SVB Financial Group

U.S. WINE INDUSTRY TO EXPERIENCE OWNERSHIP SHAKE-UP

New Report Finds 50% of Family-Owned Wineries to Change Hands by 2017

SANTA ROSA and ST. HELENA, Calif. — February 11, 2008 — SVB Silicon Valley Bank, a leading provider of commercial banking services to the wine industry, along with Scion Advisors, a leading wine business advisory group, announced research findings that reveal 51 percent of Western U.S. wineries will transition to new ownership in the next 10 years. The full research report, "Ownership Transitions in the Wine Industry," is based on a comprehensive survey of family-owned wine businesses throughout California, Oregon and Washington.

Since 88 percent of California wineries in business today were formed after 1975 and three-quarters are still controlled by their founders, these changes are a direct reflection of the age and maturity of the U.S. wine industry. Other factors forcing upcoming transitions include the owners' life stage and increasingly complicated regulatory, competitive, sales and marketing business issues affecting wineries today.

"The ripple effect of this change in management and ownership in the wine industry will be significant," said Rob McMillan, founder of SVB Silicon Valley Bank's Wine Division and author of SVB's Annual State of the Wine Industry report. "This widespread power shift has the potential to disrupt relationships with wine growing boards, distributors, associations and so on. This report is serving as a major wake-up call for the industry."

The data also revealed family-controlled wineries are not prepared strategically or financially for the vast number of transitions anticipated in 5-10 years through a change of hands to the next generation, professional management or a sale to a third-party. "Effective transition planning, whether it's to turn over the business to heirs or to sell to a third party, takes 5-10 years. A mere fraction of the owners who plan to retire within 10 years have begun any kind of proper preparation at all," said Deborah Steinthal, founding partner at Scion Advisors. "The consequences are huge. Ill-advised heirs could be set up for failure, or the owner is likely to be disappointed in the market's value of their life's work."

The survey data identified ineffective planning and a lack of communication as the key obstacles to transitioning business ownership successfully. Eighty percent of significant stakeholders in these family businesses have no knowledge of the senior generation's share-transfer intentions. More than 70 percent of those planning to transition ownership within 10 years reported having have done no planning at all — including defining roles and responsibilities for their heirs.

A complete copy of the report can be found at http://www.svb.com/pdfs/wine/WineTransitionReportJan2008.pdf

About Scion Advisors
A business advisory group, Scion Advisors is committed to helping wine family businesses prepare for the future. Working along side winery owners to develop the plans and structures to navigate important business transitions; Scion Advisor's approach has enabled clients to manage family business succession, derive new sources of profitable growth, and reposition their assets to build higher value. More information on the company can be found at www.scionadvisors.com.

About SVB Silicon Valley Bank's Wine Division
SVB Silicon Valley Bank's Wine Division specializes in commercial banking for premium wineries and vineyards as well as the industries that support them. SVB has the largest team of commercial bankers exclusively dedicated to the wine industry of any bank nationwide. Founded in 1994, the SVB Wine Division has offices in Napa and Sonoma counties and serves clients in Napa, Sonoma, the Central Coast of California, Oregon and Washington. By virtue of its dedication to the wine industry, SVB Silicon Valley Bank is able to consistently support its clients through economic and growth cycles and offer counsel on many aspects of its clients' business, beyond traditional banking services. SVB Silicon Valley Bank is a member of SVB Financial Group (Nasdaq: SIVB). More information can be found at www.svb.com.

SVB Silicon Valley Bank refers to Silicon Valley Bank, the California bank subsidiary and the commercial banking operation of SVB Financial Group. Banking services are provided by Silicon Valley Bank, a member of the FDIC and the Federal Reserve. SVB Financial Group is also a member of the Federal Reserve.

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