



2018 Harvest Report

We can classify the 2018 harvest season as a dry, with normal to warm temperatures, and good yields (similar to the province's historical yields). Both the red and white wines produced show excellent quality due to the health of the grapes. In terms of aromas and polyphenolic maturity, there was a gap or great change between the grapes harvested before March 15-20th and those harvested afterwards, especially in red wines such as Malbec from Uco Valley, as we will explain in this report.

Phenology

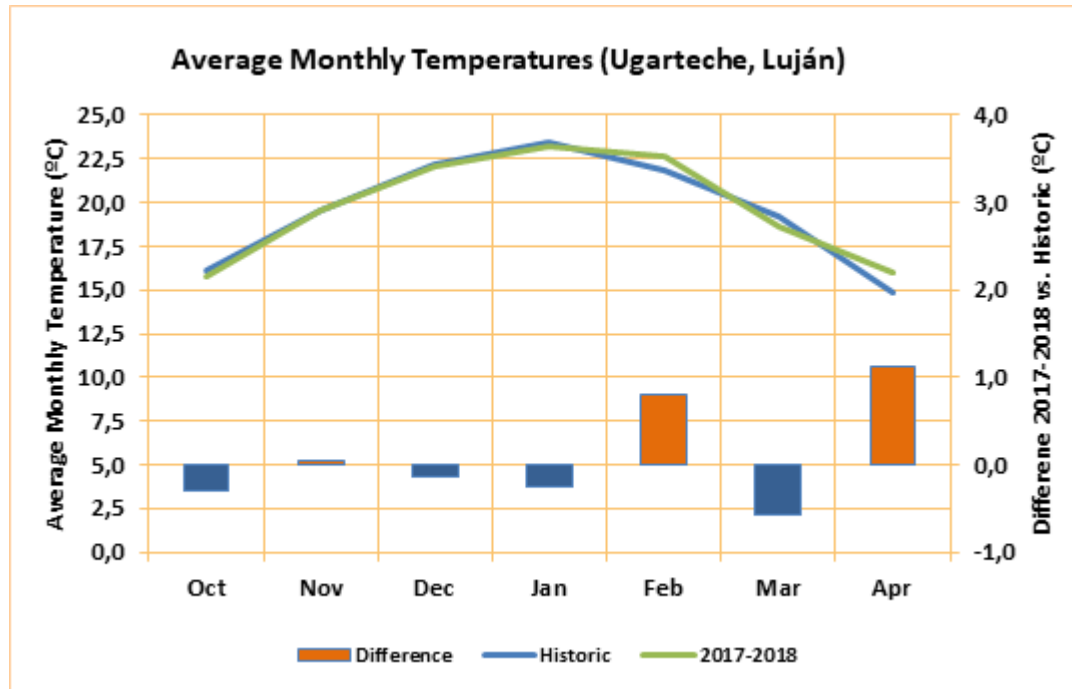
The bud break during the 2017-2018 season occurred during the normal dates, and was 10 days later than in spring of 2016. The Malbec of Luján de Cuyo experienced bud break between September 25-30th, while in the Uco Valley the bud break dates were October 1st and 12th, respectively, for the same variety. On October 13th, in San Carlos, a widespread frost affected most of the vineyards in the area, and our Los Indios vineyard (southwest of San Carlos) was no exception, losing 60% of the buds due to the low temperatures.

The flowering also occurred during the normal dates (for Malbec around mid-November in Ugarteche, Luján de Cuyo), in a year with normal spring temperatures. On the other hand, the veraison also occurred during the normal dates around mid-January. However, the summer of 2018 was one of the driest in the last 30 years, despite temperatures similar to historical averages. Consequently, the white grapes matured a few days earlier, while the reds matured 15 days earlier with respect to normal harvest dates. This shortened the harvest period and, along with a significant wine production volume, pressured wineries to double their efforts to crush the grapes at their optimal point of maturity.

Temperatures

The spring of 2017 registered normal temperatures for the time of year (see graph 1) and did not experience strong *Zonda* winds, allowing for the inflorescences to set well. However, a considerable cold front on October 12th brought rains and low temperatures in the valleys and significant snowfall at an altitude of over 1400 m.a.s.l. The snow in the foothills of the Andes and on the hills near the wine valleys led to a blanket of cold air to descend upon the vineyards causing harsh damage to the vineyards most exposed to this breeze. The areas most affected were the south of San Carlos (Altamira, El Cepillo) and Agrelo, particularly the vineyards close to Route R7 (which connects to Chile) and Route R15. The rest of the spring saw no considerable frost. Precipitation was slightly higher than average for this first part of the season (October to December, 119 mm vs. 100.3, respectively).

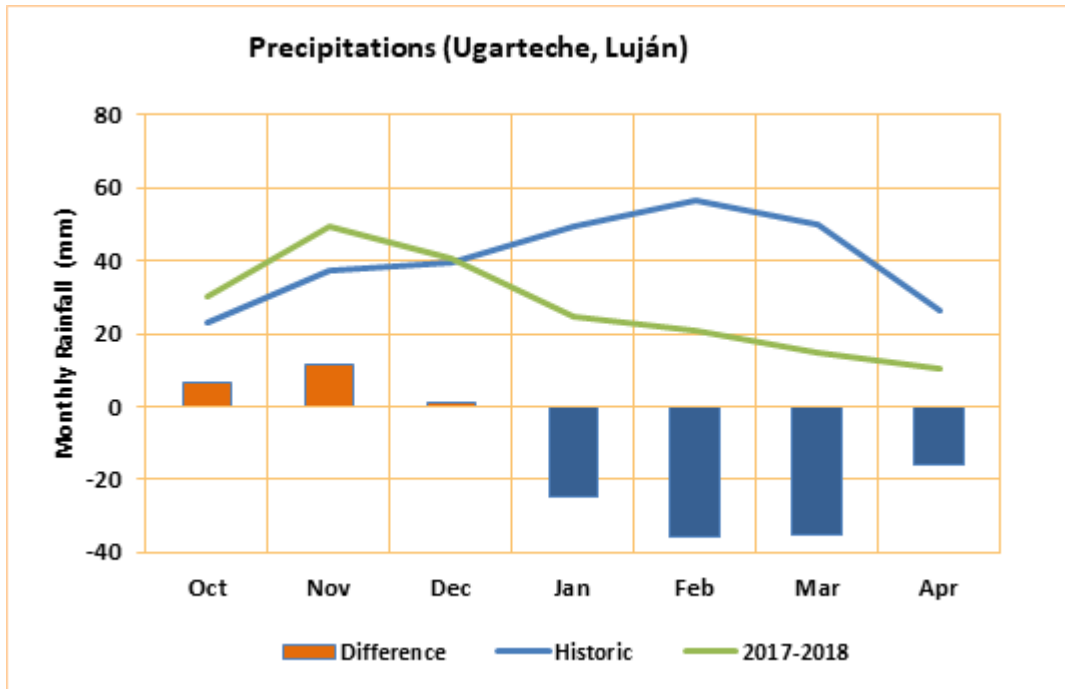
The summer saw normal temperatures for the month of January, and higher than normal temperatures in February and April, with cooler temperatures in March. During this last month in particular, it is important to note the great temperature range in comparison to historical records (17.2°C vs. 13.1°C), primarily due to very low minimum temperatures. This phenomenon is related to the low rainfall and relatively low humidity, and was partly responsible for the excellent quality obtained in this harvest, in general, across both red and white grapes. Also due to the low rainfall, damage produced by hail storms in the Central and Northern oases of Mendoza was kept to a minimum.



Graph 1: Average monthly temperatures during the growth cycle

Rainfall

Total rainfall recorded during the season between October and April leads the 2018 harvest to be considered a very dry season. If we consider the summer rainfall (January to April), we can say that it was one of the driest in the last 30 years (see graph 2). As a result of the extremely dry summer, the health of the grapes has been excellent and allowed us to carry out the harvest with exclusive attention to maturity. Due to the relatively low humidity and resulting water restriction periods, the grapes matured earlier, particularly the reds which were harvested between 7 to 10 days earlier than historical dates. By the end of March, over half of the Malbec of Uco Valley had been harvested, and by April 10th, the harvest of these grapes had finished in the same region, a few weeks earlier than normal.



Graph 2: Average monthly precipitations during the 2017-2018 growth cycle

Wines

Lujan de Cuyo

White wines: At first, the maturity appeared to be 10 days later than normal, but the January temperatures sped up the process and caused the aromas to evolve to the more tropical aromas typical of warm years, while maintaining their naturally high acidity.

Red wines: This area was one of most benefited in terms of yield (kg/ha), and when also considering analysis of the climate trends, we can say that it produced well-balanced wines with medium concentration, great intensity and aromatic complexity, combining fresh red fruits with mature black fruits. On the palate, the tannins are very silky, velvety and round in general.

Uco Valley



White wines: the white grapes in the Uco Valley were the most benefited by the 2018 climate trends, producing very fresh wines with great aromatic intensity and excellent acidity, making them fresher on the palate.

Red wines: the wines harvested before March 20th showed an excellent ratio of acidity to alcohol, with great aromatic freshness leaning more towards floral or fresh red fruit aromas, with reactive and strong tannins. The red grapes harvested later on have more mature black fruit aromas, lower acidity and round and pleasant tannins.

Conclusion

The 2018 harvest will be remembered for its recovery of the harvest volume after the lower yield of previous harvests, and for the high quality of the both red and white wines obtained. This high quality was primarily due to an unseasonably dry summer and a wide range of temperatures and cool nights in March.