Chile	Viña Concha y Toro	Subsidiary	Guarantor	—	—	0	1,044,600	—	—	—	—	—	—	—
Banco Chile	Viña Concha y Toro	Subsidiary	Guarantor	—	—	21,508	26,986	—	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	2,478,113	2,914,156	—	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	0	616,403	636,450	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	1,216,826	1,651,080	1,272,900	—	—	—	—	—	—
Banco Santander Santiago	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	1,230,866	1,382,188	1,909,350	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	—	—	3,341,363	—	—	—	—	—	—
Banco Santander Santiago	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	1,418,070	—	1,678,637	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	—	—	1,598,397	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	—	—	1,011,956	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	—	—	3,182,250	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	—	—	2,020,092	—	—	—	—	—	—
Banco BBVA	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	—	—	332,657	—	—	—	—	—	—
Banco Santander Santiago	Trivento Bod. y Viñ.	Subsidiary	Guarantor	—	—	702,015	—	—	—	—	—	—	—	—

NOTE 34. CONTINGENCIES, RESTRICTIONS AND LAWSUITS

1) Wines Contract: The Company has long-term contracts for the acquisition of grape and wines, which have different maturities. The last of these contracts has its maturity in 2017. The estimated amount of these contracts is approximately of Th$ 8,059,535.

2) Restrictions and Limits for issuance of Public offer Bonds.

The restrictions or limits to which the Company is subject have its origin in the covenants associated to the issuance of public offer bonds whose detail is as follows:

a) To maintain assets free of encumbrances or prohibitions for an amount equivalent to at least less than 1.5 times the total amount of bonds placed in force performed with charge to the line agreed in the Contract. This obligation will be required in the Financial Statements closing date only.

b) The Issuer is obligated to not to sell, yield or transfer Essential Assets which jeopardize the continuity of its current business.

c) To send to the Representative of Bonds Holder, together with the quarterly information indicated in the bonuses issuance contract, all information on any decrease of it ownership in the capital of its significant subsidiaries, higher than ten per cent of this capital as well as any reduction which means to lose the subsidiary control, within the five following working days after performed the transaction.

d) To maintain an Indebtedness Ratio not higher than 1.4 times;

e) To always maintain, during the life of the current Bonds issuance a minimum equity of U.F 5,000,000;

f) To always maintain a Financial Expenses Hedging Ratio in a minimum of 2.5 times. The Financial Expenses Hedging Ratio must be calculated on the twelve-month period prior to the UESR date (Uniform Encoded Statistical Record);

g) Not to make investments in instruments issued by related persons, neither grants borrowings to these, or to perform other operations, in conditions that were more adverse to the Issuer in relation to those in force at the market, as indicated in article 89 of the Corporate Companies Laws. Likewise, the Issuer will look after that its subsidiaries are adjusted to this restriction. For the purposes of this clause, the term related persons will be all those indicated in article 100 of Law 18,045;

h) To perform the provisions for all adverse contingency which may adversely affect its businesses, its financial position or its operating results, which must be indicated in the Issuer's Financial Statements , if applicable, pursuant IFRS criterion. The Issuer will look after that its subsidiary companies are adjusted to the same condition;

i) To contract and maintain insurances which reasonably protect the Issuer's operating assets, as per the usual industry practices in which the Issuer operates. Likewise, the Issuer will look after that its subsidiaries companies were adjusted to the same conditions; and,

j) The Issuer and any of its subsidiaries are not allowed to perform voluntary prepayments of any existent obligation, in the event that the Issuer were in default or simple delay in the full and timely payment of the Bonuses herein indicated.- The information which support the compliance with the subjects indicated in a) to j) of this numeral and the calculations performed which validate its compliance, must be subscribed by the Issuer's Manager of Administration and Finance or his/her representative and, on an annual basis by its External Auditors, if applicable, and should be remitted to the Bonds Holder Representative through certified mail or letter with a reception stamp within the term of five working days from the fact occurrence date, unless, this relate to information which should be delivered to the Superintendence of Securities and Insurance, in whose case must be sent in the same term in which these are delivered to the aforementioned Superintendence. In the case that information sent to the Bonds Holder Representative in conformity to this number Two is qualified as confidential, this Bonds Holder Representative must maintain strict reserve of this information with respect to third parties.-

-Acceleration Causal

a) If the Issuer falls into default or simple delay in the payment of any installment of Bonuses in both the principal and interests.

b) If any statement performed by the Issuer on instruments granted or subscribed on the occasion of the obligation of information derived from this Contract, ere or resulted to be deceitfully incomplete or false.

c) If the Issuer transgressed one single and any of the obligations acquired by virtue of the bonuses issuance contract, numeral two of clause on "Protection Rules to Bonds Holders " and not repaired this transgression within the 30 days following to the date in which was requested for these effects in writing by the Bonuses Holder Representative by means of certified mail.

d) If the Issuer violate any of the obligations acquired in virtue of the bonuses issuance contract, numeral 4 of clause on "Protection Rules to Bonuses Holders" and not repaired this fault within the 60 days following to the date in which was requested for these effects in writing by the Bonuses Holder Representative by means of certified mail.

e) If the Issuer violate any of the obligations acquired in virtue of clause 7 of the Contract and in the complementary deeds which subscribe pursuant to number 4 of the aforementioned clause.

f) If the Issuer or any of its significant subsidiaries incurred in payments cease or recognize in writing the impossibility to pay its debts, or perform a general cession or abandonment of goods in benefit of its creditors or request its own Bancoruptcy.

g) If the Issuer or any significant subsidiary fall into default or simple delay in the payment of any amount owed to Bancos or to any other creditor, from one or more overdue obligations or obligations required in advance that, individually, exceeds the equivalent to UF 100,000 as of the date of its related calculation, and the Issuer or significant subsidiary, depending on the case, do not repair this fault within the 30 consecutive days following to the default date or the date of simple payment delay and/or as of the payment date of this obligation if not expressly postponed.

h) If any obligation of the Issuer or of any significant subsidiary were payable in advance, provided that this is not a regular prepayment, normally foreseen before the stipulated maturity.

i) If in the future the Issuer or any of its subsidiaries grant actual guarantees to new bonuses issuances or to any financial credit, cash credit operation or other credits, except those specified in the issuance contract.

j) If any governmental authority decree any measure to indent, confiscate, impose an embargo, expropriate, arrogate of, or take custody or control of all or significant part of the Issuer's assets or of a any significant subsidiary.

k) In case of dissolution or liquidation of the Issuer, or in case of diminution of its term to a period lower than the final amortization and Bonuses payment term corresponding to this contract;

l) If the Issuer or any significant subsidiary is declared in Bancoruptcy by processed legal sentence; and,

m) If the Issuer sell, cede or transfer Essential Assets, defined in clause first of this Contract, except in case of contributions or transfers of Essential Assets to subsidiaries companies, unless previous authorization and in writing from the Bonuses Holder Representative.

As of December 31, 2010 the Company fully complies with the aforementioned covenants.

3) Restrictions and limitations for Negotiable Instruments Issuance.

The restrictions or limitations to which the Company is subject are originated in the Protection Rules to Negotiable Instruments Holders, whose detail is as follows:

a) Limitation of liquidity indexes and/or indebtedness ratios: As long as in force issuances of Negotiable Instruments placed with charge to the Line, the Issuer is liable to the following: Beginning on the financial statements as of September 30 , 2008, to always maintain, during the life of the present issuance of Line of Negotiable Instruments, the following financial ratios: a) An Indebtedness Ratio not higher than 1.4 times; b) and Equity not lower than UF 5.000.000; and c) a Financial Expenses Hedging Ratio not lower than 2.5 times, which must be calculated on the twelve- months period prior to the financial statements date.

b) Obligations, Limitations and Prohibitions: As long as in force issuances of Negotiable Instruments placed with charge to the Line, the Issuer is liable to the following obligations, limitations and prohibitions, notwithstanding that those applicable pursuant the general regulations of the related law:

-The Issuer is liable to look after that the operations performed with its subsidiaries or other related persons, are performed in equal conditions, similar to those normally prevailing in the market. With respect to the concept, "related persons ", will apply the definition included in article 100 of Law 18,045.
-The Issuer must comply with the laws, regulations and other legal dispositions applicable, including in such compliance, with no limitations to, the timely payment and in form for all taxes, tributes, rates, rights and charges affecting the own Issuer or its movable assets or is estate assets, unless those which were impugned in good faith and in accordance with the legal procedures and/or the related administrative procedures and, provided that, in this case, proper reserves are maintained to cover this contingency, in conformity with the accounting standards generally accepted in Chile.
-To maintain, during the life of the present issuance of Line of Negotiable Instruments, assets free of Restricted Encumbrances which are equivalent to, at least, 1.5 times the total amount of Negotiable Instruments placement in force performed with charge to the Line agreed in this instruments.
-To establish and maintain proper accounting systems based on the accounting principles generally accepted in Chile and instructions of the Superintendence. The Issuer will look after the domestic subsidiaries to ensure that these are adjusted to the aforementioned requirements. – With respect to foreign subsidiaries, these should be adjusted to generally accepted accounting standards used in their own countries and, for its consolidation purposes, applicable adjustments must be done in order to be suitable to the Chilean GAAP. In addition, the Issuer must hire and maintain a prestigious and well known independent external auditors firm for the exam and analysis of its Financial Statements, on which, this audit firm must issue an opinion as of December 31 of each year. Notwithstanding, in case that the Issuer and/or its subsidiaries implement a change in the accounting standards used in its financial statements by the application of the International Financial Reporting Standards ("IFRS"), the Issuer must analyze the possible impacts that these changes could have in the obligations, limitations and prohibitions of the Issuer pursuant this Contract. The Issuer, within a term of 30 working days beginning on the date in which this accounting change was first – time adopted and reflected in the financial statements, will request to a well known audit firm which must be registered in the related Superintendence, to adapt the obligations assumed in this 3.5 clause, as per the new accounting situation. The Issuer must modify this instrument in order to adjust it to that determined by the external audit firm within a term of 20 days after these auditors deliver the related report. The Issuer must communicate the changes made to this instrument through a publication in the newspaper "El Mercurio de Santiago", no longer than 10 working days following to the date in which the modification deed was performed for this instrument. If as a result of the changes in the accounting standards used by the application of IFRS, a fault is produced with respect to the aforementioned commitments in this 3.5 clause, for the period between the change in the accounting standards by application of IFRS and the date in which the Issuer changed this instrument as indicated before, this fault will be not considered, for all purposes, as an non-compliance on the part of the Issuer to the present instrument in the terms of following 3.5.4 clause.
-To maintain insurances that properly protects its assets, in accordance to the usual practices for industries of the Issuer's nature. The Issuer will look after its subsidiaries to ensure they are also adjusted to that established in this instrument.
-To maintain, in an ongoing basis, during all the life of the Line of Negotiable Instruments', the registration of both, Issuer and the Line in the Securities record maintained by the Superintendence; and to comply with duties and obligations derived.

c) Equal treatment of holders: The Issuer will grant equal treatment, with no privilege or preference, to all and each of the promissory notes holders issued with charge to the present Line of Negotiable Instruments.

d) The Issuer recognize and accept that any promissory notes holder is able to require the payments of outstanding debts at his/her favor with respect to this promissory note, in case the Issuer does not timely and fully pay to the Negotiable Instruments holders all amounts owed with respect to principal amortizations, adjustments or interests, in the form, term and conditions established for each issuance.

e) The Issuer recognize and accept that promissory notes holders are able to require in advance, the full payment of the non-amortized principal and its accrued interests, as if were an overdue obligation, if any of the following events occur:

i. Should the issuer default or have a simple delay in the payment of any installment of principal or interest of the promissory notes issued with a charge to the commercial paper line;

ii. Should the issuer or subscriber of any of the relevant subsidiaries do not resolve within a term of thirty business days a default or simple delay in the payment of obligations for a cumulative total sum greater than the sum equivalent to a hundred and fifty thousand UF, and the date of payment of the obligations included in that amount would not have been expressly postponed. This amount will not consider the obligations which (1) were subject to pending litigation or lawsuits for obligations not recognized by the Issuer in its accounting; or (2) correspond to the price of constructions or acquisition of assets the payment of which the Issued would have objected because of defective construction of noncompliance by the constructor or seller of its contractual obligations. For the purposes of this letter ii) the conversion basis will be the exchange rate prevailing at the date of its respective calculation;

iii. Should any other creditor of the Issuer or of any of its relevant subsidiaries legally collects from it or any of its relevant subsidiaries the full amount of a loan subject to term arrangements, related to having exercised the right to anticipate the maturity of the respective loan due to noncompliance by the Issuer or any of its relevant subsidiaries, contained in the loan agreement, except for the case in which the addition of loans previously collected in accordance with this letter, do not exceed the accumulated amount of a hundred and fifty thousand UF. For the purpose of this number (iii)the basis of conversion will relate to the exchange rate or amount prevailing at the date of the related calculation;

iv. If the Issuer or any of its relevant subsidiaries were declared in Bancoruptcy or be found in insolvency or it files any statement through which it acknowledges its inability to pay its obligations at the respective expiration dates;

v. If any statement by the Issuer in the instruments granted or subscribe as a result of its commercial paper line and/or the issuances conducted under it, were found maliciously false or incomplete in any aspect essential to its statement;

vi. If the lifespan or term of the Company was amended to a date prior to the life of the commercial paper instruments issued with a charge to this line; or if the Company is early dissolved or if it decreases its subscribed and fully paid capital for any reason under terms which do not meet the ration required under number three point five of number one in this instrument; and

vii. Should the Issuer not comply with any obligation, limitation or prohibition assumed by virtue of that provided in clauses Three point five point one and Three point five point two of this instrument and such breach was maintained without being resolved during two consecutive quarters. That indicated in this number (vii) is without prejudice of that provided in letter d.) of letter above.

As of December 31, 2010 the Company complies with the aforementioned Protection Rules to Negotiable Instruments Holders.

4) Viña Concha y Toro S.A. has been involved and probably will continue being as plaintiff in certain legal processes through which mainly seeks to perceive the amounts claimed and that have a nominal total amount of approximately Th$ 350,000. With a conservative criterion, provisions have been constituted to cover expected losses derived from some of these legal causes.

5) The Federal Administration of Public Income (FAPI) or Argentine IRS, through Resolution No. 364/08 dated December 16, 2008 impugned the sworn statement of income tax filed for 2002, and determined the obligation that at their criteria own the subsidiary Bodegas y Viñedos Trivento S.A. (Trivento) with respect to the Income Tax for that year amounting to $1,948,918.44 of Argentinean pesos plus interests amounting to $2,644,682.33 of Argentinean pesos (calculated as of December 12, 2008), and apply a fine amounting to $974,459.22 Argentinean pesos.

The tax authority based its resolution in the premise that it resulted non- applicable to input as losses of exchange differences derived from borrowings operations of Trivento with Viña Concha y Toro S.A./VCT Internacional S.A., arguing that funds remittances resulting from these operations are considered in nature as capital contributions and not borrowings, even when approved as borrowings by the respective Boards, and Central Bancos of both countries, and recorded as borrowings in the accounting books of all the companies involved.

On February 11, 2009, the resolution of the Argentine IRS was rejected before the Nation Tax Court, through an appeal resource provided in Article 76 of the LPT. In this resource, all defense arguments already presented in the related discharge timely presented was reiterated and extended. These have the duly evidential support. On June 29, 2009, the term granted to the Argentine IRS to respond the resource expired, without being processed, due to this reason and in accordance with the Procedure Rules of TFN, a new summoned was ordered for a period of ten working days which will be notified by the TFN in the next few days. Should the Argentine IRS do not answer this new summoned (which is highly improbable), the Vocal instructor will declare the National Tax in default (Rules Art. 28).

The file was open to evidence, and both parties are currently producing the evidence offered. The accounting expert evidence constitutes the most relevant evidence, and its preparation is in charge of the accountants designed as technical consultants. On December 15, 2010 the evidence expert reported that has been requested an extension of evidence period while waiting for the presentation of the expert designated by the Tax Authority.

Due to the amount claimed by the Argentine IRS for verdict dated June 17, 2009, a precautionary embargo was arranged for properties of Trivento, which finally was unified on a single property (Finca y Bodega de Tres Porteñas –San Martín). As of this date this embargo still in force.

Finally, within the debt determination procedure initiated by the Argentine IRS, with respect to fiscal years 2003 and 2004, and, after the Company's duly defense presentation held in the administrative site, Trivento was notified on the Argentine IRS resolution N° 322/10 dated December 9, 2010, through which the tax authority determined a debt order amounting to $6,754,563.88, plus interests amounting to $9,175,733.75 and a fine amounting to $4,728,194.72.-

The tax authority based its resolution on the premise that it was not applicable charging tax returns for gains obtained in 2003 and 2004 to prior year losses, which in the Argentine IRS were absorbed in full in the tax return filed in 2002.

On February 1, 2011, the resolution from the Argentine IRS was recurred before the Nation Tax Court, through an appeal resource. In this resource, the lawyers reiterate and extended each defense argument already put forward in the discharge presented in the administrative site, which counts with a duly probatory support. This resource appeal is still under the process carried by the Nation Tax Court.

In the opinion of the Company's attorneys, both Chilean and Argentinean, Trivento has sound and reasonable arguments to be able to sustain that its sworn affidavit to the profitable 2002, 2003 and 2004, are legally adjusted, and estimate that this opinion will be, finally, accepted by the Argentinean Court and so was reported to both management and the Board of Viña Concha y Toro.

6) On the occasion of the earthquake which hit a significant portion of the Chilean territory on February 21, 2010, from the total of 11 Company's warehouses, those located in Peumo, Pencahue, and Lontué, where affected and experienced losses of wine and production capacity. The Company quantified the loss of wine in bulk and finished products in 22.8 millions of liters.

The Company maintains Insurance Policies of all Risk against earthquakes and its effects for all assets affected, including damages due to disruption.

The recoverable limit for both physical goods and disruption damage reached a total of UF 20,417,917. These insurances contemplate a 2% deductible amount for physical goods on the insured amount by location, with a maximum of UF 10,000 and of 10 days for disruption damage.

As of December 31, 2010, Viña Concha y Toro and subsidiaries have recorded in its financial statements an amount of Th$20,631,288 which correspond to; sinister inventories, sinister Property, plant and equipment pursuant its book value and expenses incurred up to that date, corresponding to cleaning activities, wreckage removal, goods repairing, mitigation expenses of losses due to disruption. Al these amounts are duly covered by the insurances indicated in prior paragraphs and are presented within the item Trade receivables and Other accounts receivable, net.

Concept	**12-31-2010 Th$**
Sinister inventory	15,277,743
Sinister Property, plant and equipment	763,629
Expenses incurred	4,589,916
Total	**20,631,288**

As of December 31, 2010, Viña Concha y Toro and subsidiaries did not recorded the related deductible as well as the amounts expected to receive with respect to a higher value on the book value of inventories of finished products and wine in bulk which are insured at its sale price. No incomes have been recorded due to disruption damages.

Company's management estimate that the values receivable, provide a proper coverage on the amounts corresponding to deductibles.

As of December 2010, the Company received Th$ 21,294,138 as an indemnity advance with respect o damages caused by the earthquake.

7) As of December 31, 2010, there are no other litigations or probable lawsuit, judicial or extrajudicial, tax issues, as encumbrances of any nature with an actual probability of affecting the Company's financial statements.

NOTE 35. SUBSEQUENT EVENTS

Management is not aware of significant events that occurred between December 31, 2010 and the date of issuance of these consolidated financial statements that may significantly affect its exposure and/or interpretation.

Exhibit 4.3

STOCK PURCHASE AGREEMENT

by and between

BROWN-FORMAN CORPORATION

and

VIÑA CONCHA Y TORO S.A.

Dated as of March 1, 2011

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT is made and entered into as of this 1st day of March, 2011, between Brown-Forman Corporation, a Delaware corporation (the "Seller"), and Viña Concha y Toro S.A., an open/public stock corporation organized under the laws of Chile ("Purchaser"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in Article I hereof.

RECITALS

WHEREAS, the Seller owns all of the outstanding shares of capital stock of Fetzer Vineyards, a California corporation (the "Company"); and

WHEREAS, the Seller desires to sell, and Purchaser desires to purchase, all of the issued and outstanding shares of capital stock (the "Shares") of the Company on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and provisions set forth in this Agreement and intending to be legally bound, the Seller and Purchaser agree as follows:

ARTICLE I

Definitions

1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Acquired Entity" has the meaning set forth in Section 5.13(c) hereof.

"Acquirer" has the meaning set forth in Section 5.13(c) hereof.

"Actually Realized" shall mean, for purposes of determining the timing of any Taxes (or related Tax cost or benefit) relating to any payment, transaction, occurrence or event, the time at which the amount of Taxes (including estimated Taxes) payable by any person is increased above or reduced below, as the case may be, the amount of Taxes that such person would be required to pay but for the payment, transaction, occurrence or event.

"Affiliate" means, with respect to any specified Person, any other Person which, directly or indirectly, controls, is under common control with, or is controlled by, such specified Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person whether through ownership of securities or other ownership interests, by contract or otherwise. For this purpose, the Company shall be an Affiliate of the Seller up to the Closing and, subsequently, the Company shall be an Affiliate of Purchaser on and after the Closing to the extent that the Company remains a separate entity. In addition to the foregoing, if the specified Person is an individual, the term "Affiliate" also includes (a) the individual's spouse, (b) the members of the immediate family (including parents, siblings and children) of the individual or of the individual's spouse and (c) any corporation, limited liability company, general or limited partnership, trust, association or other business or investment entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with any of the foregoing individuals.

"Agreement" means this Agreement and the Disclosure Schedules hereto, as this Agreement may be amended from time to time in accordance with Section 11.8 hereof.

"AGUB" has the meaning set forth in Section 9.1(c) hereof.

"Alcoholic Beverage Authorities" means the United States Alcohol and Tobacco Tax and Trade Bureau, as well as all applicable state, local, municipal, provincial, foreign and other Governmental Entities regulating the alcoholic beverage business.

"Allocation Schedule" has the meaning set forth in Section 9.1(c) hereof.

"Alternate Financing" has the meaning set forth in Section 5.11(c) hereof.

"Antitrust Laws" has the meaning set forth in Section 5.3(d) hereof.

"Arbiter" has the meaning set forth in Section 2.4(d) hereof.

"Assets" has the meaning set forth in Section 9.1(c) hereof.

"Base Amount" means Eighty-One Million Five Hundred Thousand Dollars ($81,500,000).

"Benefit Plans" has the meaning set forth in Section 3.20(a) hereof.

"Business Day" means a day other than Saturday, Sunday or any day on which the principal commercial banks located in the State of California are authorized or obligated to close under the laws of such state.

"California WARN Act" has the meaning set forth in Section 5.9 hereof.

"Cap" has the meaning set forth in Section 8.4(b) hereof.

"Cash Balance" shall mean the amount of cash and cash equivalents held by the Company or any other Person for the account of the Company, net of any Indebtedness, other than any wine bonds or Indebtedness related to capitalized leases.

"Cause" shall mean (a) dishonesty, breach of loyalty or breach of fiduciary duty, (b) theft, embezzlement, fraud or falsification of any document or record, (c) unauthorized use or abuse of alcohol or drugs on the job, (d) unexplained or excessive absences from work, (e) employment related misconduct such as sexual harassment, threats of harm or physical violence or unlawful discrimination, (f) conviction of, or a plea of *nolo contendere* to, a crime of moral turpitude, or (g) material and persistent failure to perform assigned duties or to perform such duties in a competent or professional manner.

"Chosen Courts" has the meaning set forth in Section 11.7(a) hereof.

"Claim Notice" has the meaning set forth in Section 8.5(a) hereof.

"Climate Registry Organization" means the Climate Registry, the Climate Action Reserve, the California Climate Action Registry or the Western Renewable Energy Generation Information System, any of their respective Representatives or any certified third party verifier acting on behalf of any of the foregoing organizations.

"Closing" means the consummation of the transactions contemplated herein.

"Closing Date" has the meaning set forth in Section 7.1 hereof.

"Closing Inventory" has the meaning set forth in Section 2.4(b) hereof.

"Closing Purchase Price" has the meaning set forth in Section 2.3 hereof.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and the regulations issued thereunder.

"Code" means the Internal Revenue Code of 1986, as amended, and any reference to a particular Code section shall be interpreted to include any revision of or successor to that section and the validly issued regulations thereunder.

"Company" has the meaning set forth in the Recitals.

"Company Assets" has the meaning set forth in Section 3.11(a) hereof.

"Company Employee" has the meaning set forth in Section 5.7(a) hereof.

"Company Intellectual Property" means all Intellectual Property that is owned by or exclusively licensed to the Company and shall be deemed to include the Transferred Seller Assets, acknowledging that such assets will be transferred to the Company between the date hereof and the Closing, and for purposes of the representations and warranties in Article III, the Transferred Seller Assets shall be deemed to have been transferred to the Seller immediately prior to the date hereof.

"Company Registered Intellectual Property" has the meaning set forth in Section 3.17(a) hereof.

"Company Rights" has the meaning set forth in Section 3.11(a) hereof.

"Company-Sponsored Benefit Plans" has the meaning set forth in Section 3.20(a) hereof.

"Competing Business" has the meaning set forth in Section 5.13(a) hereof.

"Confidentiality Agreement" has the meaning set forth in Section 5.5(b) hereof.

"Copyrights" means (a) any rights in original works of authorship fixed in any tangible medium of expression as set forth in 17 U.S.C. § 101 et seq.; (b) all registrations for and applications to register the foregoing anywhere in the world; and (c) all foreign counterparts and analogous rights anywhere in the world.

"Current Assets" has the meaning set forth in Annex A.

"Current Liabilities" has the meaning set forth in Annex A.

"Debt Commitment Letter" has the meaning set forth in Section 4.5(b) hereof.

"Debt Financing" has the meaning set forth in Section 4.5(b) hereof.

"Definitive Agreements" has the meaning set forth in Section 5.11(a) hereof.

"Disclosure Schedule" means the schedules provided by the Seller pursuant to Article III.

"Environmental Laws" means all applicable federal, state, local or foreign laws, rules and regulations in effect at the date of this Agreement relating to the environment, pollutants, contaminants, wastes, toxins (including emissions), hazardous substances or chemicals, or public health and safety (not including occupational health and safety).

"Equivalent Wage" has the meaning set forth in Section 5.7(b) hereof.

"ERISA" has the meaning set forth in Section 3.20(a) hereof.

"ERISA Affiliate" means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

"Estimated Cash Balance" has the meaning set forth in Section 2.4(a) hereof.

"Estimated Closing Net Working Capital" has the meaning set forth in Section 2.4(a) hereof.

"Fee Letter" has the meaning set forth in Section 4.5(c) hereof.

"Final Cash Balance Statement" has the meaning set forth in Section 2.4(e) hereof.

"Final Purchase Price" has the meaning set forth in Section 2.4(f) hereof.

"Final Statement of Working Capital" has the meaning set forth in Section 2.4(e) hereof.

"Financial Statements" has the meaning set forth in Section 3.8(a) hereof.

"Fundamental Representations" means the representations and warranties of the Seller and Purchaser, as applicable, contained in Sections 3.1 (Organization and Qualification), 3.2 (Authority), 3.3 (Enforceability), 3.4 (Title), 3.5 (Capitalization), 4.1 (Organization and Qualification), 4.2 (Authority), 4.3 (Enforceability), 4.6 (Securities Matters), and 4.7 (Solvency).

"GAAP" means, as of any date, generally accepted accounting principles in the United States as in effect on such date.

"General Benefit Plans" means any (i) incentive, bonus, commission, deferred compensation, retention, change in control, severance or termination pay plan, agreement or arrangement, whether formal or informal; (ii) pension benefit plan, stock purchase, stock option or any other employee benefit plan, agreement or arrangement, whether formal or informal; (iii) fringe or welfare benefit plan, agreement or arrangement, whether formal or informal; or (iv) other "employee benefit plan" as such term is defined in Section 3(3) of ERISA.

"Good Reason" means resignation or termination of a Company Employee's employment with Purchaser or any of its Affiliates as a result of or following: (a) a reduction in base salary, (b) a required relocation outside a fifty (50) mile radius from any such Company Employee's designated place of employment determined immediately prior to Closing, (c) a material reduction in responsibilities relating to employment not substantiated by consistent poor performance related to such reduction, or (d) material degradation of physical working conditions.

"Governmental Entity" means any domestic, foreign or multi-national federal, state, provincial, regional, municipal or local governmental or administrative authority, including any court, tribunal, agency, bureau, committee, board, regulatory body, administration, commission or instrumentality constituted or appointed by any such authority.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations issued thereunder.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"HSR Forms" has the meaning set forth in Section 5.3(c) hereof.

"Improvements" has the meaning set forth in Section 3.11(b) hereof.

"Income Tax" means any federal, state, local, or foreign income tax, franchise, doing business or other similar Tax that is imposed on or measured by income, including any interest, penalty, assessment or addition thereto.

"Income Tax Return" means any Tax Return relating to Income Taxes.

"Indebtedness" means (a) all indebtedness for borrowed money, extensions of credit or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), including any penalties, accrued interest and premiums, (b) any other indebtedness that is evidenced by a note, bond, debenture or similar instrument, including any penalties, accrued interest and premiums, (c) all guarantee obligations with respect to any of the foregoing, and (d) capital leases.

"Indemnified Person" means the Person or Persons entitled to, or claiming a right to, indemnification under Article VIII.

"Indemnifying Person" shall mean the Person or Persons claimed by the Indemnified Person to be obligated to provide indemnification under Article VIII.

"Indemnity Threshold" has the meaning set forth in Section 8.4(a) hereof.

"Initial Purchase Price" has the meaning set forth in Section 2.2 hereof.

"Intellectual Property" means Trademarks, Internet domain names, Patents, Copyrights, Trade Secrets, Licenses and any other proprietary rights relating to intangible property anywhere in the world, and all registrations and applications related to any of the foregoing and analogous rights thereto anywhere in the world.

"Inventory" means all inventories of the Company, including blended and unblended bulk wine and finished goods, unlabeled case goods, raw materials (including work in process), grapes, current vintage packaging supplies, bottles, labels, corks, seals, and retail sales merchandise and supplies and point of sale materials.

"IRS" means the United States Internal Revenue Service.

"Knowledge" of (a) the Company or the Seller means the actual knowledge of the persons listed on Section 1.1A of the Disclosure Schedule, and (b) Purchaser means the actual knowledge of the persons listed on Section 1.1B of the Disclosure Schedule.

"law" or "Law" means any law, statute, ordinance, regulation, rule, code, treaty, decree or requirement enacted or imposed by any Governmental Entity.

"LBD License Agreement" means the license agreement attached as Exhibit B hereto, together with all exhibits and schedules thereto, as it may be amended, modified or supplemented from time to time in accordance with its terms.

"Leased Real Property" means each and every interest in real property pursuant to the Real Estate Leases, as set forth on Part I of Section 3.11(b) of the Disclosure Schedule, and all other estates and rights pertaining thereto held by the Company.

"Lenders" has the meaning set forth in Section 4.5(b) hereof.

"Licenses" means all agreements and other contracts pursuant to which the Company has either received or granted a license, right or other entitlement to use or exploit any Intellectual Property.

"Lien" means any lien, mortgage, pledge, voting trust, stockholder agreement, proxy, security interest, lease, restriction, covenant, easement, servitude, right of way, option, preference, priority, right of first refusal, restriction (other than any restriction on transferability imposed by federal or state securities laws), conditional sale or other title retention agreement, charge or encumbrance of any kind, whether voluntary or involuntary.

"Losses" has the meaning set forth in Section 8.2 hereof.

"M&A Qualified Beneficiaries" has the meaning set forth in Section 5.7(i) hereof.

"Material Adverse Effect" means (a) with respect to the Company, any violation, circumstance, change, effect or other matter, either individually or in the aggregate with all other violations, circumstances, changes, effects or other matters, which has, or would reasonably be expected to have, a material adverse effect on (i) the condition (financial or otherwise), business, assets (including intangible assets), liabilities and results of operations of the Company, in each case taken as a whole or (ii) the ability of the Seller to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement; provided, however, that to the extent any adverse change or effect is caused by or results from (in whole or in part) any of the following (either alone or in combination), it shall not be deemed to constitute, individually or in the aggregate, and shall not be taken into account to such extent in, determining whether or not there has been or would be, a "Material Adverse Effect": (i) factors, developments, events or conditions affecting the industries in which the Company operates, the U.S. economy as a whole, or foreign economies as a whole in any countries where the Company has material sales or operations or the capital or financial markets generally (provided that such changes in each case do not materially and disproportionately affect the Company as compared to other companies of similar size operating in the industries in which the Company operates), (ii) an outbreak or escalation of hostilities involving the United States, the declaration by the United States of a national emergency or war, or the occurrence of any acts of terrorism, (iii) the announcement, disclosure, or pendency of this Agreement or the performance of this Agreement or the transactions contemplated hereby by the parties, (iv) any matter disclosed in the Disclosure Schedules (other than changes or developments with respect to such matters following the date hereof which would not have been reasonably expected or anticipated), (v) changes in GAAP or the interpretation thereof, or (vi) any event, circumstance, change or effect to the extent arising from actions required by this Agreement, or taken by or at the request or direction of Purchaser, any of its Affiliates or their respective Representatives, and (b) with respect to Purchaser, any change or effect that would prevent or materially delay or impair the ability of Purchaser to consummate the transactions contemplated hereby.

"Material Contract" has the meaning set forth in Section 3.12(b) hereof.

"Minimum Retail Price" has the meaning set forth in Section 5.13 hereof.

"Net Working Capital" means, as of a given time, Current Assets minus Current Liabilities, calculated in accordance with Annex A hereto. With respect to any calculation of Net Working Capital, no change in the accounting principles will be made from those utilized in preparing the Reference Balance Sheet other than as set forth in Annex A. For purpose of the preceding sentence, "change in the accounting principles" includes all changes in accounting principles, policies, practices, procedures or methodologies with respect to financial statements, their classification or their display, as well as changes in practices, methods, conventions or assumptions utilized in making accounting estimates.

"Operational Transfer Taxes" are all Transfer Taxes incurred by the Company, other than the Transfer Taxes to be paid entirely by Purchaser pursuant to Section 9.5(a) as a result of being incurred in connection with this Agreement and the transactions contemplated by this Agreement.

"Outside Date" has the meaning set forth in Section 10.1(c) hereof.

"Owned Real Property" means the real property owned by the Company, as set forth on Part II of Section 3.11(b) of the Disclosure Schedule, including improvements, fixtures, and fittings thereon, and easements, rights-of-way, and other appurtenants thereto.

"Patents" means U.S. and foreign issued patents and pending patent applications, and any and all divisions, continuations, continuations in part, reissues, reexaminations, and extensions thereof, and any counterparts worldwide claiming priority therefrom; and utility models, design patents, and certificates of invention and like statutory rights anywhere in the world.

"PBGC" means the United States Pension Benefit Guaranty Corporation.

"Permit" means any approval, consent, permit, license, order, registration, listing, authorization, clearance, variance, and exemption issued or granted by any Governmental Entity.

"Permitted Facilities" had the meaning set forth in Section 5.3(f) hereof.

"Permitted Liens" means (i) such Liens as are set forth in Section 3.11 of the Disclosure Schedule or reflected on the Reference Balance Sheet (except to the extent Section 3.11 of the Disclosure Schedule specifies that any such Lien shall be discharged prior to Closing), (ii) mechanics', carriers', workmen's, repairmen's or other like Liens arising or incurred in the ordinary course of business or that are being contested in good faith by the Company, Liens arising under original purchase price conditional sales contracts, personal property leases and equipment leases with third parties entered into in the ordinary course of business and liens for Taxes that are not delinquent or being contested in good faith by the Seller or the Company by appropriate proceedings, (iii) Liens, if any, that individually or in the aggregate, do not materially impair the continued use and operation of the business of the Company as currently conducted, (iv) Liens under agreements set forth in Section 3.12 of the Disclosure Schedule, (v) easements, covenants, rights-of-way, land use ordinances and other similar restrictions of record, (vi) any conditions that may be shown by a current, accurate survey or physical inspection of any Owned Real Property made prior to Closing, (vii) Liens under leases or subleases to third parties set forth in Section 3.11(b) of the Disclosure Schedule, and (viii) (A) zoning, building and other similar ordinances and governmental regulations, (B) Liens that have been placed by any developer, landlord or other third party on property over which the Company has easement rights or on any Leased Real Property and subordination or similar agreements relating thereto and (C) unrecorded easements, covenants, rights-of-way and other similar restrictions to the extent such unrecorded easements, covenants, rights-of-way and other similar restrictions do not, individually or in the aggregate, materially impair the Company's use of the property (as currently used) to which they pertain.

"Person" means any individual, corporation, proprietorship, firm, partnership, limited partnership, limited liability company, trust, association, Governmental Entity or other entity.

"Personal Information" has the meaning set forth in Section 3.17(e) hereof.

"Post-Closing Covenants" has the meaning set forth in Section 8.4(a) hereof.

"Preliminary Cash Balance Statement" has the meaning set forth in Section 2.4(b) hereof.

"Preliminary Statement of Working Capital" has the meaning set forth in Section 2.4(b) hereof.

"Proceeding" means any action, arbitration, hearing, litigation or suit (whether civil, criminal, administrative, judicial, investigative, whether formal or informal, and whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Entity or arbitrator.

"PTO" has the meaning set forth in Section 3.17(a) hereof.

"Purchase Price Adjustments" has the meaning set forth in Section 2.4(f) hereof.

"Purchaser" has the meaning set forth in the Recitals.

"Purchaser 401(k) Plan" means a tax-qualified plan maintained by Purchaser or one of its Affiliates pursuant to Code Sections 401(a), 401(k) and 501(a).

"Purchaser Indemnified Parties" has the meaning set forth in Section 8.2 hereof.

"Real Estate Leases" means all leases, subleases, licenses or other agreements under which the Company uses or occupies or has the right to use or occupy, now or in the future, any real property, including all modifications, amendments and supplements thereto and any assignments thereof.

"Reference Balance Sheet" has the meaning set forth in Section 3.8(a) hereof.

"Reference Balance Sheet Date" has the meaning set forth in Section 3.8(a) hereof.

"Remediation Action" has the meaning set forth in Section 5.3(d) hereof.

"Representatives" of a Person shall mean such Person's officers, directors, employees, attorneys, agents, financial advisors and other authorized representatives.

"Restricted Period" has the meaning set forth in Section 5.13 hereof.

"Section 338(h)(10) Election" has the meaning set forth in Section 9.1(a) hereof.

"Seller" has the meaning set forth in the Recitals.

"Seller 401(k) Plans" means the Seller Savings Plan and the Seller Winery Operations Savings Plan.

"Seller Guaranty" has the meaning set forth in Section 5.10 hereof.

"Seller Indemnified Parties" has the meaning set forth in Section 8.3 hereof.

"Settlement Date" has the meaning set forth in Section 8.5(b) hereof.

"Shares" has the meaning set forth in the Recitals.

"Solvent" means with respect to any Person, as of any date of determination, that (a) the consolidated fair value of the assets of such Person and its subsidiaries, at a fair valuation, will, as of such date, exceed their consolidated debts and liabilities (subordinated, contingent or otherwise); (b) the consolidated present fair saleable value of the property of such Person and its subsidiaries will, as of such date, be greater than the amount that will be required to pay the probable liability of their consolidated debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) such Person and its subsidiaries will be able to pay, as of such date, their consolidated debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) such Person and its subsidiaries, taken as a whole, will not, as of such date, have unreasonably small capital with which to conduct the business in which they are engaged. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that would reasonably be expected to become an actual or matured liability.

"Straddle Period" means a Tax period which begins before the Closing Date and ends after the Closing Date.

"Subsidiary" means, with respect to any Person, any corporation or other organization, whether incorporated or unincorporated, of which (a) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries or (b) such Person or any other Subsidiary of such Person is a general partner (excluding any such partnership where such Person or any Subsidiary of such party does not have a majority of the voting interest in such partnership).

"Tax" or "Taxes" means any income, gross receipts, gains (including capital gains), license, occupancy, payroll, employment, excise, financial institutions, severance, stamp, occupation, fringe benefits, group, goods and services, alcoholic beverage, franking deficits, debits, premium, windfall or excess profits, environmental (including Taxes under Section 59A of the Code), customs duties, capital stock, franchise, unincorporated business, profits, withholding, information, social security (or similar), unemployment, disability, workers' compensation, land, real property, personal property, unclaimed property or escheat, ad valorem, production, sales, use, license, transfer, registration, value added, alternative or add-on minimum, accumulated earnings, personal holding company, estimated, or other tax, report or assessment of any kind whatsoever imposed by any Governmental Entity, including any interest, penalty, assessment, or addition thereto, whether disputed or not.

“Tax Group” shall mean any consolidated, combined, unitary or other similar Tax group.

“Tax Proceedings” has the meaning set forth in Section 9.3(a) hereof.

“Tax Representations” means the representations and warranties contained in Section 3.23 (Taxes).

“Tax Returns” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including all schedules or attachments thereto.

“Trademarks” means (a) trademarks, service marks, logos, trade dress and trade names, and other indicia of commercial source or origin (whether registered, common law, statutory or otherwise) anywhere in the world; (b) all registrations and applications to register the foregoing anywhere in the world; and (c) all goodwill associated therewith.

“Trade Secrets” means all categories of trade secrets as defined in the Uniform Trade Secrets Act and all rights in such trade secrets anywhere in the world.

“Transferred Seller Assets” has the meaning set forth in Section 5.16 hereof.

“Transferred Seller Assets Assignment” has the meaning set forth in Section 5.16 hereof.

“Transfer Taxes” are all transfer, documentary, sales, use, stamp, excise, registration, documentary transfer, real estate transfer or gain, and other such similar Taxes and fees.

“Transition Services Agreement” means the agreement attached as Exhibit A hereto, together with all exhibits and schedules thereto, as it may be amended, modified or supplemented from time to time in accordance with its terms.

“TTB” has the meaning set forth in Section 5.3(f) hereof.

“WARN Act” has the meaning set forth in Section 5.9 hereof.

“Years of Service” has the meaning set forth in Section 5.7(c) hereof.

ARTICLE II

Purchase and Sale of Securities

2.1 Purchase and Sale of Securities. At the Closing, on the terms and subject to the conditions set forth in this Agreement, the Seller shall sell to Purchaser, and Purchaser shall purchase from the Seller, the Shares.

2.2 Initial Purchase Price . The initial purchase price for the Shares shall be Two Hundred Thirty-Eight Million Dollars ($238,000,000) (the "Initial Purchase Price"). The Initial Purchase Price is subject to adjustment pursuant to Section 2.4 below.

2.3 Payment of Closing Purchase Price. On the Closing Date, Purchaser shall pay to the Seller an amount in cash equal to (i) the Initial Purchase Price, (ii) plus the amount, if any, by which the Estimated Closing Net Working Capital is greater than the Base Amount or minus the amount, if any, by which the Estimated Closing Net Working Capital is less than the Base Amount, as applicable, and (iii) plus the amount, if any, by which the Estimated Cash Balance is greater than zero (the "Closing Purchase Price"). All payments made hereunder shall be made in immediately available funds by wire transfer to such account or accounts as the receiving party shall designate in writing to the paying party.

2.4 Adjustments.

(a) Financial Data Schedule. Not less than three (3) Business Days prior to the Closing Date, the Seller shall deliver to Purchaser, certified by an executive officer of the Seller, a financial data schedule prepared on a basis consistent with the practices used in preparing the Reference Balance Sheet, presenting the Seller's good faith estimate of (i) the Net Working Capital as of the Closing Date ("Estimated Closing Net Working Capital") and (ii) the Cash Balance as of the Closing Date (the "Estimated Cash Balance").

(b) Preliminary Statement of Working Capital and Preliminary Cash Balance Statement. On or prior to the date which is ninety (90) days after the Closing Date, the Seller shall deliver to Purchaser, certified by an executive officer of the Seller, (i) a preliminary statement of working capital (the "Preliminary Statement of Working Capital") setting forth the Current Assets, the Current Liabilities and the Net Working Capital, in each case as of the Closing Date, and (ii) a preliminary statement of the Cash Balance as of the Closing Date (the "Preliminary Cash Balance Statement"). The Preliminary Statement of Working Capital and Preliminary Cash Balance Statement shall be prepared on a basis consistent with the practices used in preparing the Reference Balance Sheet. Within ten (10) days following the Closing, the Seller and Purchaser shall jointly undertake a physical count and inspection of all Inventory (the "Closing Inventory"). For purposes of this Closing Inventory, the Inventory shall be valued in accordance with past practices as outlined in Annex A hereto. Purchaser shall permit the Seller and its Representatives to carry out such physical count and inspection jointly with Purchaser in such manner as is reasonably necessary to permit Purchaser and the Seller to agree on such physical count and inspection. The Preliminary Statement of Working Capital will be based upon such agreed physical count and inspection.

(c) Review of Preliminary Statements. Upon receipt of the Preliminary Statement of Working Capital and Preliminary Cash Balance Statement, Purchaser and its Representatives may review the Preliminary Statement of Working Capital and Preliminary Cash Balance Statement and may make inquiry of the Seller and its Representatives, and the Seller will make available to Purchaser and its Representatives all books and records relating to the Preliminary Statement of Working Capital and Preliminary Cash Balance Statement as reasonably requested by Purchaser in connection with its review thereof. The Preliminary Statement of Working Capital and Preliminary Cash Balance Statement shall be binding and conclusive upon, and deemed accepted by, Purchaser unless Purchaser shall have notified the Seller in writing of any objections thereto within sixty (60) days after receipt thereof. Any written notice delivered by Purchaser to the Seller under this Section 2.4(c) shall specify in reasonable detail each item on the Preliminary Statement of Working Capital or the Preliminary Cash Balance Statement that Purchaser disputes, a summary of the reasons for such dispute, the portion of the proposed Purchase Price Adjustment, if any, which Purchaser does not dispute and Purchaser's calculation of the (i) Current Assets and Current Liabilities, (ii) the Net Working Capital and (iii) the Cash Balance, in each case as of the Closing Date.

(d) Disputes. Purchaser and the Seller shall attempt in good faith to resolve any disagreements as to the amounts set forth on the Preliminary Statement of Working Capital and the Preliminary Cash Balance Statement. Disputes between Purchaser and the Seller relating to the Preliminary Statement of Working Capital or the Preliminary Cash Balance Statement that cannot be resolved by Purchaser and the Seller within sixty (60) days after receipt by the Seller of the notice from Purchaser referred to in Section 2.4(c) shall be referred thereafter for decision at the insistence of either Purchaser or the Seller to an independent nationally recognized accounting firm then not currently engaged by the Seller or Purchaser as agreed to by Purchaser and the Seller (the "Arbiter"). If within forty-five (45) days of delivery of the notice of objection by Purchaser, the agreed upon accounting firm declines to accept its appointment as Arbiter, or Purchaser and the Seller are unable to agree on the selection of an accounting firm that will agree to act as Arbiter, then either Purchaser or the Seller may request the American Arbitration Association to appoint such a firm, and such appointment shall be conclusive and binding on all of the parties hereto. Promptly, but no later than thirty (30) days after its acceptance of its appointment as Arbiter, the Arbiter shall determine, based solely on presentations by Purchaser and the Seller and on the definitions and methodologies prescribed herein, and not by independent review, those items in dispute on the Preliminary Statement of Working Capital or the Preliminary Cash Balance Statement and shall render a written report as to the resolution of each dispute and the resulting calculation of the Final Statement of Working Capital and the Final Cash Balance Statement. The Arbiter may only consider those items and amounts in the Preliminary Statement of Working Capital and Preliminary Cash Balance Statement that Purchaser and the Seller are unable to resolve or are reasonably dependent upon or affected by the unresolved items. In resolving any such item, the Arbiter may not assign a value to any item greater than the greatest value claimed by either party for such item or less than the smallest value claimed by either party for such item. The Arbiter shall have exclusive jurisdiction over, and resort to the Arbiter as provided in this Section 2.4(d) shall be the sole recourse and remedy of the parties against one another or any other Person with respect to, any disputes arising out of or relating to the Preliminary Statement of Working Capital or the Preliminary Cash Balance Statement. The Arbiter's determination shall be conclusive and binding on all of the parties hereto and shall be enforceable in a court of law. The fees and expenses of the Arbiter shall be allocated between the Seller and Purchaser based on the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party. The Seller will make available to Purchaser and, if applicable, the Arbiter, the work papers used in preparing the Preliminary Statement of Working Capital and the Preliminary Cash Balance Statement in connection with (i) the review by Purchaser of the Preliminary Statement of Working Capital and the Preliminary Cash Balance Statement and (ii) the resolution by the parties hereto of any disputes relating thereto. Purchaser and the Seller shall provide the Arbiter with any information and assistance reasonably requested by the Arbiter in making its determination.

(e) Final Statement. Each of the Preliminary Statement of Working Capital and the Preliminary Cash Balance Statement shall become final and binding upon the parties hereto upon the earlier of (i) the failure by Purchaser to object thereto within the period permitted under, and otherwise in accordance with the requirements of, Section 2.4(c), (ii) the written agreement between Purchaser and the Seller with respect thereto and (iii) the decision by the Arbiter with respect to disputes under Section 2.4(d). The Preliminary Statement of Working Capital, when final and binding, is referred to herein as the "Final Statement of Working Capital." The Preliminary Cash Balance Statement, when final and binding, is referred to herein as the "Final Cash Balance Statement."

(f) Adjustments to Closing Purchase Price; Payment of Purchase Price Adjustment. Upon the determination of the Final Statement of Working Capital and the Final Cash Balance Statement in accordance with this Section 2.4, (i) first, (x) the Closing Purchase Price shall be increased by the amount, if any, by which the Net Working Capital set forth on the Final Statement of Working Capital exceeds the Estimated Closing Net Working Capital or (y) the Closing Purchase Price shall be decreased by the amount, if any, by which the Net Working Capital set forth on the Final Statement of Working Capital is less than the Estimated Closing Net Working Capital, and (ii) second, the Closing Purchase Price as adjusted pursuant to subclause (i) shall be (x) increased by the amount, if any, by which the Cash Balance set forth on the Final Cash Balance Statement exceeds the Estimated Cash Balance or (y) decreased by the amount, if any, by which the Cash Balance set forth on the Final Cash Balance Statement is less than the Estimated Cash Balance.

The adjustments to the Closing Purchase Price provided for in this section are referred to as the "Purchase Price Adjustments" and the Closing Purchase Price following the Purchase Price Adjustments is referred to as the "Final Purchase Price." If the Purchase Price Adjustments call for an increase in the Closing Purchase Price, Purchaser shall, and if the Purchase Price Adjustments call for a decrease in the Closing Purchase Price, the Seller shall, within ten (10) Business Days after the Final Statement of Working Capital and the Final Cash Balance Statement are determined, make payment by wire transfer to a bank account designated in writing by the party to which such payment is to be made (such designation to be made at least three (3) Business Days prior to the date such payment is due) in immediately available funds of the net amount of such Purchase Price Adjustments. Any amounts due and not paid within such ten (10) Business Day period shall accrue interest at an annual rate equal to the rate of interest from time to time quoted by the Eastern edition of The Wall Street Journal as the prime rate, plus four percent (4%), calculated on the basis of the actual number of days elapsed from the end of such ten (10) Business Day period to the date of payment.

(g) Undisputed Amounts. In the event that, with respect to the Preliminary Statement of Working Capital or the Preliminary Cash Balance Statement, there are portions of the Purchase Price Adjustments that are in dispute and portions that are not in dispute, the portion of the Purchase Price Adjustments that is not in dispute, if any, shall be paid to Purchaser or the Seller, as the case may be, within five (5) Business Days after the delivery by Purchaser of the notice of objections to the Preliminary Statement of Working Capital or the Preliminary Cash Balance Statement described in Section 2.4(c).

(h) No Adjustment. The purpose of this Section 2.4 is to determine the Final Purchase Price. Accordingly, any adjustment pursuant hereto will neither be deemed to be an indemnification pursuant to Article VIII, nor preclude Purchaser from exercising any indemnification rights pursuant to Article VIII; provided, however, that in no event will the Seller or any of its Affiliates be obligated to indemnify any Purchaser Indemnified Party for any Loss as a result of, or based upon or arising from, any liability, to the extent, but only to the extent, such liability is reflected in the Final Closing Working Capital Statement and/or Final Cash Balance Statement, each as finally determined pursuant to this Section 2.4. Any payment made pursuant to this Section 2.4 will be treated by the parties for all purposes as an adjustment to the Closing Purchase Price and will not be subject to offset for any other reason.

ARTICLE III

Representations and Warranties of the Seller

Except as set forth in the Disclosure Schedule delivered to Purchaser simultaneously with the execution hereof, the Seller represents and warrants to Purchaser as of the date of this Agreement and as of the Closing Date (other than with respect to any representation and warranty made as of a specified date, which shall be made only as of such specified date) as follows:

3.1 Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California. The Company is qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the ownership of its assets or conduct of its business requires such qualification, except where the failure to be so qualified and in good standing would not have a Material Adverse Effect on the Company. As of the date hereof, Section 3.1 of the Disclosure Schedule sets forth an accurate and complete list of the jurisdictions in which the Company is qualified to do business as a foreign corporation and a complete and accurate list of the current directors and officers of the Company. The Seller has delivered to Purchaser accurate and complete copies of the Company's articles of incorporation, bylaws, or other applicable charter or organizational documents, as currently in effect, and the Company is not in default under or in violation of any provision thereof. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.2 Authority. The Company has the requisite power and authority necessary to own, lease and operate its properties and assets and to carry on its business as currently conducted in all material respects. The Seller has all requisite power and authority to execute, deliver and perform its respective obligations under this Agreement, the Transition Services Agreement, the LBD License Agreement and the other documents, instruments and certificates to be executed and delivered by the Seller, pursuant to this Agreement. The execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Seller.

3.3 Enforceability. This Agreement has been duly and validly executed and delivered by the Seller, and, on or prior to the Closing, the Seller will have duly and validly executed and delivered the Transition Services Agreement and all other documents, instruments and certificates to be executed and delivered by the Seller on or prior to the Closing pursuant to this Agreement. Assuming due and valid authorization, execution and delivery hereof and of the Transition Services Agreement by Purchaser, each of this Agreement and the Transition Services Agreement is a valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting enforcement of creditors' rights generally and to general equity principles (regardless whether considered in a proceeding in equity or at law).

3.4 Title. The Shares are free and clear of all Liens, and upon Closing, the Seller shall transfer the Shares to Purchaser, free and clear of all Liens.

3.5 Capitalization. All of the Shares have been duly authorized, are validly issued, fully paid, and nonassessable, and the Seller is and on the Closing Date will be the sole record holder and beneficial owner of all of the Shares. The Shares are all of the issued and outstanding capital stock of the Company. There are (i) no equity securities of any class of the Company, or any security exchangeable into or exercisable for such equity securities authorized, issued, reserved for issuance or outstanding and (ii) no options, warrants, equity securities, call, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments to which the Company is a party or by which the Company is bound obligating the Company to issue, exchange, transfer, sell, or otherwise cause to become outstanding any capital stock or other indicia of ownership of the Company. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the Company. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the capital stock or other indicia of ownership of the Company to which the Company or any of its Affiliates is a party, or by which the Company or any of its Affiliates is bound. No holder of Indebtedness of the Company has any right to convert or exchange such Indebtedness for capital stock of the Company.

3.6 Subsidiaries. The Company does not have any Subsidiaries.

3.7 Consents and Approvals; No Violations. None of the execution, delivery or performance of this Agreement by the Seller, the consummation by the Seller of the transactions contemplated hereby nor compliance by the Seller with any of the provisions hereof will (a) directly or indirectly (with or without notice, lapse of time or both) conflict with or result in any breach of any provision, or otherwise give rise to any right on the part of any Person to exercise any remedy or obtain relief under (i) the Seller's certificate of incorporation or bylaws, (ii) the Company's articles of incorporation or bylaws, or (iii) any resolution adopted by the board of directors of the Seller or the Company, (b) require any filing with, Permit to be issued by, or authorization, consent or approval of, any Governmental Entity, (c) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, result in any payment becoming due under, result in the imposition of any encumbrances on any of the capital stock of the Company or any of the properties or assets of the Company under, or otherwise give rise to any right on the part of any Person to exercise any remedy or obtain any relief under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Company is a party or by which the Company's properties or assets may be bound, or (d) violate any law or judgment applicable to the Seller or the Company or any of their respective properties or assets, excluding from the foregoing clauses (b), (c) and (d), (1) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable federal and state securities laws in connection with the transactions contemplated hereby, (2) filings required pursuant to the HSR Act, (3) Permits, filings, notices, and consents required by Alcoholic Beverage Authorities, as set forth in Section 3.7 of the Disclosure Schedule, and (4) such violations, breaches or defaults which (A) would not, individually or in the aggregate, have a material and adverse impact on the business of the Company as currently conducted, (B) would not materially delay the ability of the Seller to perform its obligations hereunder, or (C) could become applicable solely as a result of the business or activities in which Purchaser is or proposes to be engaged or as a result of any acts or omissions by, or the status of any facts pertaining to, Purchaser or its Affiliates.

3.8 Financial Statements; Books and Records.

(a) The Seller has made available to Purchaser the following special purpose financial statements of the Company (collectively, the "Financial Statements"), correct and complete copies of which are set forth in Section 3.8 of the Disclosure Schedule: (i) unaudited statement of operations as of and for the fiscal year ended April 30, 2010; (ii) unaudited balance sheet as of April 30, 2010; and (iii) an unaudited balance sheet as of November 30, 2010 (the "Reference Balance Sheet Date"), which balance sheet is hereinafter referred to as the "Reference Balance Sheet," and the related unaudited consolidated statements of operations for the seven (7) months then ended. The Financial Statements have been prepared from, and are consistent with, the books and records of the Company, and have been prepared in accordance with GAAP, consistently applied throughout the periods involved. The Financial Statements fairly present in all material respects the financial position and the results of operations of the Company as of the times and for the periods referred to therein (subject to the absence of footnotes thereto). The Company is not party to any off-balance sheet arrangements that could have a current or future effect upon the Company's financial condition or results of operations.

(b) The books of account, minute books and stock record books of the Company, all of which have been made available to Purchaser, are accurate and complete in all material respects and have been maintained in accordance with sound business practices. To the Company's Knowledge, the minute books of the Company contain accurate and complete summaries, in all material respects, of all meetings held, and material corporate action taken by, the Company's stockholders, directors and directors' committees, and no such meeting has been held for which minutes have not been prepared and are not contained in such minute books.

3.9 Undisclosed Liabilities. To the Company's Knowledge, the Company does not have any material liabilities, obligations or commitments of any nature (whether known or unknown, accrued, absolute, contingent or otherwise and whether or not required to be reflected on a balance sheet prepared in accordance with GAAP) except liabilities, obligations or commitments (a) which are appropriately reflected in the Financial Statements; (b) which have been incurred in the ordinary course of business (both with respect to frequency and amount) since the Reference Balance Sheet Date; (c) disclosed in the Disclosure Schedule; or (d) arising under the contracts, agreements or Permits of the Company (but not liabilities for any breach of such contracts, agreements or Permits).

3.10 Absence of Certain Developments. Since the Reference Balance Sheet Date and except as expressly required or permitted by this Agreement, (a) the Company has conducted its business only in the ordinary course of business and there has not been any Material Adverse Effect on the Company, and (b) the Company has not:

(a) (1) amended its articles of incorporation or bylaws, (2) authorized, issued, sold, transferred, pledged, disposed of or encumbered any equity interests of the Company, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any equity interests of the Company, (3) declared, set aside or paid any dividend or other distribution payable in cash, equity or property with respect to any equity interests of the Company, other than dividends or distributions between the Seller (or Seller's Affiliates) and the Company or cash sweeps to the Seller and its Affiliates, (4) split, combined or reclassified the equity interests of the Company, or (5) redeemed, purchased or otherwise acquired directly or indirectly any equity interests of the Company, or any instrument or security which consists of or includes a right to acquire such interests;

(b) adopted a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, or acquired any properties or assets that are material to the Company, except purchases of inventory or supplies in the ordinary course of business;

(c) changed in any material respect any Tax or accounting principles, methods or practices used by it;

(d) incurred any material loss of, destruction of or significant injury to any of its material assets whether as a result of any natural disaster, labor trouble, accident, other casualty or otherwise, regardless of whether such loss was covered by insurance;

(e) amended, terminated, canceled, waived, released or compromised in any material manner any claims or rights of the Company, except in the ordinary course of business;

(f) made any loan to, guaranteed any Indebtedness of or otherwise incurred any Indebtedness on behalf of any other Person or mortgaged, pledged or subjected any of its assets to any Lien (other than Permitted Liens);

(g) written down or written up the value of any Inventories, or written up or down, or revalued, any material Company Assets;

(h) made any settlement in connection with any Proceeding involving the Company;

(i) made any material change to production, selling, pricing, or marketing practices, except in the ordinary course of business;

(j) materially accelerated or delayed payment of accounts payable or other liabilities or the collection of notes or accounts receivable;

(k) made any capital expenditure or other expenditure with respect to property, plant or equipment in excess of $100,000 in the aggregate or sold, exchanged, transferred or otherwise disposed of any of its material assets, except in the ordinary course of business;

(l) entered into, modified, accelerated, cancelled or terminated, or received written notice of cancellation or termination of, any employment contract which involves a total remaining commitment by or to the Company of at least twenty-five thousand dollars ($25,000) or otherwise, outside the ordinary course of business;

(m) (i) except as required by law, adopted, entered into, terminated or materially amended any Company-Sponsored Benefit Plan or collective bargaining agreement, (ii) materially increased the compensation or payment of any bonus to, any director, officer, employee or consultant or other independent contractor of the Company, other than in the ordinary course of business or with regard to retention bonuses disclosed to Purchaser, (iii) materially amended or accelerated the payment, right to payment or vesting of any compensation or benefits to any Company Employee, or (iv) other than in the ordinary course of business, granted any awards under any bonus, incentive, performance or other compensation plan or arrangement or benefit plan, including the grant of stock options, stock appreciation rights, stock based or stock related awards, performance units or restricted stock, or the removal of existing restrictions in any Company-Sponsored Benefit Plan or contracts or awards made thereunder;

(n) allowed any Permit to lapse that is material to the Company; and

(o) made any agreement to do any of the foregoing, other than negotiations with Purchaser and its Representatives regarding the transactions contemplated by this Agreement.

3.11 Assets; Properties; Leases.

(a) The Company owns, and has good and valid title to, all assets, tangible or intangible, purported to be owned by it (the "Company Assets"), including: (i) all assets reflected on the Reference Balance Sheet (except for assets sold or otherwise disposed of since the Reference Balance Sheet Date in the ordinary course of business); and (ii) all other assets reflected in the books and records of the Company. All of the Company Assets are owned by the Company free and clear of all Liens, except for Permitted Liens. The Company Assets, together with the Company's rights under contracts or agreements with third parties, the material Permits of the Company, the Transferred Seller Assets and the LBD License Agreement (collectively, the "Company Rights") and the services to be provided under the Transition Services Agreement and except as set forth on Section 3.11(a) of the Disclosure Schedule, constitute in all material respects all of the assets and rights used by the Company in, or which are necessary for the operation of the business of the Company as currently conducted. The tangible personal properties included in the Company Assets, whether owned or leased, are in all material respects in good working order, ordinary wear and tear excepted, and are usable by the Company in all material respects in the ordinary course of business.

(b) As of the date hereof, Part I of Section 3.11(b) of the Disclosure Schedule sets forth all Real Estate Leases, setting forth in the case of any such Real Estate Lease, the location of such real property. The Company has made available to Purchaser a true, complete and correct copy of each Real Estate Lease, together with all amendments thereto. Part II of Section 3.11(b) of the Disclosure Schedule sets forth all Owned Real Property. To the Company's Knowledge, the Seller has made available to Purchaser true, complete and correct copies of (i) all deeds and other instruments (as recorded) by which the Company acquired its interest in the Owned Real Property and (ii) all title reports, surveys, title policies, Liens and appraisals in the possession of the Company with respect to the Owned Real Property. The Company has good and marketable fee simple title to all of the Owned Real Property and valid leasehold interests in and to all Leased Real Property, in each case subject to no material Lien except Permitted Liens, and the Company is not in default in any material respect under any of the Real Estate Leases and, as of the date hereof, to the Company's Knowledge, no other party is in default in any material respect under any of the Real Estate Leases. The Company does not lease, sublease, license, occupy, or use any real property or interests therein in connection with, or necessary for, the operation of its business as presently conducted, other than the Real Property or the Leased Real Property. The Company has not granted to any third party a right to use or occupy any portion of the Owned Real Property or the Leased Real Property nor are there any parties in possession of any portion of the Owned Real Property or the Leased Real Property, whether as tenants, subtenants, trespassers or otherwise, except the Company. To the Company's Knowledge, all buildings, structures, fixtures and other improvements in the Owned Real Property or the Leased Real Property (collectively, the "Improvements") are in compliance with all applicable material laws in all material respects, including those pertaining to health and safety, zoning, building and construction requirements and the disabled. There are no contractual or legal restrictions that preclude or restrict the ability of the Company to use the Owned Real Property or Leased Real Property for the purposes and in the manner for which such property is currently being used other than those which would not reasonably be expected to materially impair the current operations of the Company.

(c) Since January 1, 2008, the Company has not experienced any material shortage of supply of water to the Owned Real Property and Leased Real Property that has had a material and adverse impact on the business of the Company as currently conducted. To the Company's Knowledge, water rights or supplies for the Owned Real Property and Leased Real Property are sufficient in all material respects for the operation of the Company's business as currently conducted.

(d) None of the Owned Real Property is subject to any right of first offer, right of first refusal, option or other agreement for the sale or lease thereof or any portion thereof.

(e) Each Real Estate Lease is in full force and effect, valid, binding upon and enforceable against the Company, and, to the Company's Knowledge, each other party thereto, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally or by general equitable principles. All rent and other sums and charges payable by the Company as lessee or sublessee thereunder are current. The Company has complied in all material respects with the terms of each Real Estate Lease and no termination event or condition or uncured default exists under any Real Estate Lease.

3.12 Contracts.

(a) Section 3.12 of the Disclosure Schedule sets forth (without duplication), as of the date hereof, each of the following types of contracts and other agreements, to which the Company is a party or by which it is bound:

(i) any contract or agreement that provides for aggregate future payments by the Company of more than one hundred thousand dollars ($100,000) per annum;

(ii) any contract or agreement that provides for the supply of grapes or bulk wine;

(iii) any material contract or agreement with a distributor or wholesaler;

(iv) any material contract or agreement relating to supply of materials, including glass, bottles, labeling and packaging;

(v) any contract or agreement (other than Benefit Plans, confidentiality agreements or at-will employment offer letters) entered into by the Company with an Affiliate or with a shareholder, officer or director of the Company;

(vi) any collective bargaining or similar agreement;

(vii) (A) any contract or agreement that restricts the Company from engaging in any line of business anywhere in the world or from competing (geographically or otherwise) with any Person, or (B) any contract or agreement granting any material exclusive rights to make, sell or distribute any of the Company's products, granting any material "most favored nation" rights or similar material rights or otherwise materially prohibiting or limiting the right of the Company to make, sell or distribute products or services;

(viii) any consulting or employment agreement (other than any Benefit Plans, confidentiality agreements or at-will employment offer letters);

(ix) any contract or agreement that provides for severance, termination, change in control or similar pay to any of the Company's current or former directors, officers, employees or consultants or other independent contractors;

(x) any joint venture, partnership or similar contracts or agreements;

(xi) any contract or agreement granting any Person a Lien (other than Permitted Liens) on any of the assets material to the Company;

(xii) any power of attorney granted by or on behalf of the Company;

(xiii) any written warranty, guaranty or other similar undertaking with respect to contractual performance extended by the Company, other than in the ordinary course of business;

(xiv) any contract or agreement that is a mortgage, indenture, guarantee, loan or credit agreement, security agreement, or other contract relating to Indebtedness, other than accounts receivables and payables in the ordinary course of business;

(xv) any contract or agreement that is a settlement agreement with respect to any pending or threatened lawsuit or proceeding entered into within four (4) years prior to the date of this Agreement, other than (A) those in which the release is immaterial in nature or the amount to be paid to former employees or independent contractors of the Company is in the ordinary course of business in connection with the cessation of such employee's or independent contractor's employment with or retention by the Company or (B) those which are for cash only (which has been paid) and do not exceed fifty thousand dollars ($50,000) as to such settlement.

(b) The Seller has made available to Purchaser an accurate and complete copy (in the case of each written contract) and an accurate and complete written summary (in the case of each oral contract) of each contract required to be listed in Section 3.12 of the Disclosure Schedule (each, a "Material Contract"). As of the date of this Agreement, each Material Contract is a legal and binding agreement of the Company and enforceable in accordance with its terms against the Company, and, to the Company's Knowledge, the other party thereto in accordance with its terms, subject, in each case, to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting enforcement of creditor's rights generally and to general equitable principles (regardless of whether considered in a proceeding in equity or at law). The Company has, and as of the date hereof and to the Company's Knowledge, each other party to each Material Contract has, performed all of its respective material obligations required to be performed under each such Material Contract in all material respects.

(c) As of the date hereof, (i) to the Company's Knowledge, there has not been claimed, threatened or alleged by any Person with respect to any Material Contract, any existing default or event that, with notice or lapse of time or both, would constitute a material default or material event of default on the part of the Company or, to the Company's Knowledge, on the part of any other party thereto, and (ii) no consent, approval, authorization or waiver from, or notice to, any Governmental Entity or other Person is required in order to maintain in full force and effect any Material Contract, other than (A) such consents, approvals, authorizations and waivers that have been obtained and are in full force and effect and such notices that have been duly given and (B) such consents, approvals, authorizations, waivers or notices the failure of which to have or give would not, either individually or in the aggregate, have a Material Adverse Effect on the Company.

3.13 Suppliers. Section 3.13 of the Disclosure Schedule sets forth the five (5) largest suppliers (measured by expense) of the Company for the fiscal years ended April 30, 2009 and 2010, and the total amount of expense accounted for by the Company with respect to each such supplier during those periods. Since the Reference Balance Sheet Date through the date hereof, the Company has not received (a) written notice of an intent to terminate such business relationship with the Company or (b) to the Company's Knowledge, any notice from such a supplier that it intends to materially change the terms thereof.

3.14 Customers. Section 3.14 of the Disclosure Schedule sets forth the eight (8) largest customers (measured by revenue) of the Company for the fiscal years ended April 30, 2009 and 2010, and the total amount of revenue accounted for by the Company with respect to each such customer during those periods. Since the Reference Balance Sheet Date through the date hereof, the Company has not received (a) written notice of an intent to terminate such business relationship with the Company or (b) to the Company's Knowledge, any notice from such a customer that it intends to materially reduce the volume of goods purchased by such customer from the Company.

3.15 Accounts Receivable; Accounts Payable.

(a) To the Company's Knowledge, all of the accounts receivables reflected in the Reference Balance Sheet and the Preliminary Statement of Working Capital have arisen or will arise from bona fide transactions in the ordinary course of business. The Company's reserve for contractual allowances and doubtful accounts has been calculated in a manner consistent with past practice of the Company.

(b) To the Company's Knowledge, all accounts payable reflected in the Reference Balance Sheet and the Preliminary Statement of Working Capital have arisen or will arise from bona fide transactions in the ordinary course of business.

3.16 Inventory. The Inventory (a) has been produced and packaged in all material respects in accordance with applicable laws, regulations and orders and (b) consists of a quality usable and saleable in the ordinary course of business, subject to allowances and reserves reflected in the Financial Statements. Except as has been reserved against on the Reference Balance Sheet, the Inventory reflected on the Reference Balance Sheet was properly stated therein at standard cost determined in accordance with GAAP and Inventory thereafter acquired and maintained by the Company through the Closing Date will have been acquired and maintained in the ordinary course of business, with such exceptions since the date of the Reference Balance Sheet as may arise in the ordinary course of business.

3.17 Intellectual Property.

(a) Section 3.17(a) of the Disclosure Schedule sets forth (i) all Internet domain names owned by or registered to the Company, all pending applications and registrations owned by the Company for any Patent, Trademark, Copyright or other Intellectual Property, including any serial, application and registration numbers, and the date of filing or registration for such applications and registrations, (collectively, together with the Transferred Seller Assets, "Company Registered Intellectual Property"), and (ii) any proceedings or actions currently before or pending before any court or tribunal (including the United States Patent and Trademark Office (the "PTO") or equivalent authority anywhere in the world) in which any of the Company Registered Intellectual Property is involved.

(b) Ownership.

(i) With respect to (A) all unregistered Company Intellectual Property that is material to the operation of the business of the Company as currently conducted, and (B) all registered Company Intellectual Property, used (in respect of both (A) and (B)) in the United States, Canada and the United Kingdom, the Company is the sole owner or exclusive licensee of such Company Intellectual Property purported to be owned or exclusively licensed by the Company, and has the sole and exclusive right to bring a claim or suit against a third party for infringement, violation or misappropriation of such Company Intellectual Property.

(ii) With respect to Company Intellectual Property used outside the United States, Canada and the United Kingdom that is material to the operation of the business of the Company as currently conducted, to the Company's knowledge, the Company (A) is the sole owner or exclusive licensee of all such Company Intellectual Property purported to be owned or exclusively licensed by the Company, and (B) has the sole and exclusive right to bring a claim or suit against a third party for infringement, violation or misappropriation of such Company Intellectual Property.

(c) No Violation of Third Party Rights. To the Company's Knowledge, there are no claims pending against the Company by any other Person pertaining to Company Intellectual Property, and no proceedings are pending which challenge the rights of the Company Intellectual Property. To the Company's Knowledge, the Company has the right to use, without infringing or misappropriating the intellectual property rights of others, all Intellectual Property owned by the Company and necessary to conduct its business in substantially the same manner as currently conducted by the Company. To the Company's Knowledge, the operation of the business of the Company, as it is currently conducted by the Company, has not since January 1, 2008 and does not infringe or misappropriate any Intellectual Property rights of any Person or constitute unfair competition or unfair trade practices under the laws of any jurisdiction, and the Company has not received written notice from any Person claiming that such operation or any act, any product or Company Intellectual Property infringes or misappropriates any Intellectual Property rights of any Person or constitutes unfair competition or trade practices under the laws of any jurisdiction.

(d) Validity. Each item of Company Registered Intellectual Property is valid and subsisting, and all necessary registration, maintenance and renewal fees due prior hereto in connection with such Company Registered Intellectual Property have been paid and all necessary documents due prior hereto in connection with such Company Registered Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purpose of maintaining such Company Registered Intellectual Property.

(e) Data Privacy. To the Company's Knowledge, the Company has materially complied with all applicable U.S. laws and the Company's own published privacy policies, if any, relating to Personal Information that the Company has collected. "Personal Information" means (i) any information relating to an identified or identifiable natural Person (and to an identified or identifiable legal entity where the applicable law includes data relating to legal entities in the definition of personal information or data), and (ii) information from credit or debit cards of any such Person. As used in this definition, an identifiable natural Person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors, including to his or her specific physical, physiological, mental, economic or social identity.

(f) No Third Party Infringers. To the Company's Knowledge, no third party is currently infringing or misappropriating any material Company Intellectual Property.

(g) No Restrictions. There are no settlements, forbearances to sue, consents, judgments, orders or other obligations to which the Company is subject as a result of being a party named in the applicable action or party to a written agreement, other than Licenses made in the ordinary course of business, that are material and that do or would reasonably be likely to: (i) restrict the rights of the Company to use, transfer or license any Company Intellectual Property; (ii) restrict the conduct of the business of the Company in order to accommodate a third party's Intellectual Property; or (iii) permit third parties to use any Company Intellectual Property.

(h) Outbound Licenses. Other than (i) non-disclosure agreements and (ii) non-exclusive licenses (pursuant to written agreements that have been entered into in the ordinary course of business) to third parties, Section 3.17(h) of the Disclosure Schedule lists all contracts, Licenses and agreements to which the Company is a party and under which the Company has granted a License of Intellectual Property to third parties.

(i) Protection of Trade Secrets. The Company has taken reasonable measures to protect the Company's rights in confidential information, know-how and Trade Secrets of the Company or provided by any other Person to the Company. To the Company's Knowledge, there has been no unauthorized disclosure of any material Company Trade Secrets, material confidential information or material know-how by the Company.

3.18 Insurance. Section 3.18 of the Disclosure Schedule sets forth an accurate description of all insurance policies in effect as of the date hereof, providing coverage with respect to the business or assets of the Company. All premiums due and payable thereunder have been paid. Each policy listed in Section 3.18 of the Disclosure Schedule that is maintained by the Seller for the benefit of the Company will terminate or lapse by reason of the transactions contemplated by this Agreement. Section 3.18 of the Disclosure Schedule further sets forth an accurate and complete list of all claims asserted by the Company pursuant to any certificate of insurance, binder or policy since January 1, 2006, and there are no outstanding claims which have been denied by the insurer.

3.19 Employees; Labor.

(a) The Company has made available to Purchaser an accurate and complete list of all independent contractors performing services for the Company as of February 23, 2011. The Company has also made available to Purchaser an accurate and complete list of titles or job descriptions and the annual base salary or base wage rate, plus cash bonus opportunities, plus any applicable shift, incentive or piece-rate differentials in effect as of February 23, 2011, of each Company Employee. As of the date hereof, no director, officer, manager-level employee, group of employees (meaning ten (10) or more in the same job classification) of the Company has, to the Company's Knowledge, given notice of their intention to terminate their employment with the Company prior to the Closing. The Company has not entered into any agreement with any current Company Employee to provide a future base salary increase for such employee outside of the ordinary course of business.

(b) Except for proprietary information and inventions assignment agreements, or as set forth on Section 3.12 of the Disclosure Schedule, there are no contracts of employment (other than contracts which can lawfully be terminated at will or without material liability to the Company) or change in control agreements currently in place between the Company and any Company Employee.

(c) There is no labor strike, slowdown, stoppage or lockout actually pending, or to the Company's Knowledge, threatened against the Company. The Company is not a party to or bound by any collective bargaining agreement with any labor organization applicable to employees of the Company. To the Company's Knowledge, there is not pending any demand for recognition or any other request or demand from a labor organization for representative status with respect to Persons employed by the Company. To the Company's Knowledge, no labor union has been certified by the National Labor Relations Board as bargaining agent for any of the employees of the Company. The Company has not experienced any material work stoppage or other material labor difficulty during the two-year period ending on the date hereof. There is no unfair labor practice charge or complaint against the Company or, to the Company's Knowledge, threatened before the National Labor Relations Board. The Company does not have any indemnification agreements with any of its, or the Seller's, directors, officers or employees.

3.20 Employee Benefit Plans.

(a) Set forth in Section 3.20 of the Disclosure Schedule is a list of (i) any existing incentive, bonus, commission, deferred compensation, retention, change in control, severance or termination pay plan, agreement or arrangement, whether formal or informal; (ii) any existing pension benefit plan, stock purchase, stock option or any other employee benefit plan, agreement or arrangement, whether formal or informal; (iii) any existing fringe or welfare benefit plan, agreement or arrangement, whether formal or informal; and (iv) any other existing "employee benefit plan" as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), in each case, that are in effect that cover current or former employees, consultants or directors of the Company and are maintained, sponsored, contributed to or required to be contributed to by the Seller or any of its Affiliates or with respect to which the Seller or any Affiliate has or could reasonably be expected to have any liability (those arrangements disclosed in said schedule are herein collectively referred to as the "Benefit Plans"). Benefit Plans that are maintained, sponsored, contributed to or required to be contributed to solely by the Company and that provide coverage or benefits for the current or former employees of the Company are referred to herein as "Company-Sponsored Benefit Plans." Employees of the Company (and their eligible dependents and beneficiaries) will not be eligible to continue as "active" participants under any Benefit Plan other than Company-Sponsored Benefit Plans after the Closing. The Company has made available for review to Purchaser the most recent plan document and summary plan description, in each case as applicable, with respect to the Benefit Plans.

(b) To the Company's Knowledge, the Company has not engaged in a transaction in connection with which it could be subject either to a material civil penalty assessed pursuant to Section 502(i) of ERISA or a material tax imposed by Section 4975 of the Code.

(c) With respect to each Benefit Plan that is a Pension Plan, as defined in Section 3(2) of ERISA, the following is true and correct as of the Closing: (i) all contributions required to be made under Section 412 of the Code and Section 302 of ERISA (whether or not waived) have been made when due, and all premium payments to the PBGC have been made when due; (ii) there is no event or condition existing (other than the transactions contemplated by this Agreement) which could be deemed a "reportable event" within the meaning of Section 4043 of ERISA with respect to which the notice requirement has not been waived, and no condition exists which would subject the Seller or any ERISA Affiliate to a fine under Section 4071 of ERISA; (iii) no amendment has occurred which has required or could require the Seller or any ERISA Affiliate to provide security to such Pension Plan under Section 412 or 436 of the Code or Section 302 of ERISA; (iv) no documentation or other information has been or is currently required to be provided to the PBGC pursuant to Section 4010 of ERISA; (v) there are no contributing sponsors of each such Pension Plan who are not ERISA Affiliates of the Seller; and (vi) no transaction has occurred and no condition exists with respect to such Pension Plan that has subjected or will likely subject the Seller or any ERISA Affiliate to liability under Section 4069 of ERISA.

(d) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event, such as termination of employment or other service) (i) result in or cause any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution or increase in benefits with respect to any Company-Sponsored Benefit Plan for any current or former director, officer, employee or other service provider of the Company (other than partial termination resulting from the consummation of this Agreement), (ii) give rise to any obligation to fund any payment or benefit by the Company, (iii) give rise to any limitation on the ability of the Company to amend or terminate any Company-Sponsored Benefit Plan, or (iv) result in any payment or benefit that will be characterized as an "excess parachute payment," within the meaning of Section 280G of the Code under any Benefit Plan.

(e) Except as set forth in Section 5.7 hereof, each Company-Sponsored Benefit Plan may be unilaterally amended or terminated by the Company, without material liability or penalty; provided, however, that, each such Company-Sponsored Benefit Plan may provide that (i) existing participants have certain rights upon amendment or termination under a Company-Sponsored Benefit Plan, (ii) underlying insurance or contracts provide certain notice or other withdrawal provisions, and (iii) applicable law may restrict such rights, including under H.R. 3590--111th Congress: Patient Protection and Affordable Care Act and H.R. 4872--111th Congress: Health Care and Education Reconciliation Act of 2010.

(f) The Company has not participated in, maintained or contributed to or been required to contribute to a "multiemployer plan," as such term is defined in Section 3(37) of ERISA.

(g) There are no pending or, to the Company's Knowledge, threatened claims (other than routine claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted against the Benefit Plans, any fiduciaries of the Benefit Plans with respect to their duties to the Benefit Plans or the assets of any of the trusts under any of the Benefit Plans which would reasonably be expected to result in a material liability of the Company.

(h) To the Company's Knowledge, the Company has no agreement or arrangement under which the Company has any material liability under a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code and the applicable Treasury guidance thereunder that does not comply with the requirements of Section 409A of the Code or that does not have remaining a period of time to bring such Benefit Plan into compliance with Section 409A of the Code and the guidance issued thereunder.

(i) The Company and its ERISA Affiliates have materially complied with the applicable requirements of COBRA and HIPAA with respect to the Benefit Plans under which Company Employees participate.

(j) The IRS has issued a favorable determination letter or has an application pending or has remaining a period of time to seek a determination letter with respect to each Benefit Plan that is intended to be a "qualified plan" within the meaning of Section 401(a) of the Code, copies of which have been made available to Purchaser, and to the Company's Knowledge, there are no existing circumstances nor any events that have occurred that could reasonably be expected to materially and adversely affect the qualified status of any such plan or the tax-exempt status of any related trust and to result in material liability to Purchaser or its ERISA Affiliates. Each qualified plan has been operated and administered in accordance with, in all material respects, the terms of the qualified plan and applicable law, including ERISA and the Code.

3.21 Litigation. As of the date of this Agreement, there are no pending Proceedings (i) by or against the Company, or (ii) to the Company's Knowledge, by or against any of the directors or officers of the Company in their capacities as such. To the Company's Knowledge, no such Proceedings have been threatened in writing against the Company. As of the Closing Date, there will be no Proceedings pending against the Company which would reasonably be expected to have a material and adverse impact on the business of the Company as currently conducted. The Company is not operating under and is not subject to any judgment, writ, order, injunction, award or decree of any court, judge, justice, magistrate or arbitrator, including any bankruptcy court or judge, or any order of or by any Governmental Entity.

3.22 Compliance with Laws; Permits.

(a) The Company is in compliance in all material respects with all laws, rules and regulations, ordinances, judgments, decrees, orders, writs and injunctions of all United States federal, state, local, foreign governments and agencies thereof that apply and are material to the business, properties or assets of the Company. Since January 1, 2010 through the date hereof, the Company has not received any written notice from a Governmental Entity regarding any material violation of, or material failure to comply with, any material law, judgment or Permit. The Company possesses or has applied for all Permits which are required for the operation of its business as currently conducted and all such issued or granted Permits are in full force and effect, except where the failure to have any such Permits or to be in full force and effect would not materially and adversely affect the business of the Company as currently conducted. Section 3.22(a) of the Disclosure Schedule sets forth all such Permits and applications. This Section 3.22 does not relate to matters with respect to Taxes, which are the subject of Section 3.23, or environmental matters, which are the subject of Section 3.24.

(b) The Company has, at all times as to which the applicable statute of limitations has not yet expired, conducted its import and export transactions materially in accordance with (i) all applicable U.S. import, export and re-export controls, including the United States Export Administration Regulations and Foreign Assets Control Regulations and (ii) all other applicable import/export controls in other countries in which the Company has conducted import or export transactions. Without limiting the foregoing, the Company has not received written notice to the effect that a Governmental Entity claimed or alleged that the Company was not in compliance in a material respect with any applicable laws relating to the export of goods and services to any foreign jurisdiction against which the United States or the United Nations maintains sanctions or export controls, including applicable regulations of the United States Department of Commerce.

3.23 Taxes.

(a) (i) All Tax Returns with respect to Tax periods ending on or prior to the Closing Date required to be filed by or on behalf of the Company on or prior to the Closing Date have been, or will be, timely filed, (ii) all such Tax Returns were, or will be, correct and complete in all material respects, (iii) all Taxes shown on any such Tax Return have been, or will be, timely paid, (iv) there is no material deficiency concerning any Tax liability of the Company which has been assessed or claimed by any Taxing authority in writing that has not been settled or paid, (v) there are no investigations, audits, examinations or proceedings currently pending or, to the Company's Knowledge, threatened against the Company by any Tax authority for the assessment or collection of any Tax, (vi) all Taxes which the Company is required to withhold or collect have been withheld or collected and have been paid over to the proper Governmental Entities and (vii) the Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(b) The Company is not party to a Tax allocation or sharing agreement that will survive the Closing.

(c) The representations and warranties contained in this Section 3.23 constitute the sole and exclusive representations and warranties of the Company concerning or relating to Tax matters.

(d) The Company has not entered into any transaction identified as a "listed transaction" for purposes of Treasury Regulations Sections 1.6011-4(b)(2) or 301.6111-2(b)(2).

3.24 Environmental Matters. Since January 1, 2008, to the Company's Knowledge, the Company has been in compliance in all material respects with Environmental Laws applicable and material to the business of the Company as currently conducted. As of the date hereof, the Company is not subject to any pending, or to the Company's Knowledge, threatened Proceeding under any Environmental Law. Since January 1, 2008, neither the Seller nor the Company has (a) received any written notice of any complaint, order, directive, citation, notice of potential responsibility, or information request pursuant to an Environmental Law from any Governmental Entity arising out of or attributable to: (i) the current or past presence at any part of the property owned or leased by the Company of a hazardous substance (as hereinafter defined) or any other waste or pollutant regulated under the Environmental Laws; (ii) the current or past release or threatened release into the environment from the property owned or leased by the Company of any hazardous substance or any other waste or pollutant regulated under the Environmental Laws; (iii) the off-site disposal by the Company of a hazardous substance or waste; (iv) any facility operations or procedures of the Company that do not conform in all material respects to applicable requirements of the Environmental Laws; or (v) any violation of Environmental Laws by the Company at any part of the property owned or leased by the Company or otherwise arising from the activities of the Company or (b) generated, produced, or caused any "release" of a "hazardous substance," as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, et seq., or the unlawful discharge of any other waste or pollutant regulated under the Environmental Laws, including without limitation petroleum hydrocarbons, in excess of a reportable quantity, which release or discharge remains unresolved on any real property owned or leased by the Company. The Company possesses all Permits which are required for the Company to conduct its business as currently conducted under Environmental Laws, except where the failure to have any such Permits would not materially and adversely impact the business of the Company as currently conducted. Other than those that have been provided or made available to Purchaser, to the Company's Knowledge, there are no material environmental reports, investigations or audits conducted by or on behalf of the Company relating to premises currently or previously owned, leased or operated by the Company. The representations and warranties contained in this Section 3.24 constitute the sole and exclusive representations and warranties of the Seller concerning or relating to environmental matters.

3.25 Bank Accounts. Section 3.25 of the Disclosure Schedule sets forth (a) the names and locations of all banks, trust companies, savings and loan associations and other financial institutions at which the Company maintains safe deposit boxes, checking accounts or other accounts of any nature and (b) the names of all Persons authorized to cause the Company to draw thereon, make withdrawals therefrom or have access thereto.

3.26 Brokers or Finders. No broker, investment banker, financial advisor or other Person, other than those whose fees and expenses shall be paid by the Seller, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Seller or any of its Affiliates or Representatives.

3.27 Transactions with Related Parties. No current officer or director of the Seller or the Company or Person known by the Seller or the Company to be an Affiliate of any of them, is currently a party to any material transaction or agreement with the Company.

3.28 No Other Representations. Except for the representations and warranties contained in this Article III, neither the Seller nor any Person acting on behalf of either of them makes any representation or warranty, express or implied.

ARTICLE IV

Representations and Warranties of Purchaser

4.1 Organization and Qualification. Purchaser is a open/public stock corporation duly organized, validly existing and in good standing, or the equivalent, under the laws of Chile, and is duly authorized to transact business and is in good standing in each jurisdiction in which the ownership of its assets or conduct of its business requires such qualification, except where the failure to be so authorized and in good standing would not have a Material Adverse Effect on Purchaser.

4.2 Authority. Purchaser has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and the other documents, instruments and certificates to be executed and delivered by Purchaser pursuant to this Agreement. The execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of Purchaser and its stockholders.

4.3 Enforceability. This Agreement has been duly executed and delivered by Purchaser, and, assuming due and valid authorization, execution and delivery hereof by the Seller, is a valid and binding obligation of Purchaser, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting enforcement of creditors' rights generally and to general equity principles (regardless whether considered in a proceeding in equity or at law).

4.4 Approvals. None of the execution, delivery or performance of this Agreement by Purchaser, the consummation by Purchaser of the transactions contemplated hereby or compliance by Purchaser with any of the provisions hereof will (a) conflict with or result in any breach of any provision of the certificate of incorporation or bylaws or other organizational documents of Purchaser, (b) require any filing with, or permit, authorization, consent or approval of, any Governmental Entity, (c) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Purchaser is a party or by which Purchaser or any of its properties or assets may be bound, or (d) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Purchaser or any of its properties or assets, excluding from the foregoing clauses (b), (c) and (d), (1) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable federal and state securities laws in connection with the transactions contemplated hereby, (2) filings required pursuant to the HSR Act and (3) such violations, breaches or defaults which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Purchaser.

4.5 Availability of Funds.

(a) Purchaser currently has or at the Closing will have sufficient immediately available funds in cash to pay (i) the Closing Purchase Price, and (ii) any other amounts payable pursuant to this Agreement and to effect the transactions contemplated hereby.

(b) Purchaser has received an executed commitment letter, dated as of the date of this Agreement (including all exhibits, schedules, annexes and amendments thereto as of the date of this Agreement, the "Debt Commitment Letter"), from Deutsche Bank AG London Branch (the "Lenders") to provide Purchaser with up to the amount set forth therein in debt financing at the Closing (the "Debt Financing"). Purchaser has provided the Seller with a true, complete, correct and fully executed copy of the Debt Commitment Letter and will provide the Seller with a true, complete, correct and fully executed copy of each commitment letter entered into in connection with any Alternate Financing. The Debt Commitment Letter so provided is in full force and effect and is a valid, legal, binding and enforceable obligation of Purchaser, and to Purchaser's Knowledge, the other parties thereto (provided that, if Purchaser has entered into any Alternate Financing, the phrase "Debt Commitment Letter so provided" shall be deemed to mean, for purposes of this sentence, the commitment letter with respect to such Alternate Financing). Any Alternate Financing arranged pursuant to Section 5.11(c) (including any new financing commitment) put in place after the date hereof (x) will be in full force and effect from the time the commitment letter(s) with respect thereto have been executed until the earlier of the Closing or such time as any replacement Alternate Financing (including any new financing commitment) has been put in place in compliance with Section 5.11(c) and (y) will be a valid, legal, binding and enforceable obligation of Purchaser, and to Purchaser's Knowledge, the other parties thereto. In addition, (i) except as expressly permitted by Section 5.11(c) or with the express written consent of the Seller, (x) no Debt Commitment Letter (or any commitment letter in respect of any Alternate Financing) has been amended, restated or otherwise modified, (y) the financing commitments in the Debt Commitment Letter (or any commitment letter in respect of any Alternate Financing) have not been withdrawn or terminated and (z) the financing commitments in the Debt Commitment Letter (or any commitment letter in respect of any Alternate Financing) have not been rescinded in any respect (and no party thereto has indicated an intent to so rescind), (ii) none of Purchaser or its Affiliates is in material breach of any of the terms or conditions set forth in the Debt Commitment Letter (or any commitment letter in respect of any Alternate Financing) and (iii) assuming the accuracy of the representations and warranties of the Seller set forth in Article III, in all material respects and as of the date of this Agreement, no event has occurred which, with or without notice, lapse of time or both, would reasonably be expected to constitute a breach on the part of Purchaser under any term or condition of the Debt Commitment Letter. Purchaser has fully paid any and all commitment fees and other fees in connection with the Debt Commitment Letter (or any commitment letter in respect of any Alternate Financing) that are payable on or prior to the date of this Agreement and shall in the future pay any such fees as they become due. There are no side letters or other agreements, arrangements or understandings (written or oral) relating to the Debt Financing (other than the Debt Commitment Letter and the Fee Letter) to which Purchaser or any of its Affiliates is a party that impose additional conditions precedent to or are otherwise reasonably likely to impair or delay the Closing or the availability of the Debt Financing or any Alternate Financing on the Closing Date.

(c) Purchaser has no reason to believe that any of the conditions to the Financing contemplated by the Debt Commitment Letter (or any Alternate Financing that may be contemplated by any future commitment letter in respect of any Alternate Financing) will not be satisfied on the Closing Date or that the Debt Financing or any portion thereof (or, in the event any Alternate Financing is arranged in accordance with Section 5.11, the Alternate Financing or any portion thereof) will otherwise not be available to Purchaser on the Closing Date. The net proceeds of the Debt Financing or any Alternate Financing arranged pursuant to Section 5.11, together with available funds of Purchaser, will be sufficient for satisfaction of all of Purchaser's obligations hereunder, including the payment of the Closing Purchase Price and any other amounts required to be paid in connection with the consummation of the transactions contemplated hereunder. There are no conditions precedent or other contingencies (including in any fee letter between Purchaser and the Lenders (the "Fee Letter")) (i) to the availability of any "market flex" provisions set forth in the Debt Commitment Letter (or any commitment letter in respect of any Alternate Financing) or Fee Letter (or any fee letter in respect of any Alternate Financing), and (ii) other than as expressly set forth in the Debt Commitment Letter (or any commitment letter in respect of any Alternate Financing), to any lenders' obligations to fund the Debt Financing or any Alternate Financing that replaces the Debt Financing.

4.6 Securities Matters. The Shares are being acquired by Purchaser for its own account, and not with a view to, or for the offer or sale in connection with, any public distribution or sale of the Shares or any interest in them. Purchaser has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Shares, and Purchaser is capable of bearing the economic risks of such investment, including a complete loss of its investment in the Shares. Purchaser acknowledges that the Shares have not been registered under the Securities Act, or any state or provincial securities laws, and understands and agrees that it may not sell or dispose of any of the Shares except pursuant to a registered offering in compliance with, or in a transaction exempt from, the registration requirements of the Securities Act and any applicable state securities laws.

4.7 Solvency. Immediately following the Closing, the Company will be Solvent.

4.8 Litigation. There are no Proceedings pending against Purchaser, nor, to Purchaser's Knowledge, any Proceedings threatened against Purchaser that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Purchaser.

4.9 Independent Investigation. In making the decision to enter into this Agreement and to consummate the transactions contemplated hereby and thereby, other than reliance on the representations and warranties contained in Article III and the covenants and obligations of the Seller set forth in this Agreement and in any agreement entered into in connection herewith, Purchaser has relied solely on its own independent investigation, analysis and evaluation of the Company (including Purchaser's own estimate and appraisal of the value of the Company and the financial condition, operations and prospects of the Company).

4.10 Brokers or Finders. No broker, investment banker, financial advisor or other Person, other than Deutsche Bank, whose fees and expenses shall be paid by Purchaser, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser or any of its Affiliates or Representatives.

4.11 No Other Representations. Except for the representations and warranties contained in this Article IV, neither Purchaser nor any Person acting on behalf of Purchaser makes any representation or warranty, express or implied.

ARTICLE V

Covenants

5.1 Conduct of the Company. Except with the prior written consent of Purchaser, which shall not be unreasonably withheld, conditioned or delayed, or as set forth in Section 5.1 of the Disclosure Schedule or except as specifically required or permitted by this Agreement or required by applicable law (provided that the Seller shall notify Purchaser of its inability to comply with this Section 5.1 in any material respect as a result of any requirements of applicable laws), from the date hereof until the Closing, the Seller shall cause the Company to:

(a) conduct and operate its business only in the ordinary course; and

(b) use commercially reasonable efforts to (i) preserve the business organizations intact and preserve the Company Rights, (ii) maintain its employment relationships, and (iii) maintain existing relationships and the goodwill of its suppliers, customers, lessors, creditors, distributors and others with whom it has business relations.

5.2 Prohibited Action. Except with the prior written consent of Purchaser, which shall not be unreasonably withheld, conditioned or delayed, or as set forth in Section 5.2 of the Disclosure Schedule or except as specifically required or permitted by this Agreement or required by applicable law, from the date hereof until the Closing, the Seller shall cause the Company not to:

(a) amend or otherwise change its articles of incorporation or bylaws;

(b) issue, sell, authorize for issuance or sale, transfer, grant any right, pledge, dispose of or encumber any equity interests of the Company, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any such interests;

(c) declare, set aside, make or pay any dividend or other distribution payable in cash, equity interests, property or otherwise with respect to any equity interests of any of the Company, other than cash sweeps or dividends to the Seller and its Affiliates;

(d) participate in activity of the type sometimes referred to as “trade loading” or “channel stuffing” with the intention of causing an artificial increase, temporary or otherwise, in the demand for the products offered by the Company prior to the Closing, including sales (i) with payment terms longer than terms customarily offered by the Company, (ii) at a greater discount from listed prices than customarily offered for such products, other than pursuant to a promotion of a nature previously used in the ordinary course of business for such product or brand, (iii) at a price that does not give effect to any general increase in the list price for such product publicly announced prior to the Closing Date outside the scope of any previous promotion of the Company relating to any of its products, (iv) with shipment terms more favorable to the customer than shipment terms customarily offered by the Company, (v) in a quantity greater than the reasonable resale requirement of the particular customer, (vi) in conjunction with other material benefits to the customer not previously offered in the ordinary course of business to such customer or (vii) accelerating the timing of any new releases for existing products;

(e) enter into, materially modify, cancel or terminate any contract or agreement that provides for the supply of grapes with a cost to the Company in excess of one hundred thousand dollars ($100,000);

(f) make or authorize any capital commitment, capital lease, or any other expenditure with respect to property, plant or equipment, except in the ordinary course of business and not in excess of one hundred thousand dollars ($100,000);

(g) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company;

(h) change in any material respect any of the accounting principles, methods or practices used by it;

(i) enter into, modify, accelerate, cancel or terminate any employment agreement, except in the ordinary course of business;

(j) increase the base compensation, bonus to, or benefits payable or to become payable to its directors, officers, employees or consultants or other independent contractors of the Company (other than in the ordinary course of business), terminate any employee of the Company (other than in the ordinary course of business in instances where the terminated employee is paid less than one hundred thousand dollars ($100,000), or for Cause), grant any severance, retention or termination pay to, or enter into any severance agreement with, any director, officer or other employee of the Company, consultant or other independent contractor of the Company, or establish, adopt, enter into or amend any Company-Sponsored Benefit Plan or other plan, agreement, trust, fund, policy or arrangement for the benefit of any such then-current director or Company Employee, except pursuant to a Benefit Plan existing on the date hereof and except that the Company may (i) make bonus payments consistent with past practices; (ii) enter into or make any amendments to Company-Sponsored Benefit Plans to comply with applicable laws or consistent with past practice; (iii) increase the compensation payable to, or to become payable to, its officers or employees in the ordinary course of business; or (iv) amend any Benefit Plan of the Seller for which no material financial obligation of the Company would be incurred;

(k) acquire, including by merger, consolidation, acquisition of stock or assets or otherwise, any equity interest in or any material portion of the assets of, or by any other manner acquire, any business or any Person or division thereof;

(l) sell, lease, transfer or otherwise dispose of any assets or property of the Company, except in the ordinary course of business or pursuant to existing contracts and other than cash sweeps or dividends to the Seller and its Affiliates and the transfer of accounts receivable to the Seller and its Affiliates;

(m) (i) incur any Indebtedness, (ii) mortgage, pledge or subject to any Lien (other than Permitted Liens) any of the assets or property of the Company, or (iii) make any loan to, or advance (other than the advancement of expenses to employees in the ordinary course of business), invest in, or guarantee any Indebtedness of any other Person;

(n) pay, cancel, compromise, release, discharge, settle or satisfy any claims, suits or liabilities or other obligations, other than the payment, discharge or satisfaction in the ordinary course of business of liabilities reflected or reserved against in the Reference Balance Sheet, or incurred subsequent to such date in the ordinary course of business;

(o) settle or compromise any Proceeding, other than in the ordinary course or where the liability of the Company is limited to money damages;

(p) directly or indirectly, engage in any transaction with, or enter into any contract or other agreement with, any director, officer, holder of five percent (5%) or more of the outstanding shares of capital stock of an Affiliate of the Company or any individual known to the Company to be a family member of any such Person other than cash sweeps to the Seller and its Affiliates, contributions of working capital from the Seller or its Affiliates or the transfer of accounts receivable to the Seller and its Affiliates;

(q) enter into any contract or other agreement that limits the ability of the Company to compete in or conduct any line of business or compete with any Person in any geographic area or during any period;

(r) make, rescind, or change any material Tax election, settle or compromise any material Tax liability or audit, or file any material amended Tax Return;

(s) enter into any additional lease with respect to the Owned Real Property or Leased Real Property, except in the ordinary course of business;

(t) enter into, accelerate, terminate, amend or modify in any material respect any contract or agreement listed in Section 3.12 of the Disclosure Schedule or any Real Estate Lease, except in the ordinary course of business;

(u) sell, assign, transfer, license or sublicense, pledge or otherwise encumber any of the Company Intellectual Property other than in the ordinary course of business;

(v) otherwise take any actions or omit to take any actions that would or would be reasonably likely to result in any of the conditions to the Closing set forth in Article VI not being satisfied; or

(w) agree or commit, whether in writing or otherwise, to do any of the foregoing.

5.3 Filings; Other Actions; Notification.

(a) Each of the Seller and Purchaser shall cooperate with the other and use all reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and applicable laws to consummate the transactions contemplated hereby as soon as practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions, filings and other documents and to obtain as promptly as practicable all Permits, consents, approvals, registrations and authorizations necessary or advisable to be obtained from any third party and/or any Governmental Entity in order to consummate the transactions contemplated hereby (it being understood that the failure to obtain any such Permits, consents, approvals, registrations or authorizations shall not, by itself, cause the conditions set forth in Section 6.2(b) or Section 6.3(b), as applicable, to be deemed not to be satisfied, and it being further understood that neither party nor their Affiliates shall be required to expend any money other than for filing fees or expenses, their own respective legal fees and expenses in connection with complying with the immediately following sentence of this Section 5.3(a) or *de minimis* costs or expenses or agree to any restrictions to obtain any such Permits, consents, approvals, registrations and authorizations). Subject to the parenthetical of the immediately preceding sentence, the Seller shall use all reasonable efforts to transfer (subject to receipt of any required consents) the agreements set forth on Part I of Section 5.3 of the Disclosure Schedules to the Company prior to the Closing, and upon Purchaser's written request, the Seller will contact the counterparty to the agreements set forth on Part II of Section 5.3 of the Disclosure Schedule to facilitate discussions between Purchaser and such counterparty regarding the feasibility of replicating services under such agreements for the benefit of the Company on a stand-alone basis following the Closing. Subject to applicable laws and agreed upon confidentiality restrictions relating to the exchange of information, the parties hereto shall have the right to review in advance, and will consult the other on, all the information relating to the Seller or Purchaser, as the case may be, and any of their respective Affiliates, that appear in any filing made with, or written materials submitted to, any third party and/or any Governmental Entity in connection with the transactions contemplated hereby (other than with respect to filings under the HSR Act, proprietary business information that is not customarily exchanged between parties in a transaction such as the transactions contemplated hereby). In exercising the foregoing right, each party shall act reasonably and as promptly as practicable.

(b) Subject to applicable confidentiality restrictions, the Seller shall and Purchaser shall, upon request by the other, furnish the other with all information concerning itself, its Subsidiaries, directors, executive officers and stockholders and members and such other matters as may be reasonably necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of Purchaser or the Seller to any third party and/or any Governmental Entity in connection with the transactions contemplated by this Agreement.

(c) As soon as reasonably practicable and in any event within two (2) Business Days following the date hereof, Purchaser and the Seller shall each prepare and file complete Premerger Notification and Report Forms ("HSR Forms") and other related materials required to be filed with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice in order to comply with the HSR Act. Such HSR Forms shall be complete and in compliance with the requirements of the HSR Act to ensure that the HSR Act waiting period commences upon the filing of the HSR Forms by both parties as required pursuant to this Section 5.3. Purchaser and the Seller shall submit any other filings, submissions or notices required with respect to the transactions contemplated hereunder under any other Antitrust Law or by any other Governmental Entity. Purchaser and the Seller shall use their respective reasonable best efforts to furnish or file, as appropriate, all materials promptly thereafter that are required or requested to be submitted by any of the Governmental Entities having jurisdiction over such filings. Purchaser and the Seller shall take all reasonable actions and shall file and use all reasonable best efforts (i) to obtain written acknowledgement from the Federal Trade Commission and any other applicable Governmental Entity of its receipt of the necessary documents and notifications as may be required under the HSR Act or other Antitrust Law and (ii) to obtain an early termination of the applicable waiting period. Each party shall promptly inform the other party of any communication with, and any proposed understanding, undertaking, or agreement with, any Governmental Entity regarding any such filings, submissions, or communications.

(d) Each of Purchaser and the Seller shall use its reasonable best efforts to resolve such objections, if any, as may be asserted by any Governmental Entity with respect to the transactions contemplated by this Agreement under the HSR Act, as amended, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other federal, state or foreign statutes, rules, regulations, orders or decrees that are designed to prohibit, restrict or regulate actions having the purpose or effect of threatening a substantial lessening of competition, monopolization or restraint of trade (collectively, "Antitrust Laws"). In connection therewith, if any administrative or judicial action or proceeding is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any Antitrust Law, each of Purchaser and the Seller shall cooperate and use its reasonable best efforts to vigorously contest and resist any such action or proceeding and to have vacated, lifted, reversed, or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents, or restricts consummation of any such transaction. Each of Purchaser and the Seller shall use its reasonable best efforts to take such action as may be required or advisable to cause the expiration of the waiting periods under the HSR Act or other Antitrust Laws with respect to such transactions as promptly as possible after the execution of this Agreement. The foregoing provisions of this Section 5.3(d) will not be deemed to require Purchaser to enter into any agreement, consent decree or other commitment requiring Purchaser or any of its Affiliates (including for this purpose, the Company) to divest (including through the grant of license rights) or hold separate any assets or to take other action (collectively, "Remediation Action") if any such Remediation Action would have a material adverse effect on the business, assets, properties, liabilities, condition (financial or otherwise), operating results or operations of Purchaser and its Affiliates, taken as a whole.

(e) The Seller and Purchaser each shall keep each other apprised of the status of matters relating to completion of the transactions contemplated hereby, including (i) promptly furnishing the other with copies of notices or other communications received by the Seller or Purchaser, as the case may be, or by any of their respective Affiliates, from any third party and/or any Governmental Entity with respect to the transactions contemplated by this Agreement and (ii) promptly informing the other party of any communication with, and any proposed understanding, undertaking, or agreement with, any Governmental Entity regarding any filings or the transactions contemplated hereby. The Seller and Purchaser each shall give prompt notice to the other party upon discovering: (i) any fact or the occurrence or nonoccurrence of any event that would require modifying, supplementing or correcting the disclosures then contained in the Disclosure Schedule to make any representation and warranty true and correct as of the date of this Agreement or on and as of the Closing Date (or for representations and warranties made as of a specified date, as of the specified date); (ii) the occurrence or nonoccurrence of any event which would reasonably be likely to cause any representation or warranty of such party contained in this Agreement or the Disclosure Schedule to be untrue or inaccurate in any material respect, such that the condition set forth in Section 6.2(a) or Section 6.3(a), as applicable, would not be satisfied as of the date of such event or as of the Closing Date; (iii) any failure of the Seller or Purchaser, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party hereunder; or (iv) the occurrence or nonoccurrence of any event which would reasonably be likely to cause any condition to the obligations of either party to effect the transactions contemplated hereby to not be satisfied. The notification shall include a reasonably detailed statement of the relevant facts relating to the discovery. No notification pursuant to this Section 5.3(e) will be deemed to amend or supplement the Disclosure Schedule, prevent or cure any misrepresentation, breach of warranty or breach of covenant, or limit or otherwise affect any rights or remedies available to the parties, including pursuant to Article VIII and Article X.

(f) Upon the reasonable request by Purchaser, the Seller shall provide limited powers of attorney to Purchaser to enable Purchaser to file reports and other required forms with the United States Department of Treasury and the Alcohol and Tobacco Tax and Trade Bureau ("TTB") for operation of the Owned Real Property and Leased Real Property where the Company currently holds a federal basic permit to operate bonded wineries ("Permitted Facilities"), in compliance with federal law, pending issuance of Purchaser's federal basic permits to operate bonded wineries at the Permitted Facilities. Purchaser shall indemnify, defend, protect and hold the Seller and its Affiliates harmless from and against any and all Losses incurred by the Seller or any of its Affiliates relating to or arising out of the limited powers of attorney or any filings or actions taken by Purchaser or any of its Affiliates in connection therewith. The preceding indemnity obligation is not subject to any of the limitations contained in Section 8.4 hereof. So long as Purchaser is operating the Permitted Facilities pending issuance of Purchaser's basic permits, Purchaser shall be responsible for timely filing all required reports and excise tax documents with TTB and to timely pay all federal excise taxes to TTB for Purchaser's wine when such taxes are due.

5.4 Confidentiality. The Seller shall use commercially reasonable efforts to ensure that all confidential information concerning the Company which the Seller and its Affiliates or any of their Representatives may now possess or may hereafter create or obtain relating to the financial condition, results of operations, business, properties, assets, liabilities or future prospects of the Company or any customer or supplier of the Company shall not be published, disclosed, or made accessible by any of them to any other Person at any time or used by any of them without the prior written consent of Purchaser; provided, however, that the restrictions of this provision shall not apply (i) as may otherwise be required by law, (ii) as may be necessary or appropriate in connection with the enforcement of this Agreement, or (iii) to the extent such information shall have otherwise become publicly available other than as the result of a breach by the Seller of its obligations under this Agreement. The restrictions of this Section 5.4 shall survive for a period of one (1) year following the Closing.

5.5 Access; Confidentiality.

(a) Upon reasonable advance notice to the Seller and subject to the prior written consent of Timothy Nall, which shall not be unreasonably withheld, the Seller shall afford Purchaser and its Representatives reasonable access, during normal business hours throughout the period prior to the Closing, to the properties, books, contracts and records of the Company and, during such period, shall furnish promptly to Purchaser and its Representatives all information concerning the business, properties, assets, contracts, Permits, results of operations and personnel of the Company as may reasonably be requested; provided, however, that the Seller may restrict the foregoing access to the extent that (i) in the reasonable judgment of the Seller, any law, treaty, rule or regulation of any Governmental Entity applicable to the Seller or the Company requires the Seller or the Company to restrict or prohibit access to any such properties or information, (ii) in the judgment of the Seller, the information is subject to confidentiality obligations to a third party, (iii) such disclosure would result in disclosure of any Trade Secrets of third parties, or (iv) disclosure of any such information or document could result in the loss of attorney-client privilege; provided, however, that with respect to this clause (iv), the Seller and/or its counsel shall use their reasonable efforts to enter into such joint defense agreements or other arrangements, as appropriate, so as to avoid the loss of attorney-client privilege; and provided further that as a condition to such access, Purchaser hereby agrees (x) that Purchaser and its Representatives shall not interfere with the operations of the properties, (y) to pay for the cost to repair any damage caused by Purchaser or its Representatives and (z) to indemnify, defend and hold the Seller and its Affiliates harmless with respect to any personal injury or property damage arising from or relating to entry on the Owned or Leased Real Property by Purchaser or its Representatives. All requests by Purchaser and its Representatives for information and access made pursuant to this Section 5.5 shall be made in writing directed to Timothy Nall. Further, Purchaser shall not contact any supplier, customer or vendor of the Company or the Seller without obtaining prior written consent of an executive officer of the Seller.

(b) The parties hereto will hold any such information in confidence pursuant to the terms of the Confidentiality Agreement. The parties hereto will continue to abide by the terms of that certain confidentiality agreement, dated November 19, 2010, between the Seller and Purchaser (the "Confidentiality Agreement"), the terms of which are incorporated by reference into this Agreement, and which terms shall survive until the Closing, at which time the Confidentiality Agreement will terminate; provided, however, that if this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall continue in full force and effect. Beginning on the date of this Agreement, neither the Company, the Seller, nor any of their respective Affiliates, will waive any right under any other nondisclosure agreement previously entered into by the Company or the Seller and any other Person with respect to evaluation of the sale of the Company without the prior written consent of Purchaser.

(c) From and after the Closing, Purchaser shall preserve and retain all information and books and records of the Company, including accounting, legal, personnel, auditing and other books and records and any documents relating to any governmental or non-governmental claims, actions, suits, Proceedings or investigations with respect to the Company on or prior to the Closing Date in a manner consistent with the document retention policy of Purchaser made available to the Company prior to the Closing.

(d) In the event and for so long as the Seller or any of its Affiliates is contesting or defending against or prosecuting any third-party charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand relating to the indemnification matters provided for in Section 8.2, Purchaser will (and will cause its Affiliates to) use all reasonable efforts to (i) fully cooperate with the Seller, its Affiliates and their respective Representatives in, and, subject to Section 5.5(e), assist the Seller, its Affiliates and their respective Representatives with, the contest, defense or prosecution, (ii) make available its personnel (including for purposes of fact finding, consultation, interviews, depositions and, if required, as witnesses), and (iii) provide such information, testimony and access to its books and records, in each case as shall be reasonably requested in connection with the contest, defense or prosecution.

(e) The Seller shall reimburse Purchaser for reasonable out-of-pocket costs and expenses incurred in connection with assisting the Seller pursuant to subsection (d) of this Section 5.5 at the request of the Seller, its Affiliates and their respective Representatives. No party shall be required by this Section 5.5 to take any action that would unreasonably interfere with the conduct of its business or unreasonably disrupt its normal operations. Any information received by any party pursuant to this Section 5.5 shall be subject to the Confidentiality Agreement.

5.6 Publicity. Neither the Seller nor Purchaser shall issue any press releases or otherwise make any public announcement with respect to this Agreement and the transactions contemplated hereby without the prior written consent of the other party. The Seller and Purchaser shall consult with each other subject to Section 5.3, prior to making any filings with any third party and/or any Governmental Entity (including any national securities exchange) with respect to this Agreement and the transactions contemplated hereby. Nothing contained in this Agreement shall prohibit the Seller or Purchaser or any of their respective Affiliates from publicly disclosing this Agreement and the transactions contemplated hereby to the extent such disclosure is required under applicable law or by obligations pursuant to any listing agreement with, or any rules of, any national securities exchange. Either party may file this Agreement and disclose the transactions contemplated hereunder publicly with the United States Securities and Exchange Commission without the prior written consent of the other party to the extent such filing is required by law; provided, however, that each of the Seller and Purchaser agrees to use reasonable efforts to advise the other party prior to making such filing or disclosure.

5.7 Employee Benefits.

(a) Except for the employees listed on Section 5.7(a) of the Disclosure Schedule (as updated from time to time by the Company or the Seller) who become employees of the Seller or any of its Affiliates (other than the Company) prior to the Closing, Purchaser agrees to continue the employment of, and retain on the payroll of the Company, all of the employees of the Company immediately prior to the Closing (each, a "Company Employee").

(b) For the twelve (12) months following the Closing, each Company Employee shall continue in the employ of the Company (or Purchaser or any of its Affiliates) at a salary or wage that is no less than the base salary or the base wage rate, plus cash bonus (including target value of short-term and long-term incentive, provided that any equity component may be paid in cash in lieu of equity, and holiday bonus) opportunities, plus any shift, incentive or piece-rate differentials applicable with respect to such Company Employee determined immediately prior to Closing (or, as applicable, immediately prior to his or her approved leave of absence during which the Closing Date occurs and after which he or she returns to active employment) ("Equivalent Wage"). Equivalent Wage shall not include the value of any Benefit Plan other than cash bonuses. Absent Cause, Purchaser shall not reduce, and shall cause its Affiliates not to reduce, a Company Employee's Equivalent Wage for the twelve (12) month period following the Closing Date.

(c) Subject to the provisions contained in this Section 5.7, Purchaser may terminate or relocate the employment of any Company Employee following the Closing, with or without Cause. In the event within the twelve (12) month period following the Closing Date (i) Purchaser or any of its Affiliates terminates any Company Employee without Cause or (ii) any Company Employee resigns or terminates his or her service with Purchaser or any of its Affiliates for Good Reason, Purchaser shall, and shall cause each of its Affiliates to, comply with the severance terms specified in this subsection. Each Company Employee will be provided a severance payment of no less than the product of such employee's weekly rate of base pay multiplied by one of the following, as applicable: (i) for salaried employees, the greater of (x) four (4), or (y) such employee's Years of Service, in each case, multiplied by two (2), but not less than eight (8) or more than fifty-two (52) in the aggregate; or (ii) for hourly employees, the greater of (x) two (2), or (y) such employee's Years of Service with the Seller, Purchaser and each of their Affiliates (including service with predecessor entities), but not more than thirteen (13). In addition, Company Employees shall also be entitled to a subsidy for COBRA health benefits continuation coverage for those employees who are terminated without Cause or resign for Good Reason less than twelve (12) months following the Closing Date who are enrolled in medical/dental coverage and electing COBRA continuation coverage (at a cost to the employee equal to the monthly premiums paid by such employee immediately prior to termination of employment, subject to such changes as may be implemented for similarly situated employees from time to time) for a period of weeks not less than the multiple determined in clause (i) above. For purposes of this section, "Years of Service" means completed full calendar years of service with Purchaser, the Seller and their respective Affiliates based on the "latest hire date" information set forth in the list made available to Purchaser as described in the second sentence of Section 3.19(a), excluding any fractional years of service. The benefits described in this section are contingent on the employee signing a release agreement for the benefit of both Purchaser and the Seller. Purchaser shall obtain such signed release agreement from each Company Employee in a form reasonably acceptable to both parties. Payments will be made in accordance with normal payroll cycles and will be subject to all applicable tax withholdings.

(d) For a period of twelve (12) months following the Closing, Purchaser shall arrange (or cause its applicable Affiliate to arrange) for each Company Employee who is participating in a Benefit Plan immediately prior to the Closing (as well as his/her eligible beneficiaries and dependents) to be eligible to participate in General Benefit Plans that provide coverage, benefits and cash equivalents that are substantially similar in the aggregate to the coverage and benefits provided under the Benefit Plans in which the Company Employees participate immediately prior to the Closing; provided, however, that (i) if Purchaser or any of its Affiliates as of the Closing does not maintain a defined benefit pension plan, then Purchaser shall increase its contribution per Company Employee under a defined contribution plan by two and one-half percent (2.5%) of each such Company Employee's eligible compensation, and (ii) if Purchaser or any of its Affiliates as of the Closing does not maintain a retiree health program, then Purchaser shall not be required to comply with this provision solely with regard to the coverage provided under that plan.

(e) Following the Closing, Purchaser shall cause service performed by Company Employees for the Company (or any predecessor entities) based on the Years of Service definition, to be taken into account for purposes of eligibility to participate, and vesting, vacation, paid time off, seniority rights and applicability of minimum waiting periods for participation under the benefit plans of Purchaser and its Affiliates in which Company Employees participate to the extent such service was credited by the Seller or the Company under similar benefit plans. Notwithstanding the foregoing, nothing in this Section 5.7 shall be construed to require crediting of service that would result in (i) duplication of coverage or benefits, or (ii) service credit under a newly-established plan for which prior service is not taken into account, in each case unless otherwise required by law.

(f) Without limiting the foregoing, from and after the Closing, Purchaser shall use its best efforts to: (i) cause to be waived any pre-existing conditions or limitations, eligibility waiting periods or required physical examinations under welfare benefit plans, policies or practices of Purchaser or its Affiliates for Company Employees and their beneficiaries and dependents, and (ii) cause to be credited any deductibles, out-of-pocket expenses, co-pays and similar payments incurred by Company Employees and their beneficiaries and dependents during any portion of the benefit plan's year prior to participation in each such benefit plan provided by Purchaser and its Affiliates; provided, however, that with regard to any Company Employee who is hired or who otherwise first becomes eligible to participate in a Benefit Plan within ninety (90) days prior to Closing, Purchaser shall not be required to comply with subsection (i) herein for each such Company Employee for a period of up to ninety (90) days following that Company Employee's date of hire or initial eligibility.

(g) Effective as of the Closing, the Company shall cease to be an adopting employer, plan sponsor, administrator and fiduciary under each Benefit Plan that is not a Company-Sponsored Benefit Plan and, accordingly, Company Employees (and their eligible dependents and spouses) shall cease to be eligible to participate under such Benefit Plans as of the Closing Date. From and after the Closing, the Seller shall retain all liability and responsibility with respect to all benefits accrued through the Closing Date (or in the case of a health and welfare benefit plan, with respect to all eligible expenses incurred through the Closing Date, without regard to whether such claims were reported prior to such date) under each Benefit Plan that is not a Company-Sponsored Benefit Plan; none of the Company, Purchaser or any Affiliate of either shall have any liability with respect thereto, and the Seller shall indemnify and hold harmless, the Company, Purchaser and each of their Affiliates with respect thereto, subject to Article VIII.

(h) The Seller and Purchaser will each take all actions necessary to cause a spin-off of the portion of the Seller's Flexible Spending Account Plan covering Company Employees to Purchaser's cafeteria plan in accordance with Revenue Ruling 2002-32 and subsequent guidance. Purchaser will provide the Seller with reasonable evidence of applicable compliance hereunder prior to any such spin-off of the recordkeeping account balances. Participant elections, contribution levels and coverage levels, as in effect prior to the Closing Date, will continue to be effective on and after the Closing Date and accordingly, honored under Purchaser's flexible spending account program in the same manner as under the Seller's Flexible Spending Account Plan. As soon as reasonably practicable following the Closing Date, the Seller will transfer to Purchaser the net amount equal to participant contributions to the Seller's Flexible Spending Account Plan from January 1, 2011, up to the Closing Date, less reimbursements during such period. The Seller shall not be responsible for, and shall have no liability relating to, resulting from or arising out of the provision of health reimbursement and dependent care reimbursement benefits to Company Employees following the transfer of the health flexible spending account balances and dependent care flexible spending account balances to Purchaser's plan. Notwithstanding the foregoing, if Purchaser or any of its Affiliates as of the Closing does not maintain a flexible spending account program pursuant to Code Section 105, then Purchaser shall not be required to comply with this subsection.

(i) As of the Closing Date, Purchaser shall provide continuation coverage under COBRA to Company Employees (and their dependents) or any other individual who is an M&A qualified beneficiary (as defined in Treasury Regulation Section 54.4980B-9, Q&A-4(b)) of the Company (collectively, the "M&A Qualified Beneficiaries"). Purchaser shall indemnify, defend and hold harmless the Seller for, from and against any and all claims, losses, liabilities, costs and expenses (including attorney's fees and expenses) relating to, arising out of, or resulting from any and all COBRA obligations, liabilities and claims related to M&A Qualified Beneficiaries. Purchaser further agrees and acknowledges that in the event that it ceases to provide any group health plan to any employee prior to the expiration of the continuation coverage period for all M&A Qualified Beneficiaries (pursuant to Treasury Regulation Section 54.4980B-9, Q&A-8(c)), then Purchaser shall provide the Seller with (i) written notice of such cessation as far in advance of such cessation as is reasonably practicable under the circumstances (and, in any event, at least thirty (30) days prior to such cessation), and (ii) all information necessary or appropriate for the Seller to offer continuation coverage to such M&A Qualified Beneficiaries should it be legally required to do so.

(j) Within a reasonable time, but not exceeding ninety (90) days, following the Closing Date, Purchaser shall designate or establish one or more defined contribution plans to receive a transfer of account balances (including, without limitation, notes evidencing loans made to Company Employees under the Seller 401(k) Plans) of Company Employees maintained under the Seller 401(k) Plans. As soon as reasonably possible after the requirements set forth in the preceding sentence are satisfied, the Seller shall cause the portion of the Seller 401(k) Plans representing the account balances of Company Employees to be transferred or spun-off to the plan(s) designated or established by the Company pursuant to the first sentence of this paragraph. The Seller and Purchaser shall take all steps necessary or appropriate to carry out the plan-to-plan transfer or spin-off contemplated by this paragraph, including but not limited to, providing any advance notice to participants and beneficiaries of the Purchaser 401(k) Plan and filing any advance notices required by any federal laws, including the Code, ERISA and the regulations issued thereunder. Purchaser shall take any and all steps necessary or appropriate to maintain the tax-qualified status of any plan(s) (and the related tax-exempt status of the accompanying trust(s)) designated or maintained pursuant to this paragraph.

(k) Notwithstanding any other provision in the Agreement to the contrary, no Company Employee (or his or her beneficiary or dependent) shall accrue additional benefits under, remain covered by, or participate in any Benefit Plan and any other employee benefits plan, program or arrangement sponsored, maintained or established by the Seller that are not Company-Sponsored Benefit Plans; provided, however, that, the Seller shall maintain such Company Employee's account under the Seller 401(k) Plan and his or her recordkeeping account under the Seller Flexible Spending Account Plan, as set forth in this Section.

(l) Outstanding equity awards to Seller employees under the Seller's Omnibus Compensation Plan and the Seller's 2004 Omnibus Compensation Plan will be honored by the Seller in accordance with the terms of such awards.

(m) The Company shall remain responsible for all accrued vacation, sick pay or paid time off for Company Employees.

(n) Notwithstanding any provision in this Agreement, nothing herein is intended to or shall be construed to amend, modify or terminate any Benefit Plan or to affect the Seller's, Purchaser's or each of their Affiliate's ability to amend, modify or terminate any Benefit Plan. Nothing herein is intended to or shall be construed to require the Seller, Purchaser or each of their Affiliates to continue the employment of any Company Employee and each such employee may be terminated by the Seller, Purchaser or each of their Affiliates after the Closing for any reason or no reason.

5.8 Expenses. Except as otherwise provided in this Agreement, all costs and expenses, whether direct or indirect, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense. If this Agreement is terminated, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from any breach of this Agreement by the other party.

5.9 WARN Act Compliance. For at least ninety-one (91) days following the Closing, Purchaser will cause the Company to continue the employment of a legally sufficient number of employees at each "single site of employment" (and at each "facility" and "unit" within each "single site" of employment) so that the Seller shall not be deemed to have effected a "plant closing" or "mass layoff" under the Worker Adjustment and Retraining Act, 29 U.S.C. 2101-2109 (the "WARN Act"). Purchaser will also cause the Company to continue the employment of a legally sufficient number of employees at each "covered establishment" so that the Seller shall not be deemed to have effected a "mass layoff," "plant closing" or "relocation" of the requisite number of part- or full-time employees under the California Labor Code, sections 1400-1408 (the "California WARN Act"). All quoted terms used in this Section 5.9 and not otherwise defined herein shall have the meaning ascribed to such terms under the WARN Act and the California WARN Act, as applicable.

5.10 Treatment of Seller Guaranties. Purchaser shall use its commercially reasonable efforts to have released and cancelled at the Closing each letter of credit, surety bond, guaranty or other credit support obligation of the Seller or any of its Affiliates with respect to any obligation or liability of the Company (each, a "Seller Guaranty"); provided, however, that to the extent that any Seller Guaranty cannot be so released and cancelled, Purchaser shall use commercially reasonable efforts, at Purchaser's expense, to cause itself to be substituted for the Seller and each of Seller's Affiliates directly affected thereby in respect of such Seller Guaranty (or if not possible, added as the primary obligor with respect thereto). If Purchaser is not able to either release and cancel such Seller Guaranty or cause itself to be so substituted in all respects in respect of such Seller Guaranty, then Purchaser shall, at its election (a) obtain and deliver to the Seller at Closing or as soon as is practicable thereafter, letters of credit in favor of the Seller, on terms and conditions, and from financial institutions, which in each case are reasonably satisfactory to the Seller, with respect to all the obligations covered by each Seller Guaranty or (b) otherwise indemnify, defend and hold harmless the Seller and each such Affiliate of the Seller with respect to all liabilities or expenses that might arise or be incurred by the Seller or such Affiliate of the Seller with respect to any such Seller Guaranty. The Seller will, and shall cause its Affiliates to, cooperate and use its reasonable best efforts to assist Purchaser in performing its obligations under this Section 5.10.

5.11 Financing.

(a) Purchaser shall use reasonable best efforts to take, or cause to be taken, all appropriate action, do, or cause to be done, all things necessary, proper or advisable under applicable law, and to execute and deliver, or cause to be executed and delivered, such instruments and documents as may be necessary, proper or advisable to arrange and obtain the Debt Financing as promptly as reasonably practicable on the terms and subject only to the conditions described in the Debt Commitment Letter and Fee Letter, including (i) to negotiate and enter into definitive agreements (the "Definitive Agreements") with respect to the Debt Financing on the terms and subject only to the conditions contained in the Debt Commitment Letter and Fee Letter or on such other terms as Purchaser and the Lenders shall agree so long as the terms of the Definitive Agreements (w) do not reduce the aggregate amount of the Debt Financing to below the amount set forth in the Debt Commitment Letter, (x) do not contain additional or modified conditions or other contingencies to the funding of the Debt Financing than those contained in the Debt Commitment Letter, and (y) are otherwise not reasonably likely to impair or delay the Closing or the date on which the Debt Financing would be obtained, (ii) to satisfy (or obtain the waiver of) on a timely basis all conditions to obtaining the Financing applicable to Purchaser or its Affiliates set forth in the Debt Commitment Letter and the Definitive Agreements, (iii) to comply in all material respects with its obligations under the Debt Commitment Letter (or obtain the waiver of such obligations) and (iv) to consummate the Debt Financing contemplated by the Debt Commitment Letter and the Fee Letter at or prior to the Closing, including by using its reasonable best efforts to cause the Lenders to fund the Debt Financing.

(b) Purchaser shall give the Seller prompt notice upon becoming aware of any material breach of any Commitment Letter or Definitive Agreement (if a Definitive Agreement is executed prior to Closing) by a party to such Commitment Letter or Definitive Agreement or any termination of any Commitment Letter, Fee Letter or Definitive Agreement (if a Definitive Agreement is executed prior to Closing). Purchaser shall keep the Seller informed on a timely basis and in reasonable detail of the status of its efforts to arrange the Financing and any material developments relating to the Financing and shall promptly provide to the Seller copies of the executed Definitive Agreements and any other agreements in respect of the Financing (provided that Purchaser shall not be obligated to provide any Fee Letter). Further, Purchaser shall not agree to or permit any amendment, supplement or other modification of, or waive any of its rights under, any Commitment Letter, Fee Letter or any Definitive Agreement without the Seller's prior written consent, except that Purchaser may amend, supplement or modify the Debt Commitment Letter, Fee Letter or Definitive Agreement if such amendment, supplement or modification (i) does not reduce the aggregate amount of the Debt Financing, (ii) does not contain additional or modified conditions or other contingencies to the funding of the Debt Financing relative to those contained in the Debt Commitment Letter, and (iii) is otherwise not reasonably likely to impair or delay the Closing or the date on which the Debt Financing would be obtained; provided, however, that Purchaser shall notify the Seller in writing of any such amendment, supplement or other modification of, or waiver of any of its rights under, any Commitment Letter or any Definitive Agreement no later than the time such amendment, supplement, modification or waiver is agreed. Purchaser shall refrain, and shall cause its Affiliates to refrain, from taking, directly or indirectly, any action that is reasonably likely to result in the failure of any of the conditions contained in any Commitment Letter or any Definitive Agreement.

(c) Notwithstanding anything herein to the contrary, at Purchaser's option after the date of this Agreement but prior to Closing, one or more Commitment Letters may be superseded by replacement commitments (other than amounts that are replaced by Purchaser's cash on hand) from alternate sources (such portion from alternate sources, the "Alternate Financing") on terms and conditions that will enable Purchaser to consummate the transactions contemplated hereby, including purchase of the Shares and payment of the Purchase Price in cash, and that are not less favorable in the aggregate to Purchaser and the Seller than those contained in the Commitment Letters and Fee Letter; provided that such Alternate Financing shall not (i) be subject to any additional or materially modified conditions or other contingencies to the funding of the Financing than those contained in the Commitment Letters or (ii) otherwise be reasonably likely to impair or delay the Closing or the date on which the Financing would be obtained. Purchaser shall deliver to the Seller complete and correct copies of all amendments, supplements, other modifications or agreements pursuant to which any Alternate Financing shall be made available to Purchaser. In the event all or any portion of the Debt Financing becomes unavailable on the terms and conditions contemplated in the Debt Commitment Letter, Purchaser shall immediately notify the Seller and Purchaser shall use its reasonable best efforts to obtain promptly any such unavailable amount in the form of Alternate Financing.

(d) Prior to the Closing, the Seller shall, and shall cause the Company to, and shall use commercially reasonable efforts to cause its and their respective officers, employees and Representatives to, use commercially reasonable efforts to provide such cooperation as may reasonably be requested by Purchaser in connection with the closing of the Debt Financing, including with respect to (i) entering into, as of and effective immediately following the Closing, customary financing agreements, including underwriting, purchase and credit agreements, in connection with the Debt Financing, (ii) participating in a reasonable number of meetings, due diligence sessions, road shows and rating agency presentations, (iii) assisting in preparing offering memoranda, rating agency presentations, private placement memoranda, prospectuses and similar documents, (iv) cooperating with Purchaser's legal counsel in connection with any legal opinions that such legal counsel may be required to deliver in connection with the Debt Financing, (v) executing and delivering any pledge and security documents and otherwise reasonably facilitating the granting of a security interest (and perfection thereof) in collateral, guarantees, mortgages, other definitive financing documents or other certificates or documents as may be reasonably requested by Purchaser, (vi) taking all corporate actions, subject to the occurrence of the Closing, necessary to permit the consummation of the Closing and (vii) otherwise providing available documents and information relating to the Company, in the case of each of clauses (i) through (vii), as may be reasonably requested by Purchaser; provided, however, that the actions contemplated by this Section 5.11(d), including in the foregoing clauses (i) through (vii), do not (A) interfere with the ongoing operations of the Company or the Seller, (B) cause any representation or warranty in this Agreement to be breached, (C) cause any condition to Closing set forth in Article VI to fail to be satisfied or otherwise cause any breach of this Agreement or any material contract or agreement to which the Seller or any of its Affiliates is a party, (D) require the Seller or any of its Affiliates to pay any out-of-pocket fees or expenses prior to the Closing that are not simultaneously reimbursed by Purchaser or (E) involve any binding commitment by the Seller or any of its Affiliates which commitment is not conditioned on the Closing and does not terminate without liability to the Seller or any of its Affiliates upon the termination of this Agreement; provided, further, that any and all information and documents provided by the Seller or any of its Affiliates that are delivered to agents and Lenders under the Debt Commitment Letter and their Representatives shall be subject to customary arrangements for confidentiality that are substantially similar to the provisions in the Confidentiality Agreement, including Purchaser providing prior written notice of disclosure to the Seller. Notwithstanding anything to the contrary herein, it is understood and agreed by the parties that (i) the conditions set forth in Section 6.2(b), as applied to the Seller's or the Company's obligations under this Section 5.11(d), shall be deemed to be satisfied unless the Debt Financing has not been obtained solely and as a direct result of the Seller's intentional and material breach of its obligations under this Section 5.11(d), and (ii) under no circumstances will the Seller or the Company be required to prepare or deliver audited financial statements of the Company. Purchaser and its Affiliates shall, on a joint and several basis, indemnify and hold harmless the Seller and its Affiliates and their respective directors, officers, employees and Representatives from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any of them in connection with the arrangement of the Debt Financing and any information used in connection therewith.

(e) Notwithstanding anything to the contrary contained herein, Purchaser acknowledges and agrees that its obligation to consummate the purchase of the Shares and the other transactions contemplated under this Agreement on the terms and subject to the conditions set forth herein are not conditioned upon the availability or consummation of the Debt Financing or receipt of the proceeds therefrom.

For purposes of this Section 5.11, Section 11.5, Section 11.6 and Section 11.7, (i) the terms "Debt Financing" and "Financing" shall also be deemed to include any Alternate Financing, (ii) the terms "Debt Commitment Letter," "Commitment Letter" and "Fee Letter" shall also be deemed to include any commitment letter (or similar agreement) or fee letter, as applicable, with respect to such Alternate Financing as well as any commitment letter (or similar agreement) or fee letter, as applicable, as amended, supplemented or modified in accordance with this Section 5.11 and (iii) the term "Lender" shall also be deemed to include any lender under any Alternate Financing.

5.12 No Negotiation. Until the earlier of the termination of this Agreement in accordance with its terms or the Closing, the Seller will not, and will cause its Affiliates and will instruct its Representatives not to, directly or indirectly, (a) solicit, initiate or encourage any inquiry or the making of any proposal or offer, (b) enter into, continue or otherwise participate in any negotiations, (c) furnish to any Person any non-public information or grant any Person access to the Company's properties, books, contracts, personnel and records, or (d) enter into any contract or agreement, in each case, regarding or with respect to any business combination transaction involving the Company or any other transaction to acquire all or any part of the assets (other than sales of assets in the ordinary course of business), business or properties of the Company or any amount of the capital stock of the Company (whether or not outstanding), whether by merger, purchase of assets, purchase of stock, tender offer, license or otherwise, other than with Purchaser. The Seller will immediately cease and cause to be terminated any such negotiations that are the subject of clauses (a) or (b) above and will immediately cease providing and request the return of any non-public information and terminate any access of the type referenced in clause (c) above. The foregoing shall not preclude the Seller, any of its Affiliates or any of their respective Representatives from taking any action to solicit any proposal, indication of interest or offer from any Person relating to, or otherwise take any action with respect to, any liquidation, dissolution, recapitalization, merger, consolidation or acquisition or purchase of all or any portion of the assets of, or any equity interest in, the Seller or any of its Affiliates (other than the Company) or other similar transaction or business combination involving an interest in the Seller or any of its Affiliates (other than the Company).

5.13 Non-Competition and Non-Solicitation.

(a) As a material inducement for Purchaser to enter into this Agreement and consummate the transactions contemplated hereby during the period commencing on the Closing Date and ending on the second anniversary of the Closing Date (the "Restricted Period"), neither the Seller, nor subsidiary entities controlled by the Seller, will engage in any business in the United States and Canada that develops, produces, markets, sells or distributes wines in the same varietals as those produced and sold by the Company as of the Closing and either (i) having a retail shelf price for a 750 ml. product of less than $10.00 USD ($15.00 CAN) (and price equivalents thereto for other formats) as measured by the Nielsen average retail shelf price for the preceding fifty-two (52)-week period ("Minimum Retail Price"), or (ii) promoted as organically made or made with organic grapes (collectivley (i) or (ii), a "Competing Business"). For avoidance of doubt, the restrictions set forth in this Section 5.13 shall not apply to any party's business or operations in Europe, Asia, Southeast Asia, the Pacific, South America, Latin America or Mexico.

(b) Notwithstanding the terms of the foregoing subsection (a), nothing contained herein shall prohibit or restrict the Seller or any of its Affiliates from directly or indirectly:

(i) operating and expanding operations related to the Sonoma-Cutrer products;

(ii) engaging in any transaction, joint venture, agency relationship, partnership, merger, investment, loan, acquisition or purchase (regardless of form, including acquisitions of assets or equity interests), consolidation or other transaction involving Heck Estates, Gary Heck, Korbel Bros., or any of their respective Affiliates, successors or assigns, or operating and expanding products marketed, sold or distributed pursuant to an agency relationship between the Seller and Heck Estates, Gary Heck, Korbel Bros., or any of their respective Affiliates, including but not limited to Korbel Champagne products;

(iii) providing any services contemplated by the Transition Services Agreement;

(iv) developing, producing, marketing, selling or distributing wines not promoted as organically made or made with organic grapes, and having an average retail shelf price for the 750 ml. product (and other formats) in excess of the applicable Minimum Retail Price, similarly measured by the Nielsen average retail shelf price for the preceding fifty-two (52)-week period;

(v) acquiring or owning interests in or securities of any Person for passive investment purposes (whether or not such Person is engaged in a Competing Business) to the extent that such ownership does not confer on the Seller more than twenty-five percent (25%) of the equity or voting power of such Person;

(vi) acquiring interests in or securities of any Person as an investment by any pension fund or fund of any other benefit plan of the Seller or its Affiliates, whether or not such Person is engaged in a Competing Business; or

(vii) acquiring, by merger, consolidation or otherwise, all or any portion of the equity interests or assets of any Person and operating any Competing Business of such Person; provided that to the extent more than two percent (2%) of the aggregate consolidated net sales revenues of the Seller and its Affiliates following such transaction (calculated on a pro forma basis based on the respective aggregate consolidated revenues of the Seller and its Affiliates and such Person (or the portion of the assets thereof subject to the transaction) in their respective most recently completed fiscal years prior to completion of such transaction) were derived, directly or indirectly, from such Competing Business, then the Seller shall use its commercially reasonable efforts to divest that portion of its and its Affiliates' business which is primarily engaged in such Competing Business within one (1) year of completion of such transaction, provided that no divestment is required to be made more than two (2) years after the Closing Date.

(c) Purchaser agrees that Section 5.13(a) shall not be binding on or be applicable to or restrict any Person (an "Acquirer") that directly or indirectly acquires a majority equity interest in the Seller (or any "merger-of-equals" involving the Seller) or any of its Affiliates (each, an "Acquired Entity") or all or a portion of the business or assets of the Seller or any of its Affiliates, regardless of the form of such transaction, and shall not be binding on or be applicable to or restrict such Acquirer or any Affiliate of such Acquirer, including the Acquired Entity, so long as the Acquirer was not an Affiliate of the Seller at the time of acquisition.

(d) Purchaser agrees that Section 5.13(a) shall not be binding on or be applicable to or restrict any shareholder, employee, director, representative of the Seller or Seller's Affiliates, nor any other Person in which the Seller does not own, directly or indirectly, a majority of the economic interests.

(e) If, at the time of enforcement of the covenants contained in Section 5.13(a), a court of competent jurisdiction holds that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area and that such court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

(f) During the Restricted Period, the Seller shall not (i) call upon any employee who is, at the time the individual is called upon, an employee of the Company for the purpose or with the intent of soliciting such employee away from or out of the employ of the Company, or (ii) directly induce or attempt to induce any customer, strategic partner, supplier, distributor or landlord of the Company to cease or reduce the extent of its business with the Company; provided, however, that this Section 5.13 will not prohibit the Seller from engaging in general media advertising or solicitation that may be targeted to a particular geographic or technical area but that is not specifically targeted towards employees of the Company.

5.14 Certain Information; Cooperation.

(a) In order to facilitate the resolution of any claims made against or incurred by Purchaser relating to the Company, for a period of seven (7) years after the Closing or, if shorter, the applicable period specified in the Seller's document retention policy then-in-effect (in which case the Seller will notify Purchaser at least twenty (20) Business Days in advance of destroying any such books and records), the Seller will (i) retain the books and records relating to the Company for all periods prior to the Closing which will not otherwise have been delivered to Purchaser and (ii) upon reasonable notice, afford Purchaser and its Representatives reasonable access (including the right to make, at Purchaser's expense, photocopies), during normal business hours, to such books and records. Purchaser expressly acknowledges that (A) certain of such records and materials may primarily relate to the businesses of the Seller and its Affiliates, other than the Company, and that, in such case, the Seller may withhold portions thereof that do not relate to the Company, and (B) the Seller will not be required to disclose to Purchaser (including, for such purpose, its agents and representatives) any information if such disclosure would, in the Seller's sole discretion, (I) jeopardize any attorney-client or other legal privilege or (II) contravene any applicable laws.

(b) Upon the request of any Climate Registry Organization or the Seller or any of its Representatives, Purchaser, at the Seller's cost and expense, shall promptly make available to such Climate Registry Organization, the Seller or such Representatives, as applicable, any and all information and documents reasonably required in connection with (i) the Seller's reporting of information to such Climate Registry Organization in respect of the Owned Real Property or Leased Real Property for calendar year 2010 or the period from January 1, 2011 through the Closing Date, or (ii) any verification undertaken by or on behalf of such Climate Registry Organization of such reported information. The Parties agree that any and all emission credits or renewable energy certificates issued on the basis of the information reported to the Climate Registry Organization prior to the Closing Date shall remain the sole and exclusive property of the Seller, and that neither Purchaser nor the Company shall have any right, title or interest in any such credits or certificates provided, that, the foregoing does not adversely impact the Purchaser's or the Company's rights under any Permits necessary for the operation of the Company, provided, that, the foregoing does not adversely impact the Purchaser's or the Company's rights under any Permits necessary for the operation of the Company. In furtherance of the foregoing, prior to the Closing the Company shall transfer any and all emission credits or renewable energy certificates to the Seller.

5.15 Intercompany Arrangements. Other than those set forth in Section 5.15 of the Disclosure Schedule, the Seller will cause any intercompany contract or arrangement among the Company, on the one hand, and the Seller or any other Affiliate of the Seller, on the other hand, to be terminated in its entirety without any liability of the Company effective no later than as of the Closing.

5.16 Pre-Closing Transfers. Prior to the Closing, the Seller shall transfer to the Company, free of royalty or other payment obligations, all of the Seller's rights, title and interest in and to the Internet domain names and Trademarks (including any applications) set forth on Section 3.17 of the Disclosure Schedule (the "Transferred Seller Assets") in the name of the Seller pursuant to an assignment agreement in recordable form reasonably acceptable to Purchaser (the "Transferred Seller Assets Assignment"). Prior to the Closing, the Company shall transfer to the Seller, free of royalty or other payment obligations, all of the Seller's rights, title and interest in and to the assets set forth on Exhibit C pursuant to an assignment agreement in recordable form reasonably acceptable to Purchaser. The Seller shall take all steps reasonably necessary, and at Seller's sole expense, to consummate and record the transfer of any Trademarks, Internet domain names, Patents or Copyrights subject to the transfer and assignments referred to in this Section 5.16.

ARTICLE VI

Conditions

6.1 Conditions to Each Party's Obligations. The respective obligation of each party to consummate the transactions contemplated hereby is subject to the fulfillment, satisfaction or waiver at or prior to the Closing of each of the following conditions:

(a) HSR Act. All applicable waiting periods (and any extensions thereof) under the HSR Act shall have expired or otherwise been terminated without action by the Antitrust Division of the United States Department of Justice or the Federal Trade Commission to prevent consummation of the transactions contemplated by this Agreement.

(b) No Order. No Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which (i) is in effect, and (ii) has the effect of making the transactions contemplated hereby illegal or otherwise prohibiting or preventing the consummation of the transactions contemplated hereby.

(c) Proceeding. No Proceeding instituted by any Governmental Entity of competent jurisdiction which seeks to prevent or enjoin the transactions contemplated hereby shall have been commenced and be continuing.

6.2 Conditions to Purchaser's Obligations. Purchaser's obligation to consummate the transactions contemplated hereby shall be subject to the fulfillment or satisfaction of the following conditions, any of which may be waived in writing by Purchaser in whole or in part:

(a) Representations and Warranties. Each of the representations and warranties of the Seller contained in this Agreement, when read without qualification as to materiality or Material Adverse Effect, shall have been true and correct on the date of this Agreement and shall be true and correct on and as of the Closing Date, as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which need be true and correct only as of the specified date), except where the failure of such representations and warranties to be true and correct has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Seller.

(b) Covenants. The Seller shall have performed and complied in all material respects with all the material agreements and covenants contained herein that are required to be performed by it prior to or at the Closing.

(c) Closing Documents. The Company and the Seller shall have executed and delivered the closing documents set forth in Section 7.2 (a) to be delivered by the Company and the Seller.

(d) Indebtedness. All Indebtedness (other than capitalized leases and wine bonds) of the Company shall have been paid in full or retired.

6.3 Conditions to the Seller's Obligations. The Seller's obligation to consummate the transactions contemplated hereby shall be subject to the fulfillment or satisfaction of the following conditions, any of which may be waived in writing by the Seller in whole or in part:

(a) Representations and Warranties. Each of the representations and warranties of Purchaser contained in this Agreement, when read without qualification as to materiality or Material Adverse Effect, shall have been true and correct on the date of this Agreement and shall be true and correct on and as of the Closing Date, as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which need be true and correct only as of the specified date), except where the failure of such representations and warranties to be true and correct has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Purchaser.

(b) Covenants. Purchaser shall have performed and complied in all material respects with all the material agreements and covenants contained herein that are required to be performed by it prior to or at Closing.

(c) Closing Documents/Payments. Purchaser shall have executed and delivered the closing documents and other deliverables set forth in Section 7.2(b) to be delivered by Purchaser and shall have paid to the Seller the Closing Purchase Price pursuant to Section 2.3.

ARTICLE VII

Closing

7.1 Closing. The Closing shall take place at 10:00 a.m. Pacific time on a date to be specified by the parties hereto, which date shall be no later than the second Business Day after satisfaction or waiver of the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions at Closing) at the offices of Pillsbury Winthrop Shaw Pittman LLP, 50 Fremont Street, San Francisco, California, or at such other date, time and place as the parties may agree (the "Closing Date").

7.2 Deliveries.

(a) At or prior to the Closing, the Seller shall execute, if applicable, and deliver, or cause its mortgagees or lessees, as appropriate, to execute, if applicable, and deliver, to Purchaser:

(i) Seller Resolutions. The Seller shall deliver to Purchaser copies of the resolutions of the Board of Directors (or a duly authorized committee thereof) of the Seller, authorizing the execution, delivery and performance of this Agreement, and the incumbency and signatures of the persons executing this Agreement and other documents on behalf of the Seller, all certified by an executive officer of the Seller.

(ii) Certificate of the Seller. The Seller shall deliver to Purchaser a certificate executed by an executive officer of the Seller attesting to the Seller's compliance with the matters set forth in Sections 6.2(a), (b) and (d).

(iii) Director Resignations. The Seller shall deliver to Purchaser resignations, effective as of the Closing, of each of the members of the board of directors of the Company.

(iv) Delivery of Share Certificates. The Seller shall deliver to Purchaser the certificates representing the Shares, endorsed in blank or accompanied by duly executed assignment documents.

(v) Organizational Documents and Good Standing Certificate. The Seller shall deliver to Purchaser (A) the Company's charter and all amendments thereto, certified by the Secretary of State of the State of California not more than five (5) Business Days prior to the Closing Date, (B) a Certificate of Good Standing of the Company, certified by the Secretary of State of the State of California not more than five (5) Business Days prior to the Closing Date and (C) copies of the Company's bylaws and all amendments thereto, certified by an officer of the Seller.

(vi) Form 8023. The Seller shall have delivered to Purchaser an executed Form 8023.

(vii) FIRPTA Documentation. The Seller shall deliver to Purchaser a certificate of non-foreign status described in Treasury Regulations Section 1.1445-2(b)(2).

(viii) Transition Services Agreement. The Seller and the Company shall have executed and delivered to Purchaser the Transition Services Agreement.

(ix) LBD License Agreement. The Seller shall have executed and delivered to Purchaser the LBD License Agreement.

(x) Transferred Seller Assets Assignment. The Seller shall have executed and delivered to Purchaser the Transferred Seller Assets Assignment.

(b) At or prior to the Closing, Purchaser shall execute, if applicable, and deliver to the Seller:

(i) Purchaser Resolutions. Purchaser shall deliver to the Seller (A) copies of all resolutions of the Board of Directors (or a duly authorized committee thereof) of Purchaser, authorizing the execution, delivery and performance of this Agreement, and (B) the incumbency and signatures of the persons executing this Agreement and other documents on behalf of Purchaser, all certified by an executive officer of Purchaser.

(ii) Certificate of Purchaser. Purchaser shall deliver to the Seller a certificate executed by an executive officer of Purchaser attesting to Purchaser's compliance with the matters set forth in Sections 6.3(a) and (b).

(iii) Good Standing Certificate. Purchaser shall deliver to the Seller a Certificate of Good Standing, or the Chilean equivalent, from Purchaser, dated a reasonable date prior to the Closing Date.

(iv) Form 8023. Purchaser shall have delivered to the Seller within the time period specified in Section 9.1(b) an executed Form 8023.

(v) Transition Services Agreement. Purchaser shall have executed and delivered to the Seller the Transition Services Agreement.

(vi) LBD License Agreement. Purchaser and the Company shall have executed and delivered to the Seller the LBD License Agreement.

(vii) Purchase Price. Purchaser shall pay the Closing Purchase Price to the Seller pursuant to Section 2.3.

ARTICLE VIII

Indemnification

8.1 Survival. The representations and warranties of the parties hereto contained herein shall survive the Closing for a period of twelve (12) months after the Closing, irrespective of any facts known to any Indemnified Person at or prior to the Closing and any investigation made by or on behalf of the Indemnified Person; provided, however, that the representations and warranties contained in Section 3.24 (Environmental Matters) shall survive the Closing for a period of twenty-four (24) months, the Tax Representations shall survive the Closing and continue until the expiration of the applicable statutes of limitations, and the Fundamental Representations shall survive indefinitely. Neither the Seller nor Purchaser shall have any liability with respect to any claim for breach of any representation or warranty unless notice of such claims as provided herein is first given before the end of the survival period specified therefor in this Section 8.1 and such notice specifies in reasonably sufficient detail the matter giving rise to the claim, the nature of the claim and, so far as practicable, the amount claimed. In the event of a breach of or a failure by either party hereto to perform any covenant of such party contained in this Agreement, any and all rights and remedies of the other party hereto with respect to such breach or failure shall survive the Closing for the applicable statute of limitations.

8.2 Indemnification by the Seller. Subject to Section 8.1 and Section 8.4, from and after the Closing, the Seller agrees to indemnify Purchaser and each of its Affiliates (collectively, the "Purchaser Indemnified Parties") against, and agrees to defend and hold Purchaser and its Affiliates harmless from any and all losses, liabilities, claims, damages, reasonable costs and reasonable expenses (including the reasonable fees and expenses of counsel) ("Losses") incurred or suffered by Purchaser or its Affiliates to the extent arising out of or resulting from:

(a) any breach of or any inaccuracy in any representation or warranty made by the Seller in this Agreement or in any certificate delivered by the Seller to Purchaser at the Closing pursuant to Section 7.2(a)(ii);

(b) any breach of or failure by the Seller to perform any covenant or obligation of the Seller contained in this Agreement; or

(c) (i) any Income Tax liability of the Company attributable to any Tax period that ends on or prior to the Closing Date or the portion of a Straddle Period that ends on or prior to the Closing Date (calculated pursuant to Section 9.1(e)) but only to the extent such Income Tax liability exceeds the estimated Income Tax paid by or on behalf of the Company on or prior to the Closing for such periods, and (ii) all Income Taxes that are attributable to the Seller or any member of a Tax Group of which the Seller or any Affiliate of the Seller (other than the Company) is a member prior to the Closing Date that is imposed under Treasury Regulation Section 1.1502-6 (or any similar provision of law) by reason of the Company being a member of the Tax Group.

For purposes of this Section 8.2, once it has been established that there has been a breach of any representation or warranty, or nonperformance or other breach of any covenant or agreement by the Seller, as such provisions are written (including any materiality or Material Adverse Effect qualification thereto), the amount of any Losses arising from such breach of any representation or warranty, or nonperformance or other breach of any covenant or agreement by the Seller, will be determined without regard to any materiality, Material Adverse Effect or similar qualification in such representation, warranty, covenant or agreement.

8.3 Indemnification by Purchaser. From and after the Closing, Purchaser agrees to indemnify the Seller and each of its Affiliates (collectively, the "Seller Indemnified Parties") against, and agrees to defend and hold the Seller and its Affiliates harmless from, any and all Losses incurred or suffered by the Seller or its Affiliates to the extent arising out of or resulting from:

(a) any breach of or any inaccuracy in any representation or warranty made by Purchaser in this Agreement or in any certificate delivered by Purchaser to the Seller at the Closing pursuant to Section 7.2(b)(ii);

(b) any breach of or failure by Purchaser to perform any covenant or obligation of Purchaser contained in this Agreement; and

(c) except to the extent provided in Section 8.2(c), any Tax liability of the Company.

For purposes of this Section 8.3, once it has been established that there has been a breach of any representation or warranty, or nonfulfillment, nonperformance or other breach of any covenant or agreement by Purchaser, as such provisions are written (including any materiality or Material Adverse Effect qualification thereto), the amount of any Losses arising from such breach of any representation or warranty, or nonfulfillment, nonperformance or other breach of any covenant or agreement by Purchaser, will be determined without regard to any materiality, Material Adverse Effect or similar qualification in such representation, warranty, covenant or agreement.

8.4 Limitations on Liability. Notwithstanding any other provision of this Agreement or any right or remedy available under any law, from and after the Closing:

(a) The Purchaser Indemnified Parties shall have the right to payment by the Seller under Section 8.2 only when the Purchaser Indemnified Parties shall have incurred an aggregate indemnifiable Loss or Losses in excess of One Million Seven Hundred Eighty-Five Thousand Dollars ($1,785,000) (the "Indemnity Threshold"). Once the aggregate amount of indemnifiable Loss or Losses exceeds the Indemnity Threshold, the Seller, subject to the other limitations of this Article VIII, shall be required to provide indemnification for all indemnifiable Losses from the first dollar. No claim for any individual Loss or related series of Losses shall be asserted for any purpose hereunder unless the amount of such claim equals or exceeds Fifty Thousand Dollars ($50,000). The foregoing limitations shall not apply to amounts payable pursuant to Section 2.4(f), nor to indemnifiable Losses under Section 8.2(a) with respect to breaches of Fundamental Representation or Tax Representations, under Section 8.2(b) with respect to covenants or obligations to be performed following the Closing ("Post-Closing Covenants") or under Section 8.2(c) or resulting from or arising out of actual fraud or intentional misrepresentation or breach.

(b) The Seller shall have no liability under or otherwise in connection with this Agreement or any of the transactions contemplated hereby in excess of fifteen percent (15%) of the Final Purchase Price in the aggregate (the "Cap"), other than with respect to indemnifiable Losses under Section 8.2(a) with respect to breaches of Fundamental Representations or Tax Representations, or under Section 8.2(c) or resulting from or arising out of actual fraud or intentional misrepresentation or breach. The indemnification obligations and liability of the Seller hereunder with respect to or resulting from or arising out of (i) breaches of Tax Representations, when combined with all other Losses or liabilities hereunder, shall in no event exceed twenty percent (20%) of the Final Purchase Price in the aggregate, and (ii) breaches of Fundamental Representations, when combined with all other Losses or liabilities hereunder, shall in no event exceed the Initial Purchase Price in the aggregate. The foregoing limitations shall not apply with respect to claims based on actual fraud, or intentional misrepresentation or breach.

(c) The Seller Indemnified Parties shall have the right to payment by Purchaser under Section 8.3 only when the Seller Indemnified Parties shall have incurred an aggregate indemnifiable Loss or Losses in excess of the Indemnity Threshold. Once the aggregate amount of indemnifiable Loss or Losses exceeds the Indemnity Threshold, Purchaser, subject to the other limitations of this Article VIII, shall be required to provide indemnification for all indemnifiable Losses from the first dollar. The foregoing limitations shall not apply to amounts payable pursuant to Section 2.4(f), nor to indemnifiable Losses under Section 8.3(a) with respect to breaches of Fundamental Representations, under Section 8.3(b) with respect to breaches of the Post-Closing Covenants or under Sections 8.3(c) or resulting from or arising out of actual fraud, or intentional misrepresentation or breach.

(d) Purchaser shall have no liability under or otherwise in connection with this Agreement or any of the transactions contemplated hereby in excess of the Cap, other than with respect to indemnifiable Losses under Section 8.3(a) with respect to breaches of Fundamental Representations, or under Sections 8.3(c) or resulting from or arising out of actual fraud or intentional misrepresentation or breach. The indemnification obligations and liability of Purchaser hereunder with respect to or resulting from or arising out of breaches of Fundamental Representations, when combined with all other Losses or liabilities hereunder, shall in no event exceed the Initial Purchase Price in the aggregate. The foregoing limitations shall not apply with respect to claims based on actual fraud, or intentional misrepresentation or breach.

(e) From and after the Closing, the sole and exclusive liability and responsibility of each party and its Affiliates under or in connection with this Agreement or the transactions contemplated hereby (including for any breach of or inaccuracy in any representation or warranty or for any breach of any covenant or obligation or for any other reason), and the sole and exclusive remedy of the other party and its Affiliates with respect to any of the foregoing, shall be as set forth in this Article VIII. To the extent that a party or any of its Affiliates has any Losses for which it may assert any other right to indemnification, contribution or recovery from the other party or its Affiliates (whether under this Agreement or under any common law theory or any statute or other law), such party hereby waives, releases and agrees not to assert such right, and such party agrees to cause each of its Affiliates to waive, release and agree not to assert such right, regardless of the theory upon which any claim may be based, whether contract, equity, tort, fraud, warranty, strict liability or any other theory of liability.

(f) Notwithstanding anything contained herein to the contrary, neither party nor any of its Affiliates shall have any liability under or otherwise in connection with this Agreement or the transactions contemplated hereby for any Loss (i) to the extent arising as a result of any action (1) taken or omitted to be taken by the other party or any of its Affiliates, (2) taken or omitted to be taken at the written request or direction of the other party or any of its Affiliates, or (3) permitted or required under this Agreement, (ii) to the extent arising from or relating to any matter expressly disclosed on the Disclosure Schedules to this Agreement, or (iii) to the extent accrued, provided or reserved for, or otherwise taken into account on or in, the Financial Statements or the Final Statement of Working Capital (but only to such extent). In no event shall any party or any of its respective Affiliates have any liability under this Agreement or otherwise in connection with the transactions contemplated hereby for special, speculative, incidental, exemplary, punitive, indirect or consequential damages or for lost profits.

8.5 Claims.

(a) As promptly as is reasonably practicable after becoming aware of a claim for indemnification under this Agreement not involving a claim, or the commencement of any suit, action or proceeding, of the type described in Section 8.6, but in any event no later than twenty (20) days after first becoming aware of such claim, the Indemnified Person shall give notice to the Indemnifying Person of such claim (the "Claim Notice"), which Claim Notice shall contain: (i) a reasonable explanation of the basis for the notice to the extent of the facts then known by the Indemnified Person that are alleged to constitute the basis for such claim, (ii) the representations, warranties, covenants and obligations alleged to have been breached to the extent of the facts then known by the Indemnified Person, and (iii) the estimated amount that the Indemnified Person seeks hereunder from the Indemnifying Person, together with any information as may be helpful for the Indemnifying Person to determine whether the limitations in Section 8.4 have been satisfied or do not apply; provided that, the failure of the Indemnified Person to deliver a Claim Notice shall not relieve the Indemnifying Person of its obligations under this Article VIII, except to the extent (if any) that the Indemnifying Person shall have been prejudiced thereby. Unless it would reasonably be expected that the Indemnified Person will be prejudiced by such two (2)-week delay, for a period of at least two (2) weeks from the date the Indemnifying Person receives the Claim Notice, the Indemnified Person and the Indemnifying Person shall (A) consult with each other regarding resolution of such claim, (B) attempt to resolve such claim and (C) attempt to resolve whether such claim is an indemnifiable claim hereunder; provided that neither party shall be obligated to take or refrain from taking any action to enforce its rights.

(b) Any indemnification payments to be made to the Seller or Purchaser pursuant to the foregoing will be made or effected within five (5) Business Days after the date (the "Settlement Date") on which (i) the amount of such payments is mutually agreed upon by the parties, or (ii) both such amount and the Indemnifying Person's obligation to pay such amount have been finally determined in accordance with the provisions of Section 11.7 hereof. Any such payments to be made pursuant to the foregoing will be made or effected within five (5) Business Days after the Settlement Date.

8.6 Notice of Third Party Claims; Assumption of Defense. The Indemnified Person shall give notice as promptly as is reasonably practicable, but in any event no later than fifteen (15) days after receiving notice thereof, to the Indemnifying Person of the assertion of any claim, or the commencement of any suit, action or proceeding, by any Person not a party hereto in respect of which indemnity may be sought under or pursuant to this Agreement (which notice shall specify in reasonable detail the nature and amount of such claim together with any information as may be helpful for the Indemnifying Person to determine that the limitations in Section 8.4 have been satisfied or do not apply); provided, however, that the failure of the Indemnified Person to give such notice shall not relieve the Indemnifying Person of its obligations under this Article VIII except to the extent (if any) that the Indemnifying Person shall have been prejudiced thereby. The Indemnifying Person may, at its own expense, (a) participate in the defense of any such claim, suit, action or proceeding and (b) upon notice to the Indemnified Person at any time prior to or during the course of any such claim, suit, action or proceeding, acknowledging in writing its indemnification obligations under this Agreement and assume the defense or investigation thereof with counsel of its own choice and in the event of such acknowledgment and assumption, shall have the exclusive right, subject to clause (i) in the proviso in Section 8.7, to settle or compromise such claim, suit, action or proceeding; provided, however, that prior to assuming such defense, the Indemnifying Person must acknowledge in writing its indemnification obligations under this Agreement and that, subject to the provisions of Sections 8.4 and 8.9, any Losses assessed in connection with such proceeding shall be indemnifiable Losses hereunder and shall be indemnified pursuant to this Article VIII. If the Indemnifying Person assumes such defense, the Indemnified Person shall have the right (but not the duty) to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Person. Whether or not the Indemnifying Person chooses to defend or prosecute any such claim, suit, action or proceeding, all of the parties hereto shall furnish requested information as they may have with respect to such proceeding as reasonably requested and shall otherwise cooperate in the defense or prosecution thereof.

8.7 Settlement or Compromise. Any settlement or compromise made or caused to be made by the Indemnified Person (unless the Indemnifying Person has the exclusive right to settle or compromise under clause (b) of Section 8.6) or the Indemnifying Person, as the case may be, of any such claim, suit, action or proceeding of the kind referred to in Section 8.6 shall also be binding upon the Indemnifying Person or the Indemnified Person, as the case may be, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise; provided, that (i) no obligation, course of remediation, restriction or Loss shall be imposed on the Indemnified Person as a result of such settlement or compromise without its prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, and (ii) the Indemnified Person will not compromise or settle any claim, suit, action or proceeding without the prior written consent of the Indemnifying Person, which consent shall not be unreasonably withheld, conditioned or delayed.

8.8 Time Limits. Any right to indemnification or other recovery for breach of representations and warranties under this Article VIII shall only apply to Losses with respect to which the Indemnified Person shall have notified the Indemnifying Person in writing within the applicable survival period for such representations and warranties set forth in Section 8.1. If any claim for indemnification or other recovery is timely asserted under this Article VIII, the Indemnified Person shall have the right to bring an action, suit or proceeding with respect to such claim within one (1) year after first giving the Indemnifying Person notice thereof, but may not bring any such action, suit or proceeding thereafter.

8.9 Net Losses and Subrogation.

(a) Notwithstanding anything contained herein to the contrary, the amount of any Losses incurred or suffered by any Indemnified Person shall be calculated after giving effect to (i) any insurance proceeds received by the Indemnified Person (or any of its Affiliates) with respect to such Losses, and (ii) any recoveries obtained by the Indemnified Person (or any of its Affiliates) from any other third party. Each Indemnified Person shall exercise commercially reasonable efforts to obtain such proceeds, benefits and recoveries, which efforts need not be exercised by the Indemnified Person prior to seeking indemnification from the Indemnifying Person pursuant to this Article VIII. If any such proceeds, benefits or recoveries are received by an Indemnified Person (or any of its Affiliates) with respect to any Losses after an Indemnifying Person has made a payment to the Indemnified Person with respect thereto, the Indemnified Person (or such Affiliate) shall promptly pay to the Indemnifying Person the amount of such proceeds, benefits or recoveries (up to the amount of the Indemnifying Person's payment).

(b) Upon making any payment to an Indemnified Person in respect of any Losses, the Indemnifying Person will, subject to the subrogation rights of any applicable insurance policy maintained by the Indemnified Person, to the extent of such payment, be subrogated to all rights of the Indemnified Person (and its Affiliates) against any third party in respect of the Losses to which such payment relates. Such Indemnified Person (and its Affiliates) and Indemnifying Person will execute upon request all instruments reasonably necessary to evidence or further perfect such subrogation rights.

(c) All amounts paid pursuant to the indemnification provisions of this Article VIII shall, to the extent permitted by applicable law, be treated as adjustments to the Final Purchase Price for all Tax purposes. The amount of any Loss for which indemnification is provided under this Article VIII shall be reduced to take account of any net Tax benefit realized by the Indemnified Person's Tax Group arising from the incurrence or payment of any such Loss. In computing the amount of any such Tax benefit, the Indemnified Person's Tax Group shall be deemed to recognize all other items of income, gain, loss deduction or credit before recognizing any item arising from the receipt of any indemnity payment hereunder or the incurrence or payment of any indemnified Loss; provided that no effects on earnings and profits or stock basis shall be taken into account in computing the amount of any payment due under this Agreement. Any indemnification payment hereunder shall initially be made without regard to this Section 8.9(c) and shall be reduced to reflect any such net Tax benefit only after the Indemnified Person's Tax Group has Actually Realized such benefit. In determining the amount of any such net Tax benefit, (i) if the Indemnified Person's Tax Group's taxable income for the year, after taking into account tax loss carryovers, is negative or zero, the Indemnified Person's Tax Group shall be deemed not subject to Tax for such purpose, and (ii) in all other cases, the Indemnified Person's Tax Group shall be deemed to be subject to Tax as follows: (A) U.S. federal Income Taxes at the maximum statutory rate then in effect and (B) U.S. state and local Income Taxes at an assumed rate of eight percent (8%) net of U.S. federal Income Tax benefits.

8.10 No Right of Indemnification or Contribution. The Seller has no right of indemnification or contribution against the Company with respect to any breach by the Seller of its representations, warranties, covenants or agreements in this Agreement, the Transition Services Agreement, or in any certificate, instrument or document delivered by the Seller in connection with this Agreement, whether by virtue of any contractual or statutory right of indemnity or otherwise, and all claims to the contrary are hereby waived and released.

8.11 Reimbursement of Expenses. The Indemnifying Person shall reimburse the Indemnified Person on an as-incurred basis for any costs and expenses for which the Indemnified Person is entitled to indemnification hereunder unless there is a dispute about whether the Indemnified Person is in fact entitled to indemnification (it being understood that this provision is not intended to negate a party's right to dispute a claim for indemnification in accordance with the terms of this Agreement).

ARTICLE IX

Tax Matters

The following provisions (which shall take precedence over any other provision of this Agreement in the event of a conflict) shall govern the allocation of responsibility as between Purchaser and the Seller for certain Tax matters following the Closing Date:

9.1 Section 338(h)(10) Election.

(a) The Seller and Purchaser shall, with respect to the purchase of the Shares, (i) join in making (A) an election under Section 338(h)(10) of the Code, (B) any election required to be made under state or local law by a taxpayer that has made an election under Section 338(h)(10) of the Code and (C) all elections corresponding to Section 338(h)(10) of the Code under state or local law that are permissive under state or local law (the "Section 338(h)(10) Election"), (ii) provide to the other party (A) the necessary information to permit the Section 338(h)(10) Election to be made and (B) the opportunity to review and approve (such approval not to be unreasonably withheld or delayed) any filings made pursuant to or in furtherance of the Section 338(h)(10) Election (including IRS Form 8883) prior to the making of such filing and (iii) take all actions necessary and appropriate (including filing any necessary forms, returns, elections, schedules and other documents) as may be required to timely effect and preserve (and refrain from taking any actions that interfere with or prevent) the Section 338(h)(10) Election in accordance with the provisions of Section 338(h)(10) of the Code and Treasury Regulation Section 1.338(h)(10)-1 (or any comparable provisions of state or local Tax law). The Seller represents and warrants to Purchaser that, assuming Purchaser is an entity taxable as a corporation for U.S. federal income tax purposes, the Seller is eligible to make an election under Section 338(h)(10) of the Code with respect to the Company in connection with the transactions contemplated by this Agreement. Purchaser represents and warrants to the Seller that Purchaser is eligible to make an election under Section 338(h)(10) of the Code with respect to the Company in connection with the transactions contemplated by this Agreement.

(b) Without limitation on any other provision hereof, not fewer than five (5) Business Days prior to the Closing Date, Purchaser shall provide to the Seller a fully completed and executed IRS Form 8023, dated as of the Closing Date, in respect of the Section 338(h)(10) Election in form and substance satisfactory to the Seller. The Seller, after reviewing such Form 8023 pursuant to Section 9.1(a)(ii)(B) above, shall execute and deliver to Purchaser at Closing such Form 8023 and shall promptly file such form with the IRS and provide Purchaser with proof of mailing.

(c) The "aggregate deemed sales price" (as defined in Treasury Regulation Section 1.338-4) and the "adjusted grossed-up basis" (as defined in Treasury Regulation Section 1.338-5) (the "AGUB") shall be allocated among the assets of the Company (the "Assets") in accordance with Treasury Regulation Sections 1.338-6 and 1.338-7. Purchaser shall provide the Seller with the amount of Purchaser's acquisition costs that are to be set forth in box 5b of IRS Form 8883 within sixty (60) days after the Closing Date. The Seller shall determine the AGUB and deliver to Purchaser an allocation of the AGUB among the Assets within one hundred twenty (120) days after the Closing Date (the "Allocation Schedule"). If within thirty (30) days of receipt of the Allocation Schedule, Purchaser notifies the Seller in writing that Purchaser objects to one or more items reflected on the Allocation Schedule, Purchaser and the Seller shall negotiate in good faith to resolve such dispute. If Purchaser and the Seller fail to resolve any such dispute within thirty (30) days, the parties shall submit the dispute for resolution to the Arbiter, whose resolution of the dispute shall be conclusive and binding on both parties. The fees and disbursements of the Arbiter shall be paid fifty percent (50%) by Purchaser and fifty percent (50%) by the Seller. The Allocation Schedule shall be adjusted in accordance with the Arbiter's resolution of the dispute. The Seller and Purchaser shall file IRS Form 8883 and any other state or local Tax forms required for the Section 338(h)(10) Election in accordance with the Allocation Schedule. The parties agree not to take any position inconsistent with the Allocation Schedule for Tax reporting purposes.

(d) The Seller and Purchaser shall treat the Company's assets listed in Exhibit C as having been distributed by the Company to the Seller in the Company's deemed liquidation resulting from the §338(h)(10) election.

9.2 Tax Return Filings; Tax Payments.

(a) The Seller shall prepare and file or cause to be prepared and filed (i) all Income Tax Returns (including amendments thereto) required to be filed in respect of the Company for any Tax period ending on or prior to the Closing Date and (ii) any Straddle Period Income Tax Return required to be filed in respect of the Company. Purchaser shall provide to the Seller, at Purchaser's expense and promptly upon request by the Seller, any information in Purchaser's possession necessary for the Seller to prepare the Tax Returns described in this Section 9.2(a). The Seller shall timely pay or cause to be paid all Income Taxes shown to be due on such Tax Returns but only to the extent such Income Tax liability exceeds the estimated Income Tax paid by or on behalf of the Company on or prior to the Closing for such periods. No later than five (5) Business Days prior to the due date of any Straddle Period Income Tax Return (taking into account applicable extensions) to be prepared by the Seller, Purchaser shall reimburse the Seller for the portion of Income Taxes related to such Straddle Period Income Tax Return that are allocable to the portion of the Straddle Period commencing after the Closing Date as determined under Section 9.2(e) to the extent Purchaser's portion of such Income Taxes exceeds the sum of all estimated Income Taxes paid by or on behalf of the Company after the Closing Date in respect of such Straddle Period Income Taxes.

(b) Purchaser shall prepare and file or cause to be prepared and filed all Tax Returns (including amendments thereto) which are required to be filed in respect of (i) the Company for any Tax period ending on or prior to the Closing Date (except for Income Tax Returns filed by the Seller pursuant to Section 9.2(a)(i)) or any Straddle Period (except for Straddle Period Income Tax Returns, if any, to be filed by the Seller pursuant to Section 9.2(a)(ii)), and (ii) the Company for any Tax period (other than a Straddle Period) ending after the Closing Date. Purchaser shall timely pay or cause to be paid all Taxes shown to be due on such Tax Returns.

(c) Unless the Seller and Purchaser otherwise agree in writing, all Tax Returns (including amendments thereto) described in Section 9.2(a) and Section 9.2(b) filed after the Closing Date, in the absence of a controlling change in law or circumstances, shall be prepared on a basis consistent with the elections, accounting methods, conventions and principles of taxation used for the most recent Tax periods for which Tax Returns involving similar matters have been filed.

(d) At least twenty (20) Business Days prior to the due date (taking into account applicable extensions) (or filing date in the case of an amended Tax Return) for filing any Tax Return which the Seller is responsible for filing under Section 9.2(a)(ii) and, upon the request of the Seller, at least twenty (20) Business Days prior to the due date (taking into account applicable extensions) (or filing date in the case of any amended Tax Return) for filing any Tax Return for which Purchaser is responsible for filing under Section 9.2(b)(i), the party responsible under this Section 9.2 for preparation of a particular Tax Return for any period ending on or before the Closing Date or any Straddle Period shall make available a substantially final draft of such Tax Return (or relevant portions thereof) for review and comment by such non-responsible party. Subject to the provisions of this Agreement, all decisions relating to the preparation of Tax Returns shall be made in the sole discretion of the party responsible under this Agreement for such preparation.

(e) The Income Taxes and any Operational Transfer Taxes of the Company or its business, assets or activities for that portion of any Straddle Period ending on the Closing Date shall be computed on a “closing-of-the-books” basis as if such Tax period ended as of the close of business on the Closing Date, and the Income Taxes and Operational Transfer Taxes of the Company or its business, assets or activities for that portion of any Straddle Period beginning after the Closing Date shall be computed on a “closing-of-the-books” basis as if such Tax period began on the day after the Closing Date. For all Taxes other than Income Taxes and Operational Transfer Taxes, the Taxes of the Company or its business, assets or activities for any Straddle Period shall be computed on a per diem basis and allocated between the period ended as of the close of business on the Closing Date and the period beginning after the Closing Date based on the number of days in such periods divided by the total number of days in the relevant Straddle Period.

9.3 Tax Contests.

(a) The Seller shall have the exclusive right to represent the interests of the Company in any and all Tax audits, assessments or administrative or court proceedings ("Tax Proceedings") relating to Tax Returns for Tax periods (or portions thereof) that end on or prior to the Closing Date to the extent that such Tax Proceeding (i) may affect the Tax liability of the Seller or the Company for any Tax period ending on or prior to the Closing Date or any Straddle Period or (ii) may give rise to a Seller indemnification obligation under this Agreement; provided, however, that Purchaser shall have the right, at its sole expense, to participate in any such Tax Proceeding and to employ counsel of its choice (which counsel shall be reasonably acceptable to the Seller) for purposes of such participation to the extent that any compromise, settlement, consent or agreement in such Tax Proceeding would have a material adverse effect on Purchaser and its Affiliates after the Closing Date. The Seller and Purchaser shall jointly agree on the conduct of any Tax Proceedings relating to any Straddle Period Tax Return to the extent that the Seller may have an indemnification obligation with respect to such Straddle Period Tax Return under this Agreement.

(b) In the event that Purchaser proposes to compromise or settle any Tax claim, or consent or agree to any Tax liability relating to the Acquired Companies for any Tax period ending on or before the Closing Date or any Straddle Period, the Seller shall have the right to review such proposed compromise, settlement, consent, agreement or amendment. Without the prior written consent of the Seller, which shall not be unreasonably withheld or delayed, Purchaser shall not agree or consent to compromise or settle any issue or claim arising in any such Tax Proceeding, or otherwise agree to or consent to any Tax liability, to the extent that any such compromise, settlement, consent, agreement or amendment may affect the Tax liability of the Seller or the Company (or any Tax Group of which the Seller or any Acquired Company is a member) for any Tax period ending on or prior to the Closing Date or any Straddle Period.

(c) Purchaser shall promptly notify the Seller in writing upon receipt by Purchaser or any Affiliate of Purchaser (including the Company) of any pending or threatened Tax Proceedings relating to the income, properties or operations of the Company for any Tax period ending on or prior to the Closing Date or any Straddle Period.

9.4 Tax Refunds and Carrybacks.

(a) Retention and Payment of Tax Refunds. Except as otherwise provided in this Agreement, the Seller shall be entitled to retain, and to receive within ten (10) days after Actually Realized by the Company (or a Tax Group of which the Company is a member), the portion of all refunds or credits of Taxes that relate to Tax Periods or portions thereof ending on or before the Closing Date.

(b) Carrybacks. Unless the parties otherwise agree in writing, Purchaser shall elect and shall cause the Company to elect, where permitted by law, to carry forward any net operating loss, net capital loss, charitable contribution or other item arising after the Closing Date that could, in the absence of such election, be carried back to any period ending on or prior to the Closing Date.

(c) Refund Claims. The Seller shall be permitted to file at the Seller's sole expense, and the Company (and any Tax Group of which the Company is a member) shall reasonably cooperate with the Seller in connection with, any claims for refund of Taxes to which the Seller is entitled pursuant to this Section 9.4 or any other provision of this Agreement. The Seller shall reimburse the Company (or Tax Group of which it is a member) for any reasonable out-of-pocket costs and expenses incurred by the Company (or such Tax Group) in connection with such cooperation. The Company shall be permitted to file at the Company's sole expense, and the Seller shall reasonably cooperate with the Company in connection with, any claims for refunds of Taxes to which the Company is entitled pursuant to this Section 9.4 or any other provision of this Agreement.

9.5 Cooperation on Tax Matters.

(a) Purchaser and the Seller shall, and the Seller shall cause the Company to, cooperate fully and promptly, as and to the extent reasonably requested by the other party, in connection with (i) filing any Tax Return, amended Tax Return or other Tax filing or claim for refund of Taxes, (ii) determining any Tax liability or right to refund of Taxes, (iii) conducting or defending any Tax Proceeding, or (iv) effectuating the terms of this Agreement. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Purchaser and the Seller agree (i) to retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Purchaser or the Seller, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any Tax authority, and (ii) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, Purchaser or the Seller, as the case may be, shall allow the other party to take possession of copies of such books and records. Notwithstanding the foregoing, no party shall be unreasonably required to prepare any document, or determine any information, not then in its possession in response to a request under this Section 9.5(a).

(b) Purchaser and the Seller further agree, upon request, to use their best efforts to obtain any certificate or other document from any Governmental Entity or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(c) Purchaser and the Seller further agree, upon request, to provide the other party with all information that either party may be required to report pursuant to Section 6043 of the Code and the regulations promulgated thereunder.

9.6 Transfer Taxes; Tax Sharing Agreements.

(a) Purchaser shall be responsible for the payment of all Transfer Taxes incurred in connection with this Agreement and the transactions contemplated by this Agreement. Purchaser shall prepare all necessary Tax Returns and other documentation that it is required to prepare under applicable law with respect to all Taxes referenced in the previous sentence. If required by applicable law, the Seller will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

(b) The Seller shall terminate or cause to be terminated any and all Tax allocation or sharing agreements in effect on the Closing Date as between the Seller and its Affiliates (other than the Company), on the one hand, and the Company, on the other hand.

ARTICLE X

Termination

10.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of the Seller and Purchaser;

(b) by either the Seller or Purchaser, upon written notice to the other party, if any Governmental Entity of competent jurisdiction shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated hereby and such order, decree or ruling or other action shall have become final and nonappealable; provided, however, that the right to terminate this Agreement pursuant to this Section 10.1(b) shall not be available to any party that has not used its commercially reasonable efforts to cause such order, decree or ruling to be lifted;

(c) by the Seller or Purchaser, at any time after April 29, 2011 (the "Outside Date"), if the Closing shall not have occurred on or before such date; provided, however, that if the transactions contemplated hereby have not been consummated by the Outside Date by virtue of the failure of the fulfillment of the condition set forth in Section 6.1(a), the Outside Date shall be extended until July 31, 2011; provided, however, that the terminating party shall not have breached in any material respect its obligations under this Agreement in any manner that shall have proximately contributed to the failure to consummate the transactions contemplated hereby by such date; and provided further that the failure of either party to terminate this Agreement following such date shall in no way constitute a waiver of the termination right set forth in this Section 10.1(c);

(d) by Purchaser if (i) the representations and warranties of the Seller contained in this Agreement shall not be true and correct, or (ii) the Seller shall have failed to perform any obligation or to comply with any agreement or covenant of the Seller to be performed or complied with by it under this Agreement, in each case such that the conditions set forth in Sections 6.2(a) or 6.2(b) would not be satisfied, and, in the case of clause (i), such untruth or incorrectness cannot be or has not been cured within thirty (30) days after the giving of written notice to the Seller, and, in the case of clause (ii), such failure cannot be or has not been cured within thirty (30) days after the giving of written notice to the Seller; or

(e) by the Seller if (i) the representations and warranties of Purchaser contained in this Agreement shall not be true and correct, or (ii) Purchaser shall have failed to perform any obligation or to comply with any agreement or covenant of Purchaser to be performed or complied with by it under this Agreement, in each case such that the conditions set forth in Sections 6.3(a) or 6.3(b) would not be satisfied, and, in the case of clause (i), such untruth or incorrectness cannot be or has not been cured within thirty (30) days after the giving of written notice to Purchaser, and, in the case of clause (ii), such failure cannot be or has not been cured within thirty (30) days after the giving of written notice to Purchaser.

10.2 Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, all obligations of the Parties hereunder shall terminate, except for the obligations set forth in Sections 5.5(b) (Access; Confidentiality), 5.6 (Publicity) and 5.8 (Expenses) and Article XI, which shall survive the termination of this Agreement, and except that no such termination shall relieve any party from liability for any prior material breach of this Agreement.

ARTICLE XI

Miscellaneous

11.1 Notices. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered, sent by telecopier (with confirmed evidence of delivery), overnight courier or deposited in the mail, postage prepaid, sent certified or registered, return receipt requested, and addressed as set forth below or to such other address as any party shall have previously designated by such a notice. Any notice so delivered personally or by telecopy shall be deemed to be received on the date of delivery or transmission by telecopier; any notice so sent by overnight courier shall be deemed to be received one (1) Business Day after the date sent; and any notice so mailed shall be deemed to be received on the date shown on the receipt. Rejection or other refusal to accept or inability to deliver because of a change of address of which no notice was given shall be deemed to be receipt of the notice.

If to the Seller:

Brown-Forman Corporation
850 Dixie Highway
Louisville, Kentucky 40210
Attention: General Counsel
Email: matt_hamel@b-f.com

with a copy to:

Pillsbury Winthrop Shaw Pittman LLP
50 Fremont Street
San Francisco, California 94105
Attention: Patrick J. Devine, Esq.
Fax: (415) 983-1200

If to Purchaser:

Viña Concha y Toro S.A.
Avenida Nueva Tajamar N°481, North Tower, 15th Floor
Las Condes, Santiago, Chile
Attention: General Counsel
Fax: (562) 203-6740
Email: eortuzar@conchaytoro.cl

with a copy to:

Baker & McKenzie LLP
660 Hansen Way
Palo Alto, California 94304-1044, USA
Attention: Matthew R. Gemello
Fax: (650) 856-9299
Email: Matthew.Gemello@bakermckenzie.com

11.2 Disclosure Schedules. Neither the specification of any dollar amount or any item or matter in any provision of this Agreement nor the inclusion of any specific item or matter in any Disclosure Schedule hereto is intended to imply that such amount, or higher or lower amounts, or the item or matter so specified or included, or other items or matters, are or are not material, and no party shall use the fact of the specification of any such amount or the specification or inclusion of any such item or matter in any dispute or controversy between the parties as to whether any item or matter is or is not material for purposes of this Agreement. Neither the specification of any item or matter in any provision of this Agreement nor the inclusion of any specific item or matter in any Disclosure Schedule hereto is intended to imply that such item or matter, or other items or matters, are or are not in the ordinary course of business, and no party shall use the fact of the specification or the inclusion of any such item or matter in any dispute or controversy between the parties as to whether any item or matter is or is not in the ordinary course of business for purposes of this Agreement.

11.3 Disclaimer of Warranties. Neither the Seller nor any of its Affiliates make any representations or warranties with respect to any projections, forecasts or forward-looking statements made available to Purchaser or its Representatives. There is no assurance that any projected or forecasted results will be achieved. Purchaser acknowledges and agrees that it is not relying on any representations or warranties, except for the representations and warranties contained in Article III hereof, the Disclosure Schedules and the certificate delivered by the Seller pursuant to Section 7.2(a)(ii). Purchaser acknowledges and agrees that, except as specifically and expressly set forth in Article III hereof and the Disclosure Schedules or the certificate delivered by the Seller pursuant to Section 7.2(a)(ii), neither the Seller, its Affiliates, any of their respective Representatives nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any memoranda, presentations, charts, summaries, schedules or other information heretofore made available by the Seller, its Affiliates or their respective Representatives to Purchaser, any of its Affiliates or their Representatives or any information that is not included in this Agreement or the Disclosure Schedules hereto, and neither the Seller, any of its Affiliates, any of its respective Representatives nor any other Person will have or be subject to any liability to Purchaser, any of its Affiliates or their Representatives resulting from the distribution of any such information to, or the use of any such information by, Purchaser, any of its Affiliates or any of their Representatives.

11.4 Assignment. No party hereto may assign its rights or obligations hereunder without the other party's prior written consent. Subject to the foregoing, this Agreement benefits and binds the Seller and Purchaser and their respective heirs, personal representatives, successors and assigns.

11.5 Entire Agreement. This Agreement, the Disclosure Schedules and Exhibits and Annexes attached hereto, any agreements between Purchaser and the Seller entered into on the date hereof and the Confidentiality Agreement constitute the entire agreement between the Seller and Purchaser and supersede all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to the subject matter hereof. This Agreement shall not confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns and, to the extent specified herein, their respective Affiliates, and no person shall be deemed a third party beneficiary hereunder; provided, however, that the Lenders shall be third party beneficiaries as to the provisions set forth in Section 11.7.

11.6 Remedies Cumulative; Specific Performance.

(a) Except as otherwise provided herein, no remedy made available by any of the provisions of this Agreement is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

(b) The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the parties hereto in accordance with their specific terms or were otherwise breached. Further, the parties hereto agree and acknowledge that money damages, even if available, would not be an adequate remedy for any such non-performance or breach. It is accordingly agreed that the Seller, on the one hand, and Purchaser, on the other hand, shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches or threatened breaches of this Agreement by the other and to enforce specifically the terms and provisions of this Agreement (including causing Purchaser to use commercially reasonable efforts to enforce its rights under the Debt Commitment Letter). Each of the parties hereto hereby waives (i) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate, and (ii) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief. If any party brings any action or other proceeding to enforce specifically the performance of the terms and provisions hereof by any other party, the Outside Date shall automatically be extended by such time period established by the relevant court of competent jurisdiction presiding over such action or proceeding. The rights to specific performance and injunction contained herein shall be in addition to any other remedy at law or equity permitted hereunder. Without limiting the generality of the foregoing, in the event that the Lender or Lenders initiate litigation against Purchaser or any of its Affiliates with respect to the Debt Financing, or advise Purchaser or any of its Affiliates in writing that they intend not to proceed with the Debt Financing in violation of the terms of a Debt Commitment Letter, unless Purchaser has arranged Alternative Financing pursuant to Section 5.11(c), Purchaser will use commercially reasonable efforts to take enforcement action, including seeking specific performance, to cause such Lender or Lenders to provide such Debt Financing.

11.7 Governing Law and Venue.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of law. Except as provided in the last sentence of this Section 11.7(a), each party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement or the transactions contained in or contemplated by this Agreement exclusively in the Court of Chancery of the State of Delaware, or to the extent such Court does not have subject matter jurisdiction, the Superior Court of the State of Delaware (the "Chosen Courts"), and each party, solely in connection with claims arising under this Agreement or the transactions that are the subject of this Agreement, (i) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto and (iv) agrees that service of process upon such party in any such action or Proceeding shall be effective if notice is given in accordance with Section 11.1 of this Agreement. Notwithstanding anything herein to the contrary, each of the parties hereto further agrees that, unless the Lenders agree to a different forum, it will not bring or support any Proceeding of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any of the Lenders in any way relating to this Agreement or any of the transactions contemplated by this Agreement, including any dispute arising out of or relating in any way to the Debt Commitment Letter or the performance thereof, in any forum other than the Supreme Court of the State of New York, County of New York, or, if under applicable law, exclusive jurisdiction is vested in the federal courts, the United States District Court for the Southern District of New York (and appellate courts thereof).

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT (INCLUDING ANY LITIGATION INVOLVING ANY OF THE LENDERS). EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.7.

11.8 Waivers; Amendment. No waiver by any party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by any party of the same or any other provision. This Agreement may be amended only by a writing executed by each of the Parties hereto.

11.9 Captions. The captions and Article and Section numbers appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such Articles or Sections of this Agreement nor in any way affect this Agreement.

11.10 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability or the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

11.11 Interpretation. The table of contents and headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section, Disclosure Schedule, Annex or Exhibit, such reference shall be to a Section of or Disclosure Schedule, Annex or Exhibit to this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The parties have participated jointly in negotiating and drafting this Agreement. In the event an ambiguity or a question of intent arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

11.12 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

11.13 Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

VIÑA CONCHA Y TORO S.A.

By: /s/ Eduardo Guilisasti
Name: Eduardo Guilisasti
Title: Chief Executive Officer

By: /s/ Osvaldo Solar
Name: Osvaldo Solar
Title: Chief Financial Officer

BROWN-FORMAN CORPORATION

By: /s/ Jill Jones
Name: Jill Jones
Title: Senior Vice President, Managing Director, Global Production

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EXHIBIT 12.1

CERTIFICATIONS

I, Eduardo Guilisasti Gana, certify that:

1. I have reviewed this annual report on Form 20-F of Viña Concha y Toro S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 30, 2011

/s/ EDUARDO GUILISASTI GANA
Chief Executive Officer

EXHIBIT 12.2

CERTIFICATIONS

I, Osvaldo Solar Venegas, certify that:

1. I have reviewed this annual report on Form 20-F of Viña Concha y Toro S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 30, 2011

/s/ OSVALDO SOLAR VENEGAS
Chief Financial Officer

EXHIBIT 13.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Viña Concha y Toro S.A. (the "Company") on Form 20-F as submitted to the Securities and Exchange Commission on the date hereof (the "Report"), I, Eduardo Guilisasti Gana, Chief Executive Officer of the Company and I, Osvaldo Solar Venegas, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ EDUARDO GUILISASTI GANA
Eduardo Guilisasti Gana
Chief Executive Officer
June 30, 2011

/s/ OSVALDO SOLAR VENEGAS
Osvaldo Solar Venegas
Chief Financial Officer
June 30, 2011