Rowan Gormley Naked Wines Limited Sackville House 44-48 Magdalen Street Norwich NR3 1JU 14 May 2009

Email

Direct line

Our ref.

DJT\AQO\22776-8

Your ref.

By Fax and Post Strictly Private and Confidential

Dear Sir

## Direct Wines Limited (Laithwaites)

The Press Release concerns the recent launch of Naked Wines and makes the following allegations in relation to your company's offering:

- that Naked Wines is currently the only UK wine retailer to offer customers the chance to support individual winemakers;
- that Naked Wines requires a much lower monthly commitment than other Wine Clubs on offer; and
- that the total yearly cost of being a "Naked Wine Angel" amounts to £60, which is under a
  quarter of the cost of joining either Laithwaites Wine, the Four Seasons Club or the Virgin
  Wines Discovery Club.

(collectively, "the Statements").

Our client is gravely concerned that the Statements contain the false and malicious allegation that its brand, Laithwaites Wine, does not support individual winemakers and provides a more expensive service than that offered by Naked Wines. For the avoidance of doubt, all of the Statements are wholly inaccurate and the Press Release is highly misleading and deceptive as a result. In fact, the true position is that:

- Our client actively supports many independent winemakers, bringing their wines to the attention of hundred of thousands of wine consumers every year. In this regard, our client regularly promotes these winemakers and their products through direct and targeted marketing to its customers.
- Our client does not as a matter of course charge any monthly or other fee for joining their service and will usually only charge consumers if and when they purchase a case of wine. By contrast, Naked Wines charge consumers a monthly fee for joining their service which is ultimately applied to their purchase.
- Our client offers a variety of wines for less than £60 per case with no additional monthly fees, making its service potentially cheaper than that offered by Naked Wines, not more expensive as is alleged in the Press Release.

Any statement to the contrary is therefore clearly false and you cannot have had any reasonable basis to believe otherwise, particularly in light of your previous Executive role with our client. Under the circumstances it is clear that the only basis upon which you made the Statements was in order to promote the services offered by Naked Wines, whilst maliciously damaging our client's own reputation and business model, with a view to bolstering Naked Wines' own competitive position. Accordingly, we have advised our client that it has a claim against you and/or Naked Wines for malicious falsehood. In any such action, our client may recover general damages pursuant to section 3 of the Defamation Act 1952. Our client also reserves the right to recover special damages in respect of any actual loss arising from the Statements.

In addition, the Press Release is clearly misleading and published in contravention of the Control of Misleading Advertisements Regulations 1988 insofar as it "deceives or is likely to deceive those to whom it is addressed and as a result is likely to affect their economic behaviour or is likely to injure a competitor". Accordingly, our client reserves its right to bring this matter to the attention to the Office of Fair Trading (OFT) and/or Trading Standards in this regard,

Our client has no desire to issues proceedings against you or Naked Wines in respect of these matters if this can be avoided. However, to avoid the necessity of such proceedings, we ask that you respond by **5pm** on **Monday 18 May 2009**:

undertaking to remove the Press Release from the Website;

- undertaking not to repeat in the future any of the allegations made against our client in the Press Release, or any similar allegation about our client;
- providing an apology to our client in terms to be agreed; and
- agreeing to pay our client's reasonable legal costs in pursuing this matter.

If you agree to these terms by the time and date provided above, our client is prepared to forego any claim in damages against you. In the meantime, our client reserves all of its rights.

Yours sincerely



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## FPRC FREE PRESS RELEASE CENTER

## Naked Wines on the Look out for Naked Wine Angels

New online wine retailer Naked Wines is on the look out for Naked Wine Angels. In other words, customers to sponsor and support individual winemakers. The scheme, which is mutually beneficial for both the customer and the winemaker, offers the customer free wine and ongoing discounts, and the winemaker future guaranteed sales. Naked Wines attracted more than 1000 Naked Angels within three weeks of launching, and the current figure stands at over 3000.

April 2, 2009 (FPRC) -- Recently launched online wine retailer, Naked Wines, is offering customers the chance to sponsor a winemaker by becoming their Naked Wine Angel.

The intriguing proposition, an original alternative to the standard Wine Club model, has attracted more than 3000 customers to date.

"Whilst some customers might appreciate four cases of wine turning up on their door-step throughout the year, we wanted to offer our customers something a bit different," explained a Naked Wines employee.

"Naked Wines places a heavy emphasis on the face behind the wine. For every wine that we stock, the customer can find out exactly where that wine came from, and more importantly, who put the hard graft into making it!"

"If the customer likes a particular winemakers' story, then they can then chose to sponsor that winemaker – a mutually beneficial set-up which secures guaranteed sales for that winemaker, and guaranteed discounts (as well as FREE wine) for the customer."

Customers currently have a choice of six different winemakers they can chose to support, most of which are previously unknown to the UK market.

"We're really pleased with how customers are responding to our Angel proposition – and our Angel winemakers have been bowled over by the number of customers getting involved."

Naked Wines is currently the only UK wine retailer to offer customers the chance to support individual winemakers, a scheme which requires a much lower monthly commitment than other Wine Clubs on offer. The total yearly cost of being a Naked Wine Angel amounts to  $\pounds 60$  – under a quarter of the cost of joining either the Laithwaites 4 Seasons Club or the Virgin Wines Discovery Club. Plus with next day delivery at £4.99, Naked Wines wins the stakes in this department too, with the others charging £6.99 for delivery within 7 days.

To find out about how to become a Naked Wine Angel, and to claim a free case of wine, visit http://www.nakedwines.com/angelinfo (or call them on 01603 281 800).

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E-mail: info@nakedwines.com

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