



## 'TEXAS BOY' INVESTOR CAN'T RESIST TASTE OF NEW ARGENTINE WINERY

Brochu, a self-described "Texas boy" with about 700 bottles of wine in his Seattle home, eventually came around to the idea of being a part-time winery owner. Now the 56-year-old financier, who has sold three companies with a total value of about \$1 billion, is waiting to taste the fruit of his latest investment. "Never in my wildest dreams would I have thought about owning a vineyard," he said.

Michael Brochu, chief executive officer of Global Market Insight Inc., is always looking for new investments. So when a friend called with an opportunity, Brochu was ready to listen.

"He said, 'How about a vineyard in Argentina?'" recalled Brochu, whose company conducts online surveys for market-research firms. "Of course, I hung up the phone."

Brochu, a self-described "Texas boy" with about 700 bottles of wine in his Seattle home, eventually came around to the idea of being a part-time winery owner. Now the 56-year-old financier, who has sold three companies with a total value of about \$1 billion, is waiting to taste the fruit of his latest investment.

"Never in my wildest dreams would I have thought about owning a vineyard," he said.

Brochu's vineyard is part of a venture called The Vines of Mendoza in Argentina's Uco Valley. An investment of \$150,000 gets you three acres to plant your choice of wine grapes. You also get as much or as little help as you want from a team of local experts, including veteran winemaker Santiago Achaval of Achaval-Ferrer in Mendoza.

So far the enterprise has 65 investors, said Mike Evans, the company's founder and CEO.

### Malbec Grape

Evans, 44, was executive director of the Cellular Telecommunications Industry Association Foundation and chief operating officer of Rock the Vote before joining John Kerry's 2004 presidential campaign. He and business partner Pablo Gimenez Riili started raising funds for the project in 2005 and completed the purchase of a 920-acre property the following year.

Investors can choose from 20 varietals, although more than half the acres have been dedicated to malbec, Argentina's signature grape, which is used to make lush, dark red wines.

About 80 percent of the members are "hobbyists," Evans said, while the rest are looking to sell their wine commercially after bottling.

Argentina has become a darling of wine critics and drinkers because of the outstanding quality of its wines and their affordable prices. (There are great values in the \$20 range.)

Exports to the U.S. increased 29 percent in value to \$140.5 million over the first nine months of the year, according to Wines of Argentina, which represents more than

## Grapefruit, Apple

While malbecs have received much of the attention and praise, a bigger star may be the white Argentine wines made from the torrontes grape, which produces wines with amazing aromatics and crisp acidity.

During a Wines of Argentina tasting in San Francisco in October, I sampled bottles from dozens of producers and was most impressed with the range of styles made from torrontes.

Among the scents were white lilies, honeysuckle, mint and tangerine. The flavors included citrus, grapefruit and green apple, while the styles ranged from bone dry to candy sweet.

Paul Leary, president of Napa Valley-based Blackbird Vineyards, was one of the first 10 investors in Vines of Mendoza. He said the country's cheap exchange rate -- 3.80 Argentine pesos are worth \$1 -- allows producers to spend more to make "world-class wine."

## 'Sex Appeal'

While Blackbird charges \$90 a bottle for three of its Napa Valley merlot-based blends, the company's Argentine-produced malbecs will cost about \$20 and a torrontes will sell for about \$14 when they're released in 2010, Leary said.

"That is where the market is -- not in high double-digits or triple-digits," he said.

The desire to own part of a vineyard is spurring more businesses like The Vines of Mendoza, said Sherman Potvin, chief executive officer and founder of Luxury Fractional Guide, an online site for people interested in partial ownership of high-end properties or businesses.

Potvin said oenophile investors can choose from vineyards in Italy, France, Germany and California, as well as Argentina.

"It has a lot of sex appeal," he said of owning a stake in a winery. "It's very romantic."

To contact the reporter on this story: Ryan Flinn in San Francisco at [rflinn@bloomberg.net](mailto:rflinn@bloomberg.net)