Bordeaux

Reasons to hope

Analysis of Bordeaux's leading crus in the context of the 2015 en primeur campaign

May 2016

WINE LISTER

We are excited to unveil the inaugural regional study from Wine Lister. While Wine Lister currently rates c.2,000 wines from across the world, we have chosen to carry out an in-depth study on Bordeaux, a region which has long been the king of fine wine, but which has undergone a turbulent half-decade.

In this report, we have looked in detail at 97 of the most important Bordeaux crus (see full list). We have drawn upon the unique combination of data at our disposal thanks to Wine Lister's official partnerships with the world's leading fine wine authorities, as well as groundbreaking proprietary research.

> *"Despite continued malaise in the Bordeaux market, the first growths still command a pre-eminent position in consumers' thoughts and rightly so, they are supreme wines."*
>
> *– Top tier UK merchant*

To complement this wealth of data, we have canvassed the opinion of Wine Lister's Founding Members – the world's leading fine wine players, between them with revenues representing more than one third of the global fine wine trade. This survey contained a specific section on Bordeaux and its leading crus.

- First we look at the positioning of Bordeaux compared to other fine wine regions, analysing performance patterns over the last five years
- Next we use Wine Lister's proprietary rating algorithms to gain a 360° perspective on the performance of different subsets and vintages across Wine Lister's three primary rating categories: quality, brand, and economics
- We take each of Wine Lister's rating criteria in isolation to produce in-depth comparative tables and analyses of the different crus' performance
- Next we present the highlights of our in-depth survey of the fine wine trade as they relate to the Bordeaux region and the 97 wines in this study
- Lastly we consider the context for 2015 en primeur pricing decisions

The process of sifting through and analysing all this information has confirmed some general observations about the Bordeaux market, and it has also shed some new light, and even thrown up some surprises.

The main thing we have learned is that while Bordeaux might be experiencing a challenging period, it remains massively dominant on the global fine wine scene. There is some inertia, but also more recent signs of movement, and lots of potential in the region. Bordeaux – the region – is a brand, but each individual cru also controls its own destiny. The 2015 campaign is a crucial opportunity to seize that overwhelmingly positive destiny, conducive to a renaissance of Bordeaux's only mildly dampened pre-eminence.

We hope you will find food for thought in the following pages, as a producer, a member of the trade, or a collector of Bordeaux.

Ella Lister, Co-founder & CEO

Market overview

– taking Bordeaux's temperature

Bordeaux has suffered a five-year market slump, and been subject to "Bordeaux bashing", but seems poised to emerge from the other side.

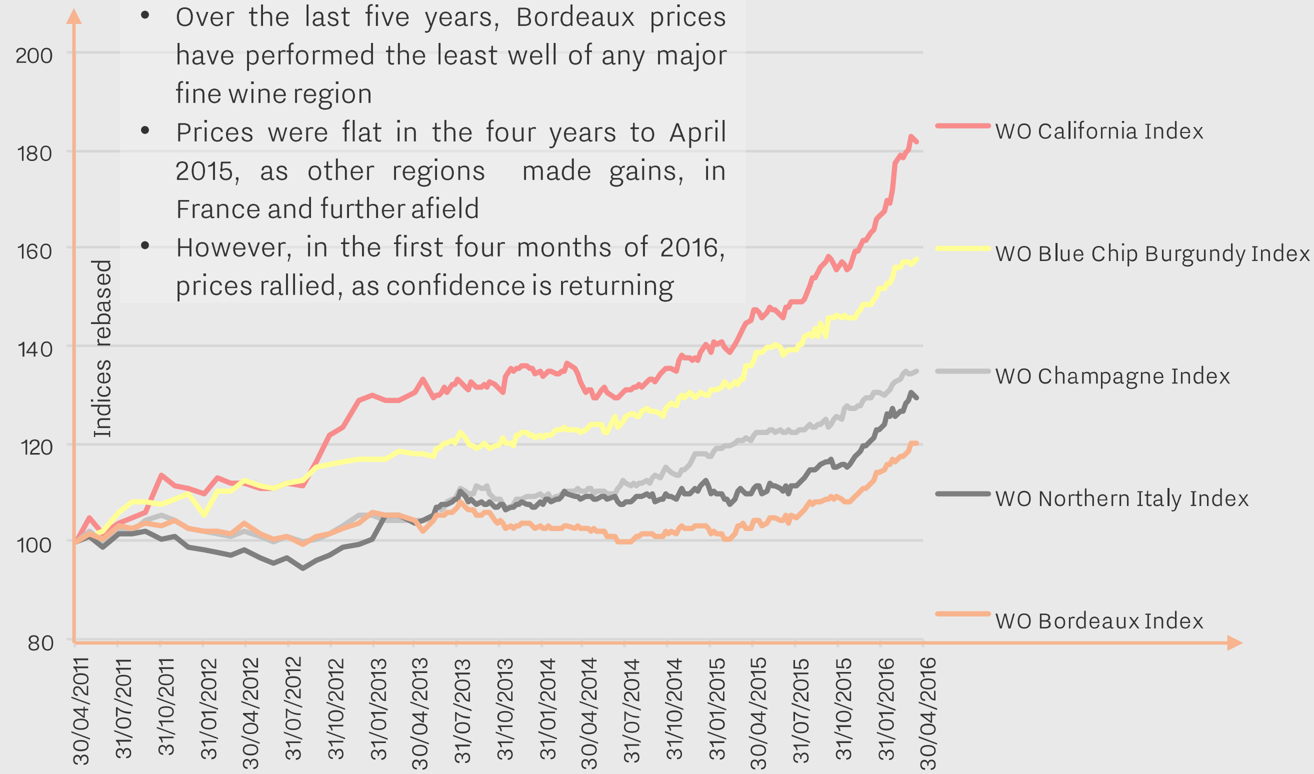
A convergence in 2009-2010 of the macroeconomic climate with fine wine-specific factors (most notably two excellent vintages and Chinese enthusiasm) led producers to observe that people were making considerable money buying their wines en primeur. Coupled with the Bordeaux Place structure, whereby the allocation system puts châteaux in an unnaturally strong position vis-à-vis négociants, this led to over-zealous pricing, particularly for the 2010 vintage and particularly for the top crus.

The market was unable to sustain such price hikes, and the bubble burst in the summer of 2011, compounded by an anti-corruption drive in China. Since then, en primeur campaigns have stagnated to the point where négociants are holding significant amounts of stock, and foreign merchants have diversified significantly away from Bordeaux, en primeur becoming "almost irrelevant" to some.

Nonetheless, Bordeaux is a matchless brand in fine wine. On the one hand, this has made the region susceptible to perceptions of being old-fashioned and unexciting. On the other, it gives the region's wines a huge advantage. It will not take much of an incentive for people to come flooding back to Bordeaux, and it's almost certain they will come flooding back, as the Bordelais slowly move in the right direction.

Price index growth by region

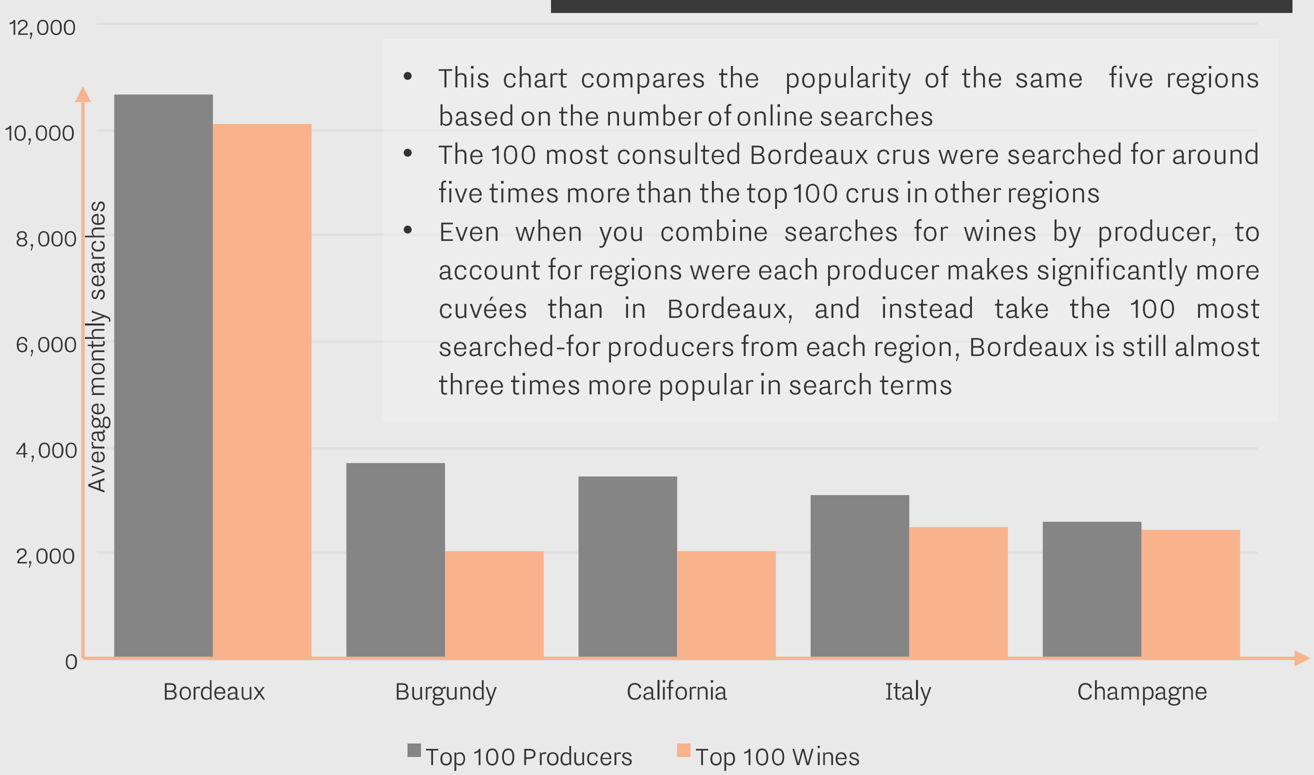
- Over the last five years, Bordeaux prices have performed the least well of any major fine wine region
- Prices were flat in the four years to April 2015, as other regions made gains, in France and further afield
- However, in the first four months of 2016, prices rallied, as confidence is returning



Source: Wine Owners. NB. The "WO Bordeaux Index" shown here comprises a wide set of Bordeaux wines, from the top crus to everyday wines, which have experienced stronger growth

Average search frequency by region

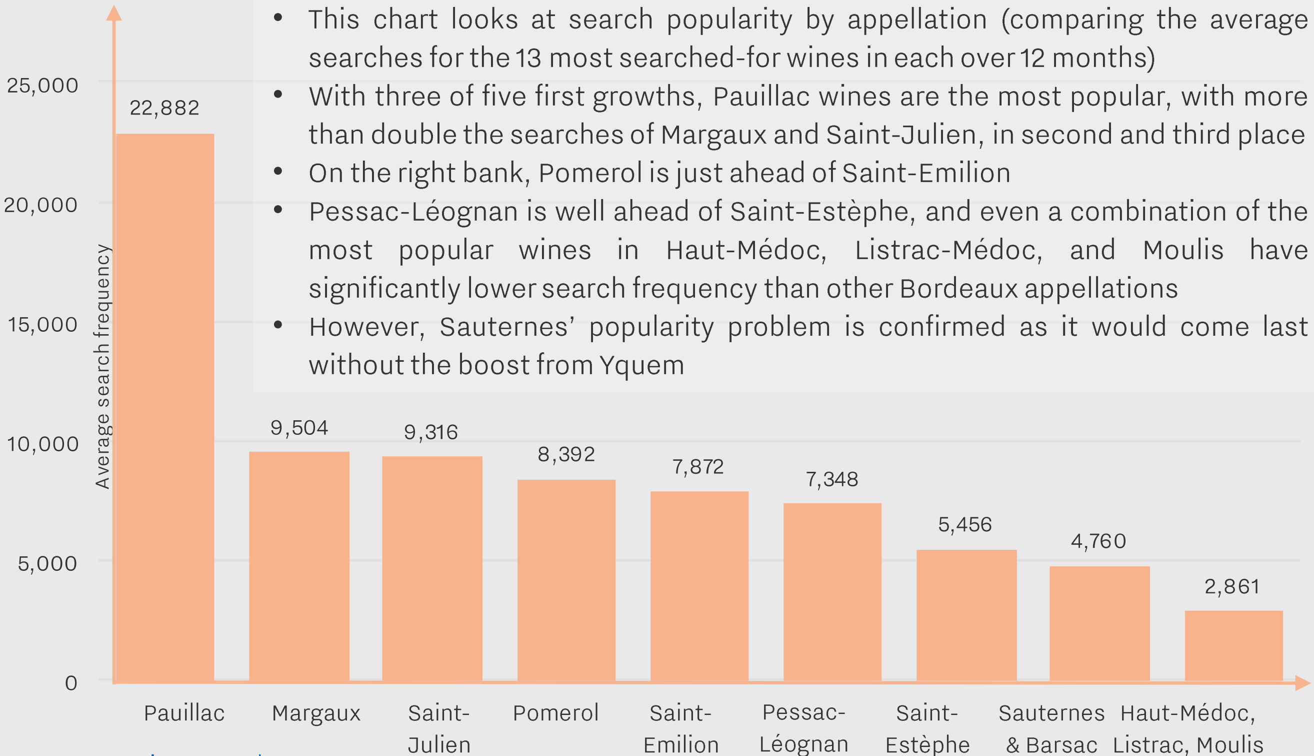
- This chart compares the popularity of the same five regions based on the number of online searches
- The 100 most consulted Bordeaux crus were searched for around five times more than the top 100 crus in other regions
- Even when you combine searches for wines by producer, to account for regions were each producer makes significantly more cuvées than in Bordeaux, and instead take the 100 most searched-for producers from each region, Bordeaux is still almost three times more popular in search terms



Source: Wine-Searcher

Average search frequency by appellation

- This chart looks at search popularity by appellation (comparing the average searches for the 13 most searched-for wines in each over 12 months)
- With three of five first growths, Pauillac wines are the most popular, with more than double the searches of Margaux and Saint-Julien, in second and third place
- On the right bank, Pomerol is just ahead of Saint-Emilion
- Pessac-Léognan is well ahead of Saint-Estèphe, and even a combination of the most popular wines in Haut-Médoc, Listrac-Médoc, and Moulis have significantly lower search frequency than other Bordeaux appellations
- However, Sauternes' popularity problem is confirmed as it would come last without the boost from Yquem

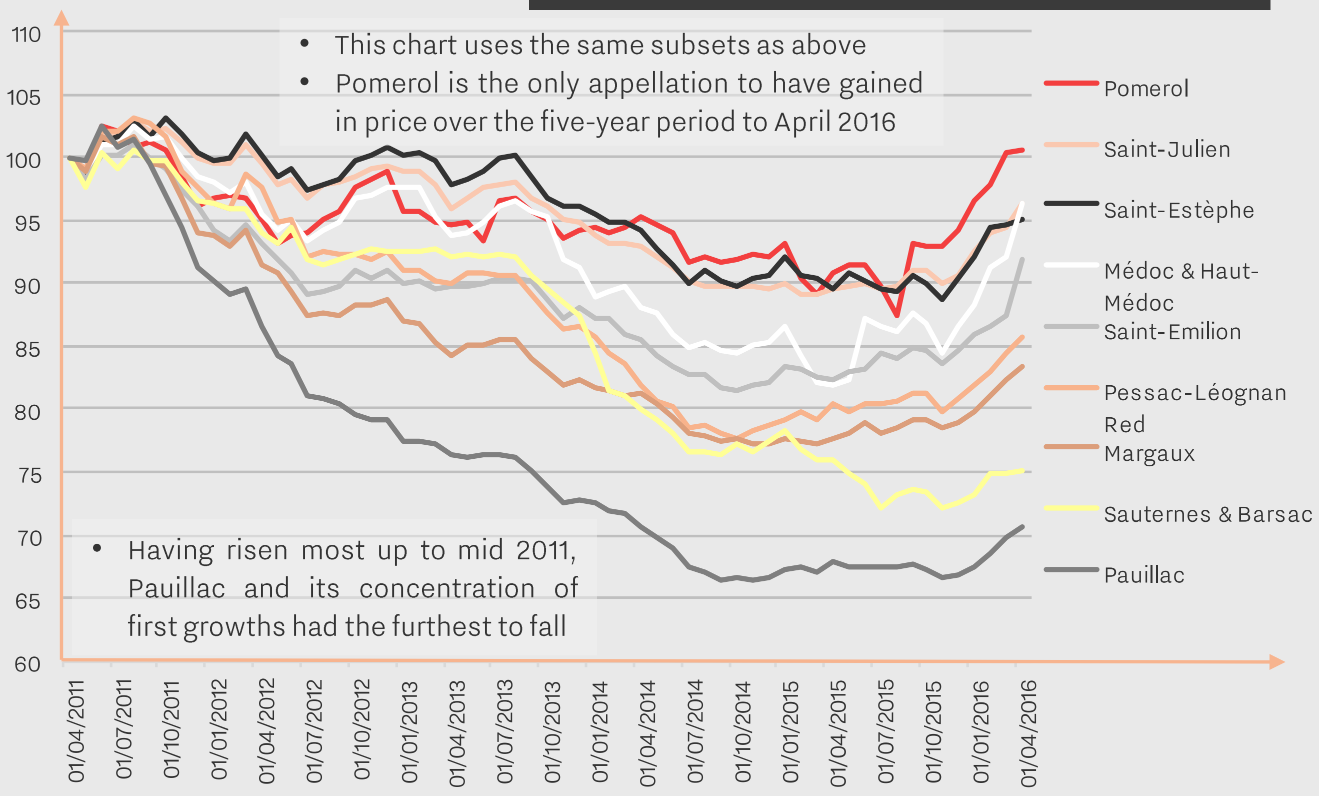


Source: [Wine-Searcher]

Price index growth by appellation

- This chart uses the same subsets as above
- Pomerol is the only appellation to have gained in price over the five-year period to April 2016

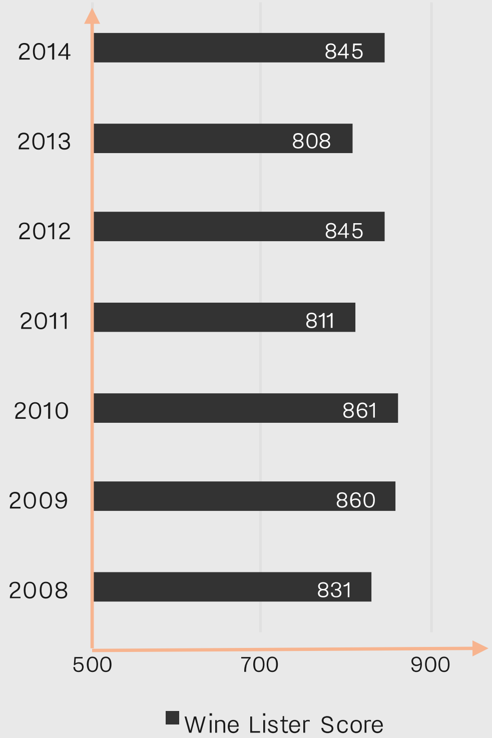
- Having risen most up to mid 2011, Pauillac and its concentration of first growths had the furthest to fall



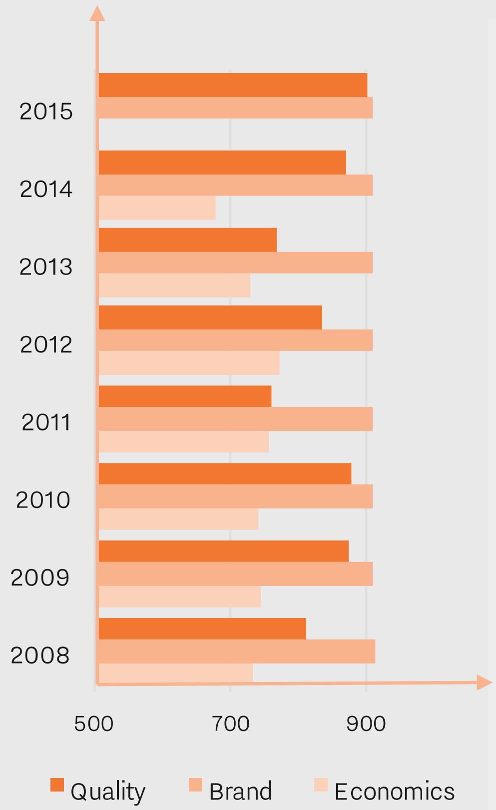
NB. This chart shows historical price movement for the 13 most searched-for wines in each appellation, and does not mirror the wines included in the WO Bordeaux Index on the previous page

Average Wine Lister score by vintage

- Wine Lister ratings exist at vintage level and wine level, and comprise three categories: quality, brand, and economics (see page 14)
- This graph shows the average vintage-level score for all of the 97 wines included in this study[1]
- 2010 and 2009 are ahead, with 861 and 860 respectively
- Next come 2014 and 2012, tied at 845 points each on average
  - 2014 is surprisingly close to 2009 and 2010 in quality terms, just a few points behind (see below)
  - However 2012 fares better in economic terms, almost 100 points ahead of 2014, due to stronger price performance, having now been physically delivered
- 2010 and 2009 have weaker economic scores than 2012 due to poor long-term price performance
- The weakest overall score is 2013, just behind 2011



Average category scores by vintage



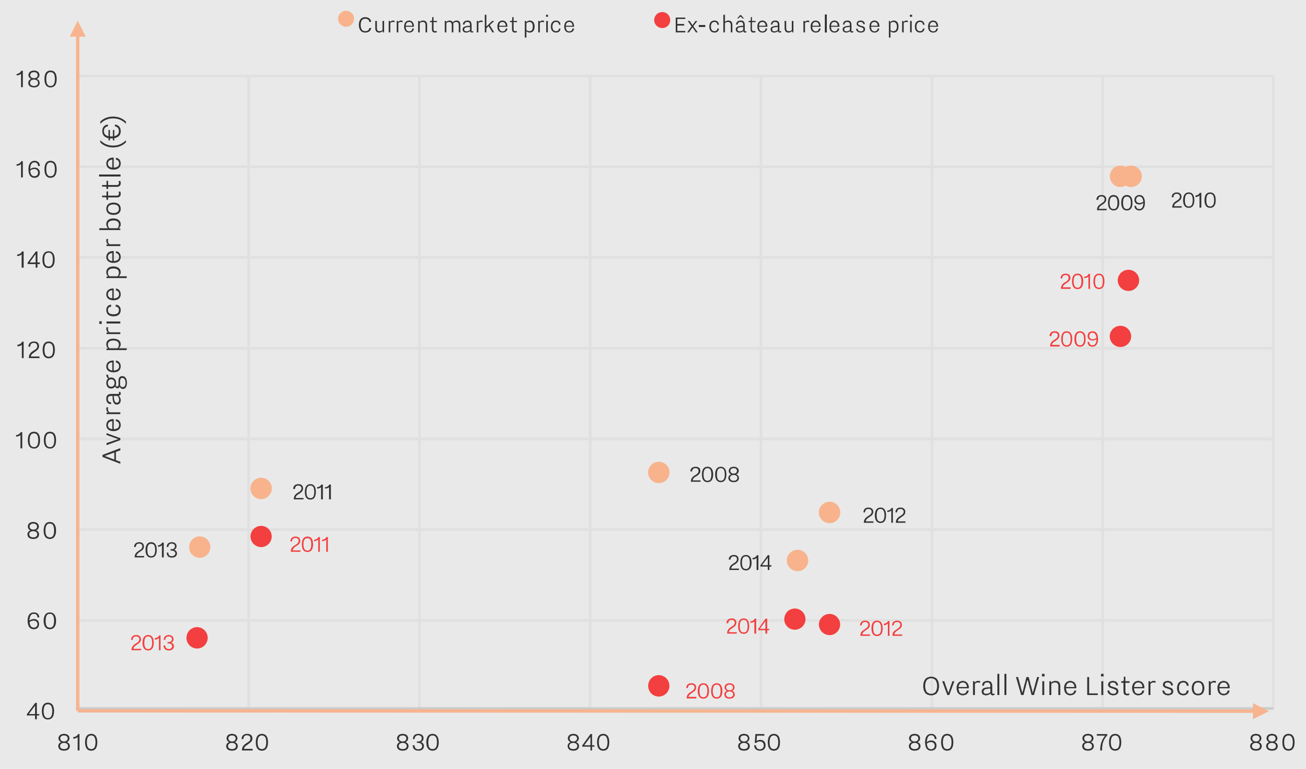
- In spite of commentators widely declaring 2015 to be behind the "great" vintages 2009 and 2010 in quality terms, the 97 wines in this study have scored more highly in 2015, averaging 902 (compared to 876 in 2010)
  - Average 2015 critics' scores are 2% above 2010
  - Predicted average wine life (drinking window length) is similar to 2010 and two years longer than 2009
- 2014 is very close to 2009 and 2010 in quality terms:
  - Average critics' scores just 2% below
  - Predicted average wine life the same as for 2009, but behind that of 2010
- Understandably, 2014 does not show price growth, not having been delivered yet
- Interestingly, 2013 is slightly ahead of 2011 on quality
- 2012, as expected, is far ahead of both 2013 and 2011 in quality terms, and is also strong economically – the strongest of the last seven vintages
  - 2012 is the only vintage to boast decent long-term and short-term price performance, with 7.8% gains over the last six months

NB. Brand scores do not vary from vintage to vintage as brand strength relates to the wine's brand built up over time

[1]Please note: the basket does not include Pédesclaux '08, Yquem, Rieussec or Suduiraut '12, Le Pin '13, or Climens '14

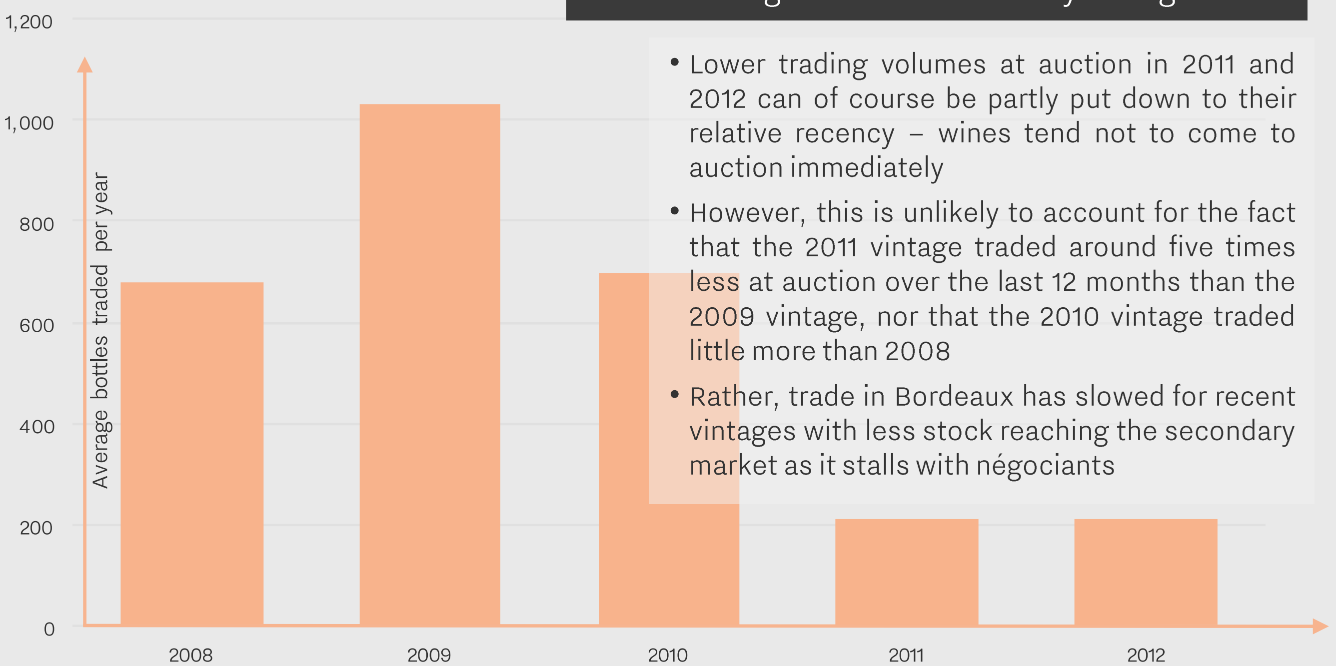
- This graph shows the overall Wine Lister vintage-level score and how this relates to the average current market price of that vintage, as well as ex-château release prices for the same wines
- The overall scores correlate more strongly with market prices than with release prices
    - For example, the 2011 and 2013 vintages, scoring below 2008, were released at higher prices, but are cheaper on the secondary market
- Unsurprisingly, 2010 and 2009 have the highest prices, by a significant margin
    - 2009 and 2010 are priced identically and their overall average scores are almost identical
    - The 2009s have seen more upward movement in their price since release en primeur
- As seen on the previous page, 2014 has a Wine Lister score not far off both these vintages and costs on average only just under half the price
    - Of course, the 2014 vintage has not yet been delivered in bottle, and so should still be priced at a discount compared to physical wines
- 2012 has a better score to price ratio than 2008 and 2011
- 2008 – pre-boom – shows the largest upswing between the release price and today's market price
- Current market prices for 2011 and 2013 remain woefully close to the ex-château release prices, meaning the end customers have lost money (when you take into account trade margins)

Overall Wine Lister score vs average price



As at 6th May 2016. Based on 79 of the 97 wines included in this study.

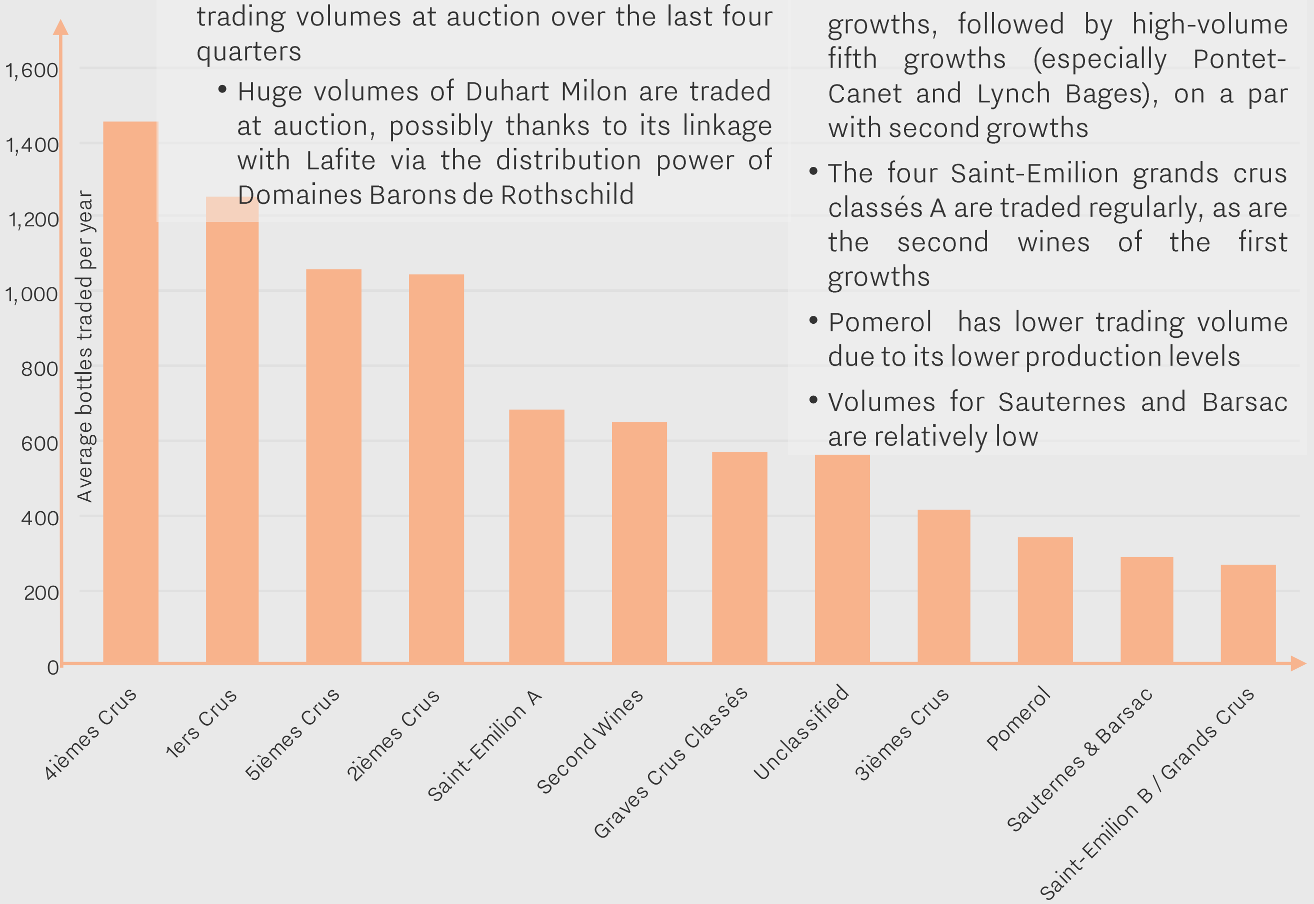
Average trade at auction by vintage



- Lower trading volumes at auction in 2011 and 2012 can of course be partly put down to their relative recency – wines tend not to come to auction immediately
- However, this is unlikely to account for the fact that the 2011 vintage traded around five times less at auction over the last 12 months than the 2009 vintage, nor that the 2010 vintage traded little more than 2008
- Rather, trade in Bordeaux has slowed for recent vintages with less stock reaching the secondary market as it stalls with négociants

Source: [Wine Market Journal]

Average trade at auction by subset



- The fourth growths have the highest average trading volumes at auction over the last four quarters
  - Huge volumes of Duhart Milon are traded at auction, possibly thanks to its linkage with Lafite via the distribution power of Domaines Barons de Rothschild
- Next most traded are the first growths, followed by high-volume fifth growths (especially Pontet-Canet and Lynch Bages), on a par with second growths
- The four Saint-Emilion grands crus classés A are traded regularly, as are the second wines of the first growths
- Pomerol has lower trading volume due to its lower production levels
- Volumes for Sauternes and Barsac are relatively low

Source: [Wine Market Journal]

Ratings

– top-scoring Bordeaux crus by category

This section of the study delves deeper into the different Bordeaux wines analysed through the prism of Wine Lister's ground-breaking new rating system.

First, we split the wines in the study into their traditional classification groupings, and present the average Wine Lister scores for each, sometimes confirming, and sometimes diverging from historical classifications. Furthermore, by breaking down Wine Lister scores into their main categories – quality, brand strength, and economics – we assess the strengths and weaknesses of each grouping.

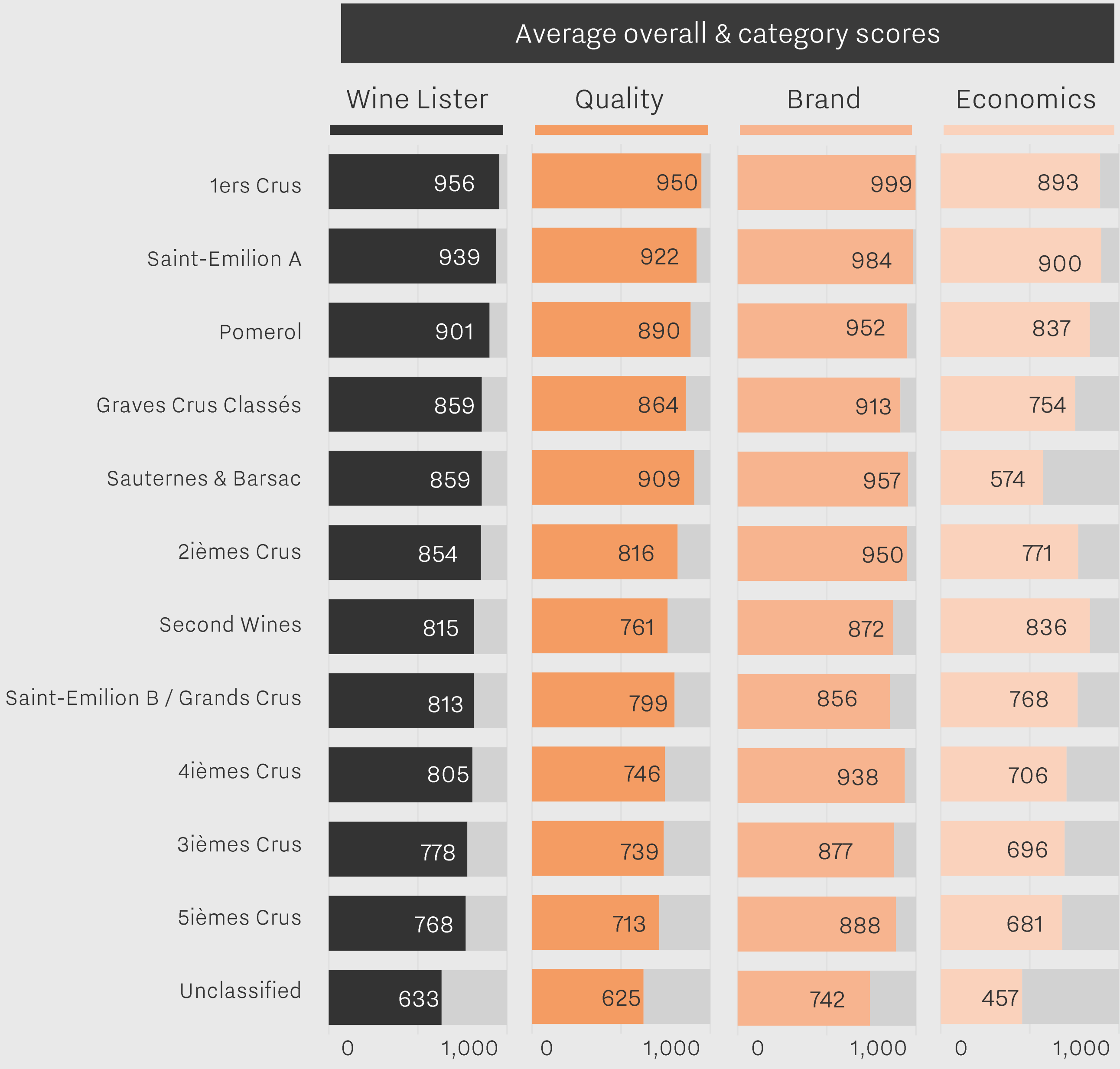
Next we present the top scoring Bordeaux wines overall, and in each Wine Lister category, yielding some expected – and some more surprising – results. Within each main category we also analyse the component parts, looking at critics' scores, longevity, distribution, search frequency, price, price performance, price stability, and volume traded.

The Wine Lister ratings confirm the power of traditional classifications in perpetuating brand strength and pricing. However, they also underline certain shortcomings, where particular groups of wines, and especially particular wines, are deviating significantly from expectations and outperforming or underperforming their conventional grouping, sometimes just in one category, for example, economics, and sometimes across the board.

Ratings – Bordeaux subsets by WL category

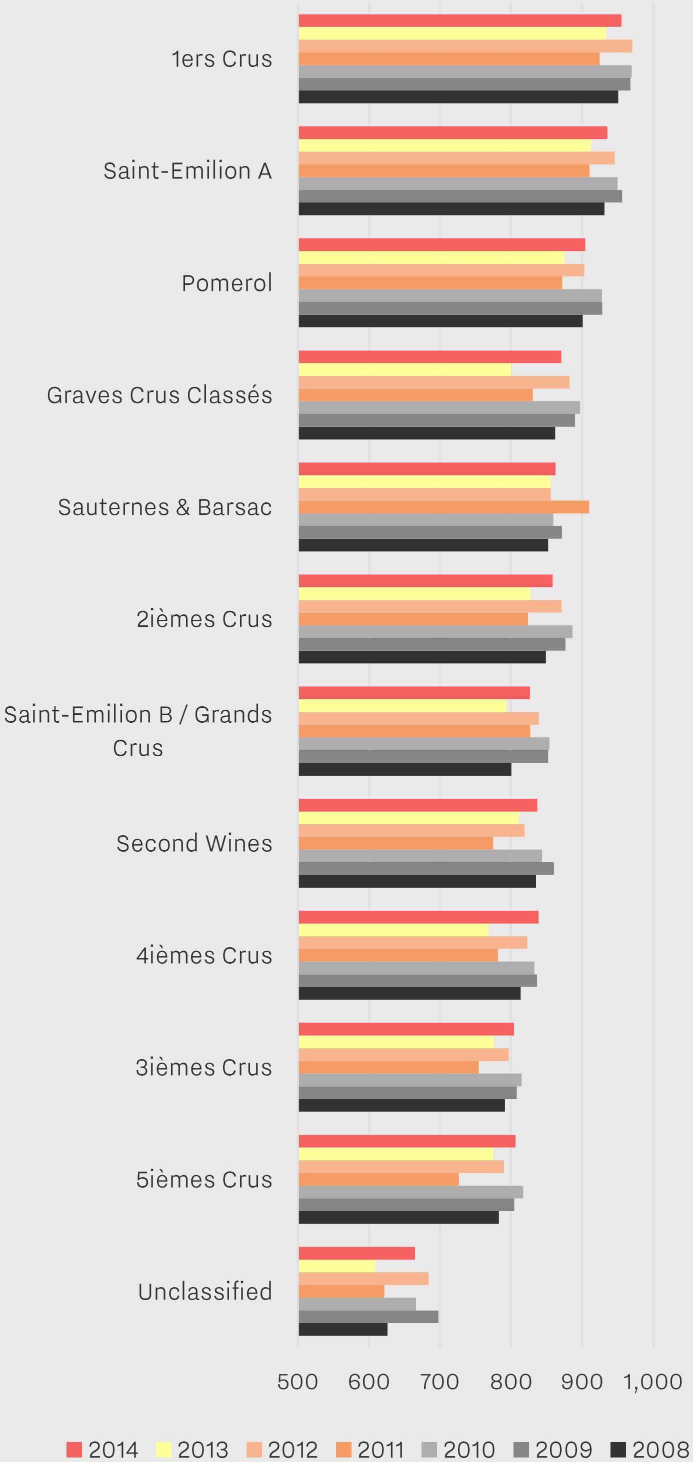
Here we look at average Wine Lister ratings for the traditional Bordeaux subsets, showing which are strongest all-round, and in each Wine Lister category.

- The five red first growths are the strongest all-rounders, with a winning triumvirate of exceptional quality, powerful brands, and solid economics
- Saint-Emilion premiers grands crus classés A are second place across the board, with impressive quality, brand and economics, boosted by the performance of Angélus and Pavie since their 2012 reclassification
- Pomerol is strong across all categories
- Graves classified growths are also solid performers, though weaker in economics
- 1ers crus Sauternes & Barsac are very strong in quality and brand – boosted by Yquem – but the grouping's overall score is dragged down by weak economic performance
- Next come Médoc second growths, ahead of the first growths' second wines, which have stronger economics but weaker quality
- In a distortion of the 1855 classification, fourth growths score more highly than third growths, on all three categories, but the "Super Seconds" such as Lynch Bages and Pontet-Canet do not lift the fifth growths sufficiently to challenge their overall position



As at 6th May 2016. Based on the 97 wines included in this study

Average Wine Lister score by vintage and subset



This graph shows the average Wine Lister ratings for the same traditional subsets, but this time split by vintage.

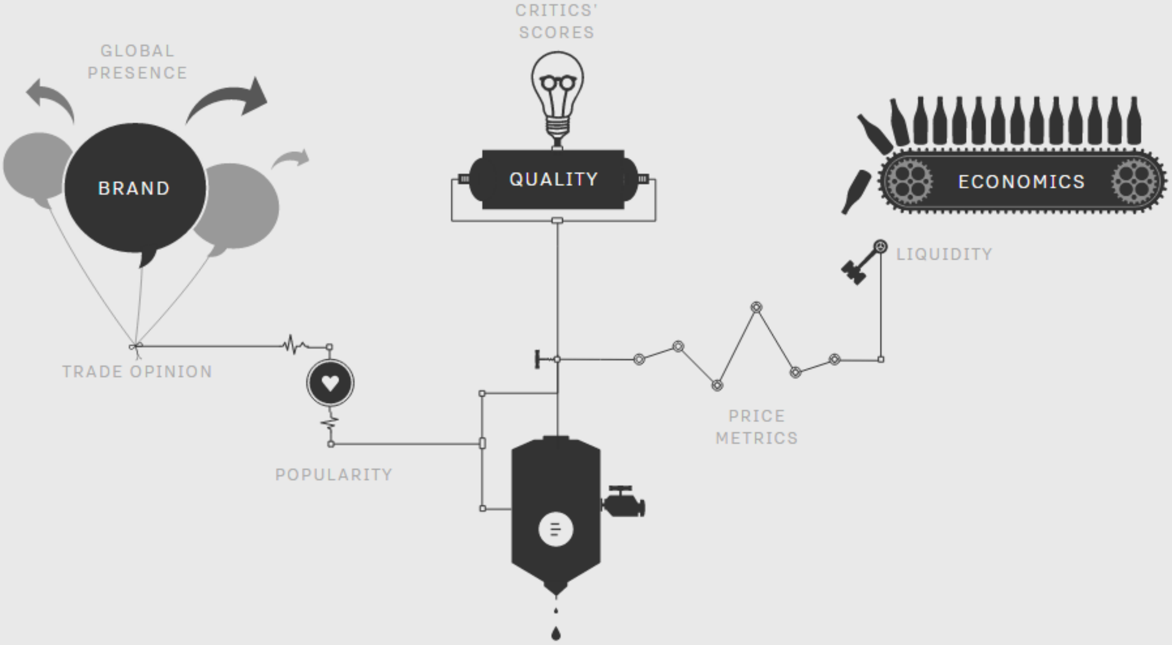
- The first growths achieve their highest overall scores in 2012 due to stronger economics, following a more sensibly priced release (quality being higher in 2010). They have the strongest scores of any subset in every single vintage since 2008
- The Saint-Emilion grands crus classés A are second place in every vintage, and were particularly strong in 2009
- Pomerol was equally strong in 2009 and 2010, also with consistent performance over the last four vintages, 2012 standing out. It came third in every vintage except 2011, an outstanding vintage for the sweet whites of Sauternes & Barsac
- Graves crus classés were up and down over the last four vintages, strongest in 2012, then 2014
- Second growths mimicked the pattern of the firsts, but approximately 100 points behind in each vintage, and slightly stronger in 2010 than 2009 where first growths showed equally well in both
- The second wines of the first growths, designed to be approachable younger, fared better in the more open 2009 vintage
- While the Saint-Emilion grands crus classés A are much stronger in 2013 than 2011, the Saint-Emilion grands crus classés B score considerably more highly in 2011 than 2013, suggesting that the newly promoted Angélus and Pavie 2013 have helped boost the category

As at 6th May 2016. Based on the 97 wines included in this study

WINE LISTER

WL's holistic system provides all facts that count in a single score...

The new standard in wine rating...



- Wine Lister rates wines across three **categories**: quality, brand, and economics
- Each category consists of several **criteria**
- Ratings exist for each **vintage**, and at **wine level** (a cross-vintage assessment of each wine, with more recent vintages given a higher weighting)
- **Quality** is given the largest weighting, then **brand**, and finally **economics**
- Wine Lister scores change frequently, as data is constantly **updated**

- Data-driven algorithms ensure **objectivity**
- The transparent and unmanipulable nature of the ratings ensure **impartiality**
- Wine Lister is entirely **independent**: we do not sell, or facilitate the sale of, wine
- Wine Lister's methodology and parameters are based on extensive **research**

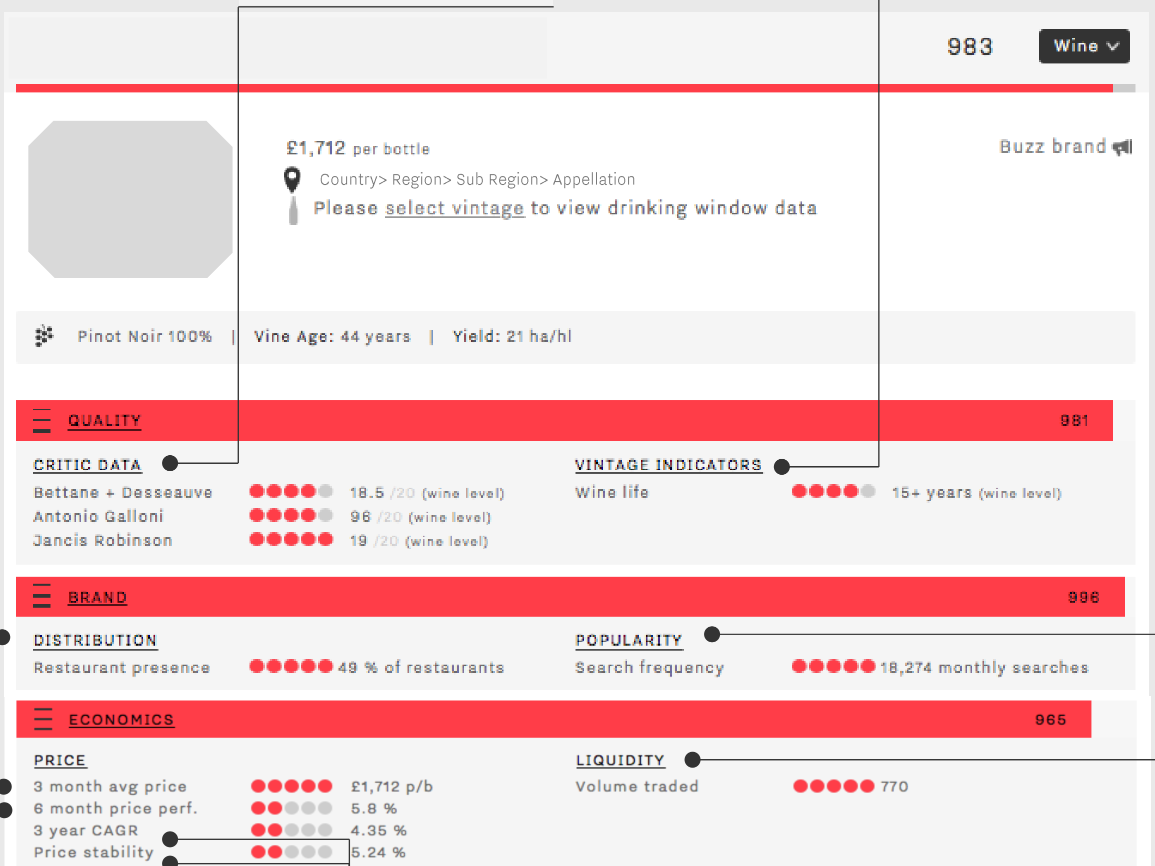
WL empowers you to make expert decisions by presenting all a wine's strengths and weaknesses in one snapshot...

Restaurant presence
We have scoured the world's top wine lists from Michelin-starred restaurants, 50 Best Restaurants, and World of Fine Wine Best Wine List restaurants, in order to ascertain global brand presence.

Critics' scores
Our partner critics' tasting scores, combined, are a reliable measure for quality. We take the scores from three of the most respected critics in the world – Jancis Robinson, Antonio Galloni, and Bettane+Desseauve. Each critic is weighted equally.

Wine life
A long drinking window indicates a great wine, so we use longevity in our quality assessment, applying a modest weighting. We take the average length of our partner critics' suggested drinking windows.

Popularity
Measuring the number of searches on the world's most visited wine site, Wine-Searcher, provides a unique insight into a wine's overall popularity. We look at the rolling-average number of searches for each wine.



3 month average price
The market price is the ultimate measure of what people are willing to pay for each wine.
We use prices from Wine Owners (based on the world's largest price database, Wine-Searcher), carefully calculated to give realistic market-level prices, excluding sales tax.

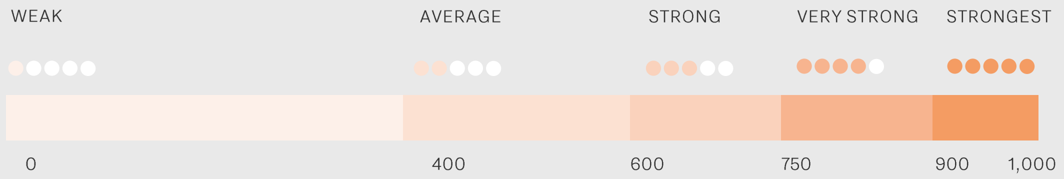
6 month price performance
The relative short-term price performance of each wine gives an indication of its current price trend.
We calculate the price change over the last six months, and compare this to the average of the Wine Lister basket.

3 year CAGR
Long-term price performance demonstrates whether a wine's price has been sustainable over time.
We calculate the CAGR (compound annual growth rate) over the last three years, relative to other wines on Wine Lister.

Price stability
Higher price stability means more consistency, less risk and therefore a better score.
We use historical prices provided by Wine Owners to calculate the price volatility, by looking at the standard deviation of the wine price over the last 12 months, expressed as a proportion of the average price over the same period.

Volume traded
Trading volumes are an important measure of a wine's success in the marketplace. We use figures collated by Wine Market Journal from sales at the world's major auction houses in order to measure the wine's relative trading volume.

WL uses its entire 1000-point scale to ensure precision and differentiation between wines…

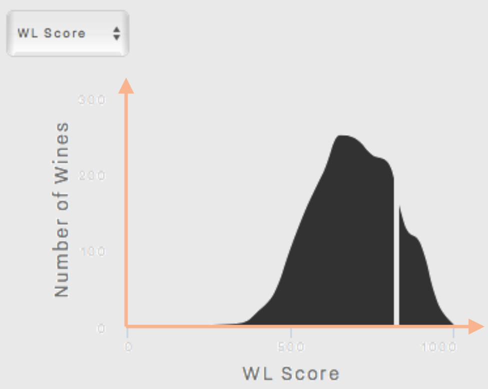


- Scores are out of **1000** to maximise the scale of difference and move away from the inflated use of the traditional 100-point scale
- Wine Lister utilises the **entire scale**, not just the top 20%
- This scale should be interpreted in the context of **fine wines**

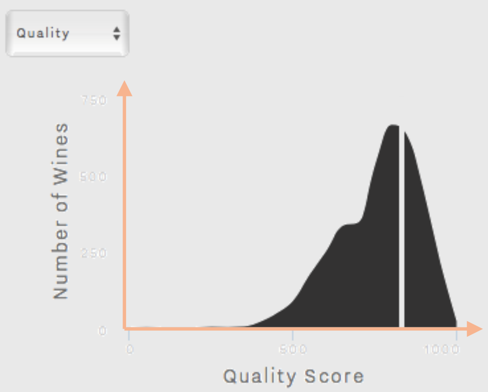
As some of the most formidable crus in the world, the 97 wines selected for analysis in this study have considerably higher scores than the majority of the basket of **fine wines** rated by Wine Lister.

The charts below show the distribution of wine scores on Wine Lister, with number of wines on the Y axis and points between zero and 1000 on the X axis. Most notably, Bordeaux boasts exceptionally high relative brand strength scores, though it trends closer to the average economics and quality scores.

SCORE RELATIVE TO OTHER WINES ON WINE LISTER



SCORE RELATIVE TO OTHER WINES ON WINE LISTER



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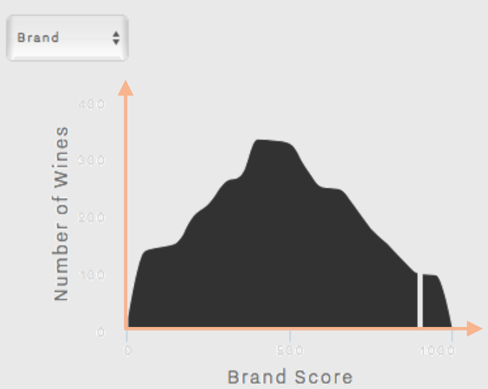

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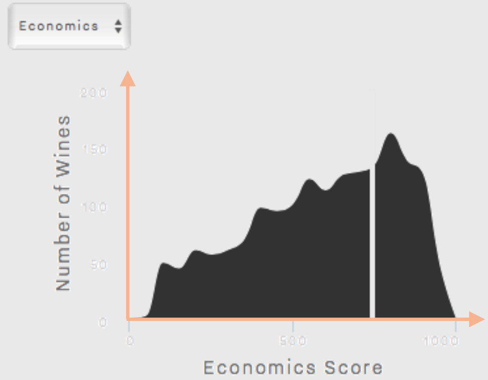
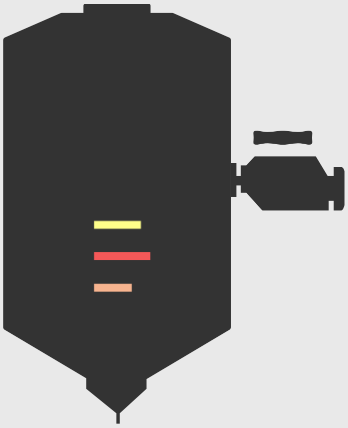




Here we list the top scoring Bordeaux crus at wine level, as at 6th May 2016. 15 of the top 25 wines are from the left bank, and 10 from the right bank.

- All are red, apart from Château d'Yquem
- Petrus achieves the highest overall score in Bordeaux, followed by Yquem, then the five first growths plus Cheval Blanc
- Cheval Blanc came just ahead of Margaux due to a higher quality score, although Margaux was stronger on brand and economics
- In ninth place is Lafleur, and Pomerol has a strong showing in general, with Le Pin in 13th, Vieux Château Certan in 21st, and Trotanoy and L'Evangile just making it into the top 25
- All four Saint-Emilion crus classés A are in the top 15, with Pavie in 10th thanks to its strong economic performance since promotion, Ausone in 12th thanks to exceptional quality, and Angélus in 14th
- On the left bank, after the first growths, the top placements are for Léoville Las Cases in 11th place, then Ducru-Beaucaillou in 15th due to its strong brand, with Palmer and Pichon Baron just after
- La Mission Haut-Brion is the only showing from the Graves, and Saint-Estèphe makes a late bid with Montrose, Cos d'Estournel and Calon-Ségur in 19th, 20th and 22nd positions

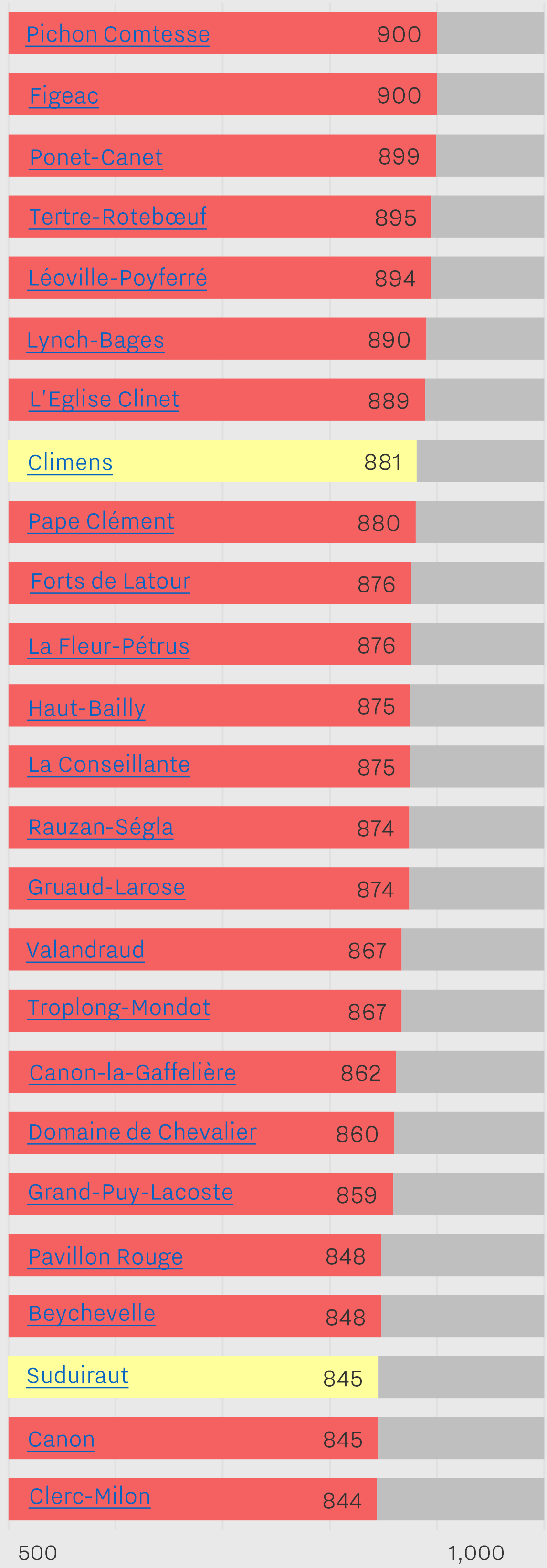
Wine Lister score | top 25 wines

Visit www.wine-lister.com to view ratings for wines not listed here

Wine Lister score | 26 – 50

Wines 26 to 50 are split evenly between Médoc and right bank with 10 wines apiece, and an additional five from Graves or Sauternes.

- Pichon Comtesse and Figeac both achieve scores of 900, Pichon with a slightly stronger brand and Figeac slightly stronger economics
- Pontet-Canet is a very strong brand, followed by Tertre-Roteboeuf, which has exceptional quality but its brand is less well established
- Lynch-Bages's very high brand score (998) helps to push it up the table, confirming its reputation for outperformng its fifth growth status
- Les Forts de Latour and Pavillon Rouge are the only second wines to appear in the top 50 overall scores
- Pomerol reappears with La Fleur-Pétrus and La Conseillante achieving strong scores of 876 and 875 respectively, the latter with higher quality and brand scores, but less consistent economic performance
- The strongest wines from Pessac-Léognan, and the only ones to feature in the top 50 (outside Haut-Brion and La Mission Haut-Brion), are Pape Clément, Haut-Bailly, and Domaine de Chevalier
- Fourth growth Beychevelle and fifth growths Grand-Puy-Lacoste and Clerc-Milon perform above their historical categories by appearing in the top 50
- Saint-Emilion bumps up its presence with Troplong-Mondot, Canon-la-Gaffelière, and Canon just making it into the top 50



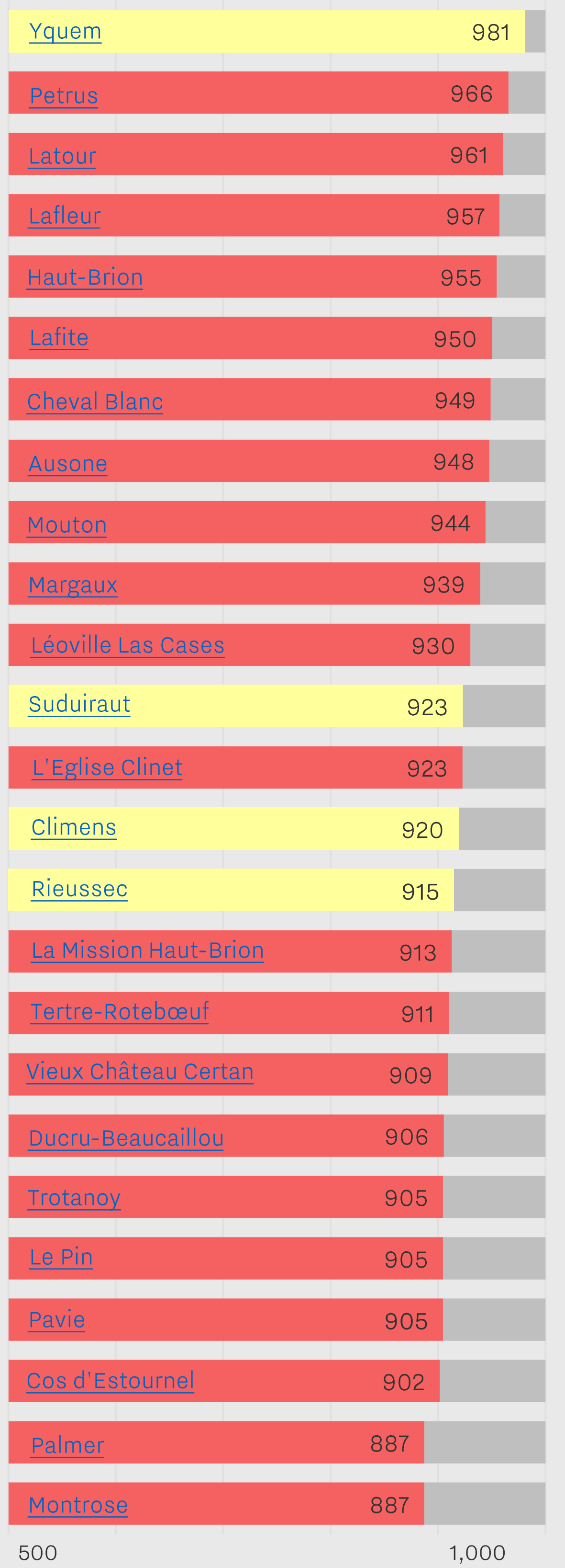
Visit www.wine-lister.com to view ratings for wines not listed here

QUALITY

Taking the quality category of the Wine Lister ratings in isolation, the picture is somewhat different.

- While the Médoc first growths dominate in overall terms, they are more dispersed when it comes to quality, coming in third, fifth, sixth, ninth and 10th positions
- Yquem has the highest quality score in Bordeaux, thanks to consistently high critics' scores year in year out, and proven longevity
- Petrus comes second, closely followed by Latour, then another Pomerol, Lafleur
- Haut-Brion is in fourth place, popular with the critics
- Lafite is the next first growth, with 950 points for quality, just ahead of Cheval Blanc at 949
- Ausone is only just behind, while the newly promoted Saint-Emilion Grand Cru Classé A, Pavie, is further down in 22st place, and Angélus not in the top 25
- Léoville Las Cases achieves the highest quality score on the left bank after the first growths
- With only one wine in the top 25 overall, Sauternes & Barsac perform strongly in quality terms, with three more after Yquem – Suduiraut, Climens, and Rieussec
- Other wines that feature in the top 25 quality that are not in the overall top 25 are L'Eglise Clinet and Tertre-Roteboeuf

Quality score | top 25 wines



Visit www.wine-lister.com to view ratings for wines not listed here

The quality category ratings are obtained by combining the scores of three of the world's most respected wine critics from three key markets:

UK: Jancis Robinson

US: Antonio Galloni (Vinous)

France: Bettane + Desseauve

Where one critic has tasted a wine on more than one occasion, we take the score given at the most recent date of tasting.

We look at the minimum and maximum ratings given by the critics and use the given range to transform their ratings on to a scale from 0 to 100.

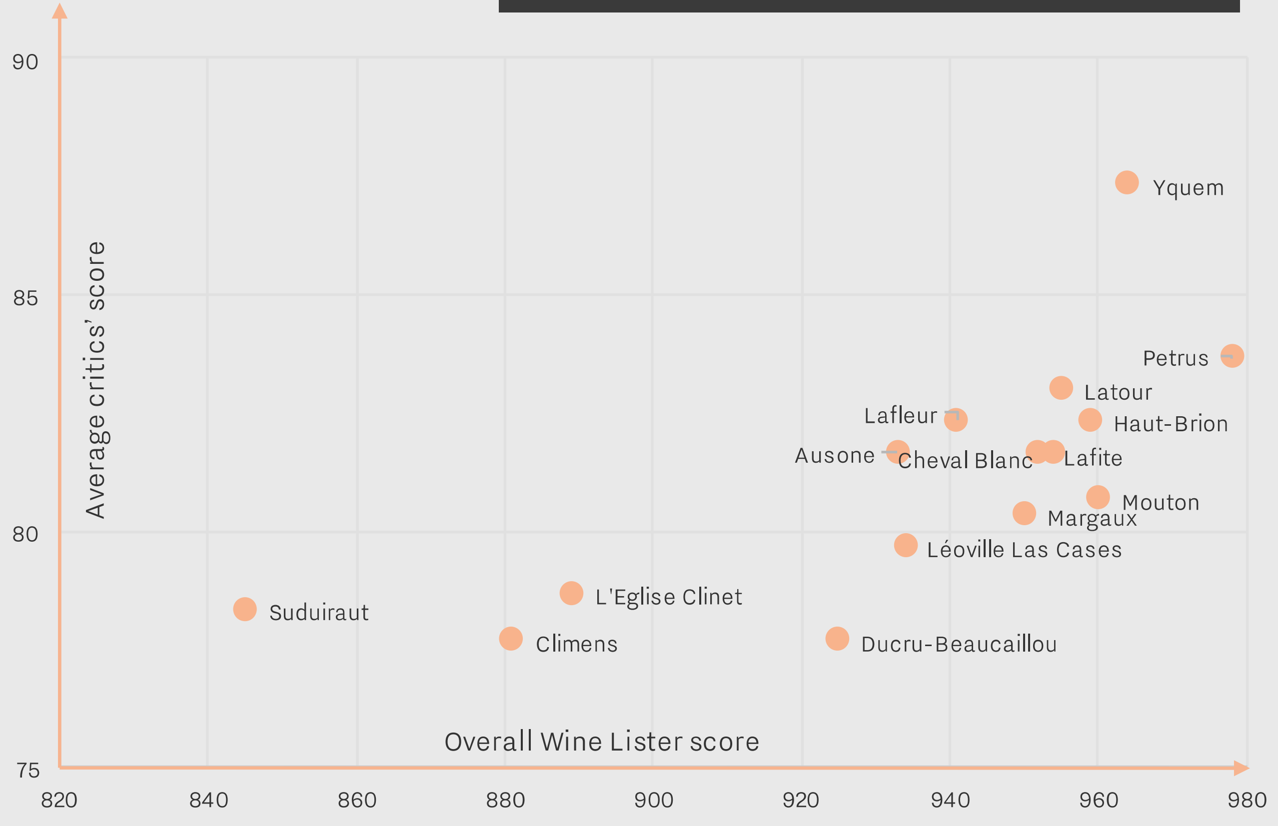
Then, as each critic scores differently (not just on a different scale), we also account for the frequency of ratings given by individual critics and normalise scores such that fair comparison between different critics scores can be made.

Each critic's normalised scores are weighted equally, and shown below on a rebased scale of 0 to 100.

These are the aggregated critics' scores for all vintages in the Wine Lister database, with a higher weighting for the most recent vintage, and so on.

- The chart below plots wine-level quality scores against overall Wine Lister scores
- Yquem has the highest average critics' scores by a significant margin, but is second in terms of overall score, behind Petrus
- Latour receives the third highest critics' scores, and the highest of the first growths
- Lafleur and Haut-Brion have the same average critics' scores, but Haut-Brion is stronger as a brand and economically
- Similarly, Ausone is on a par with Lafite in terms of critics' scores, but not overall
- L'Eglise Clinet and Ducru-Beaucaillou score highly with the critics, and perform better overall than the two additional Sauternes, Suduiraut and Climens

Critics' scores | top 15 wines



Please note: critics' scores have been transposed onto the Wine Lister scale and rebased

The longest-lived wines are widely accepted to be the greatest. Our quality ratings also give a small weighting to the longevity of each wine.

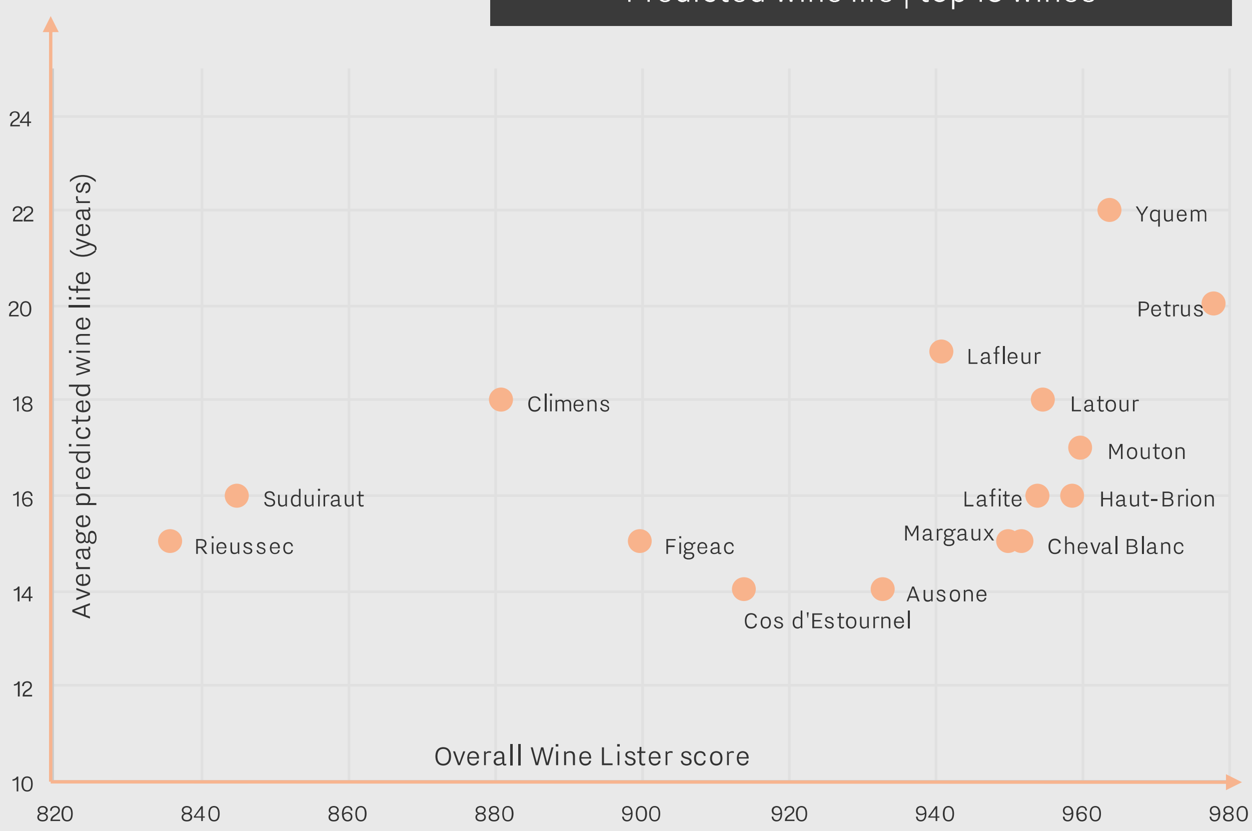
We take the predicted wine life as estimated by our partner critics. To allow for adjusting predictions as the wine evolves, we have looked at each critic's tasting notes over time as they re-taste and re-evaluate. We have taken the earliest window opening date given in any tasting note, but the window close date given in the most recent tasting note.

We have then averaged the different critics' predicted drinking window lengths.

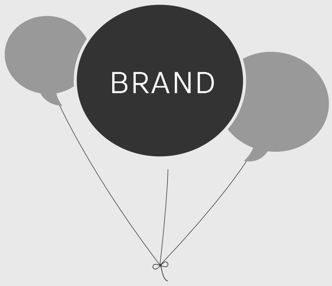
This wine-level score is the average wine life of all the vintages in our database, with a higher weighting for the most recent vintage, and gradually decreasing impact on the average for older vintages.

- Yquem is held by critics to be the longest-lived wine in Bordeaux, with an average drinking window of 22 years on average
- Petrus, with the highest Wine Lister score, is not far behind, with 20 years on average
- Lafleur has the third-highest predicted drinking window length, but comes behind the first growths and Cheval Blanc in overall score terms
- At 17 years, Latour is deemed to last one year longer than Mouton, which in turn lasts one year more than Lafite and Haut-Brion, on average
- Margaux and Cheval Blanc come next, with an average drinking window of 15 years
- Sweet whites, known for their longevity, do well, with Climens at 18 years, Suduiraut at 16 and Rieussec at 15 years
- Figeac, Cos d'Estournel and Ausone are also generally long-lived wines

Predicted wine life | top 15 wines



WINE LISTER

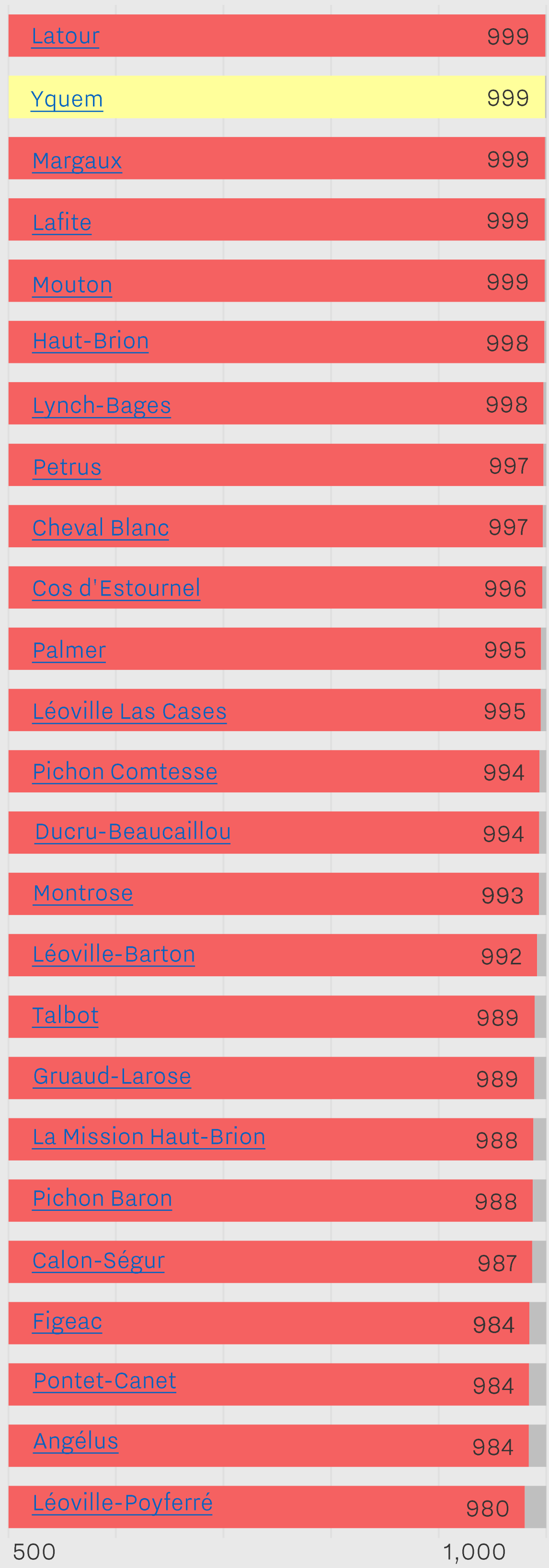


Bordeaux crus have been established names for centuries, and the proliferation of top scores here confirms this.

The top 25 is heavily left-bank dominated, with only four wines from the right bank.

- The top five Bordeaux brands are Yquem, and four of the first growths – Latour, Margaux, Lafite, and Mouton, with 999 points apiece. (Globally, only Dom Pérignon has a higher brand score)
- The fifth first growth, Haut-Brion, is just behind at 998, as is fifth growth Lynch-Bages, ahead (albeit by just one point) of powerhouses Petrus and Cheval Blanc in eighth and ninth position
- The next dozen places are all occupied by left bank wines, including Cos d'Estournel, then Palmer and Léoville Las Cases with huge scores of 995
- Other big left bank names, such as the two Pichons and two of the three Léovilles, are accompanied by Talbot and Gruaud-Larose
- Calon-Ségur makes a strong appearance in 21st place, and Pontet-Canet confirms its arrival as a major brand in 23rd
- Not until 22nd place do we return to the right bank with Figeac and then Angélus in 24th (the other two premiers grands crus classés A – Ausone and Pavie – do not appear in the top 25 Bordeaux brands)
- Another big right bank name conspicuous by its absence is Le Pin (due to its small production and therefore narrower restaurant distribution)
- Apart from Haut-Brion and La Mission, Pessac wines do not feature, and neither do Sauternes other than Yquem

Brand score | top 25 wines

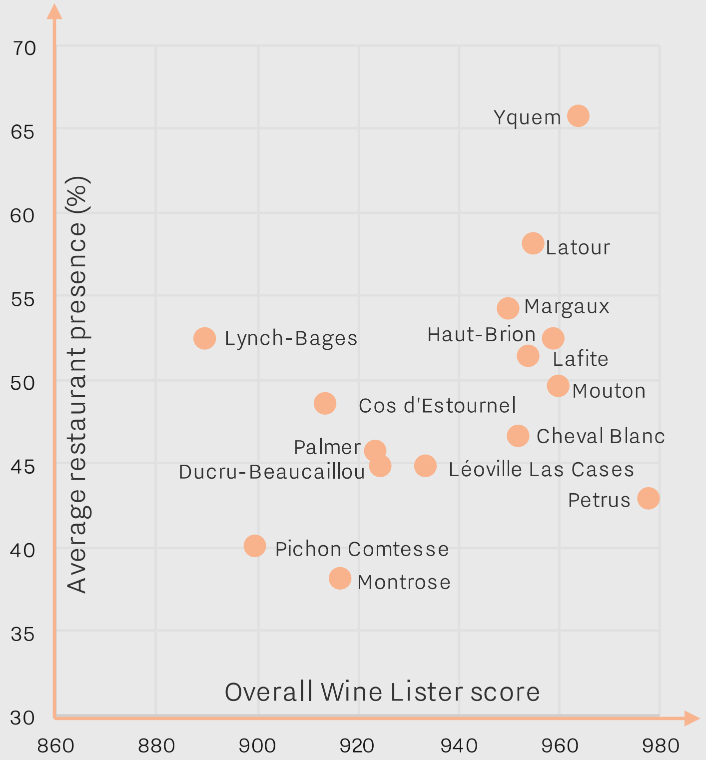


Visit www.wine-lister.com to view ratings for wines not listed here

We identified the best restaurants in the world for food and for wine, and analysed the appearance of each wine. Our algorithm takes into account the breadth of distribution in different restaurants, as well as the depth of presence within each list, in terms of number of vintages and bottle formats.

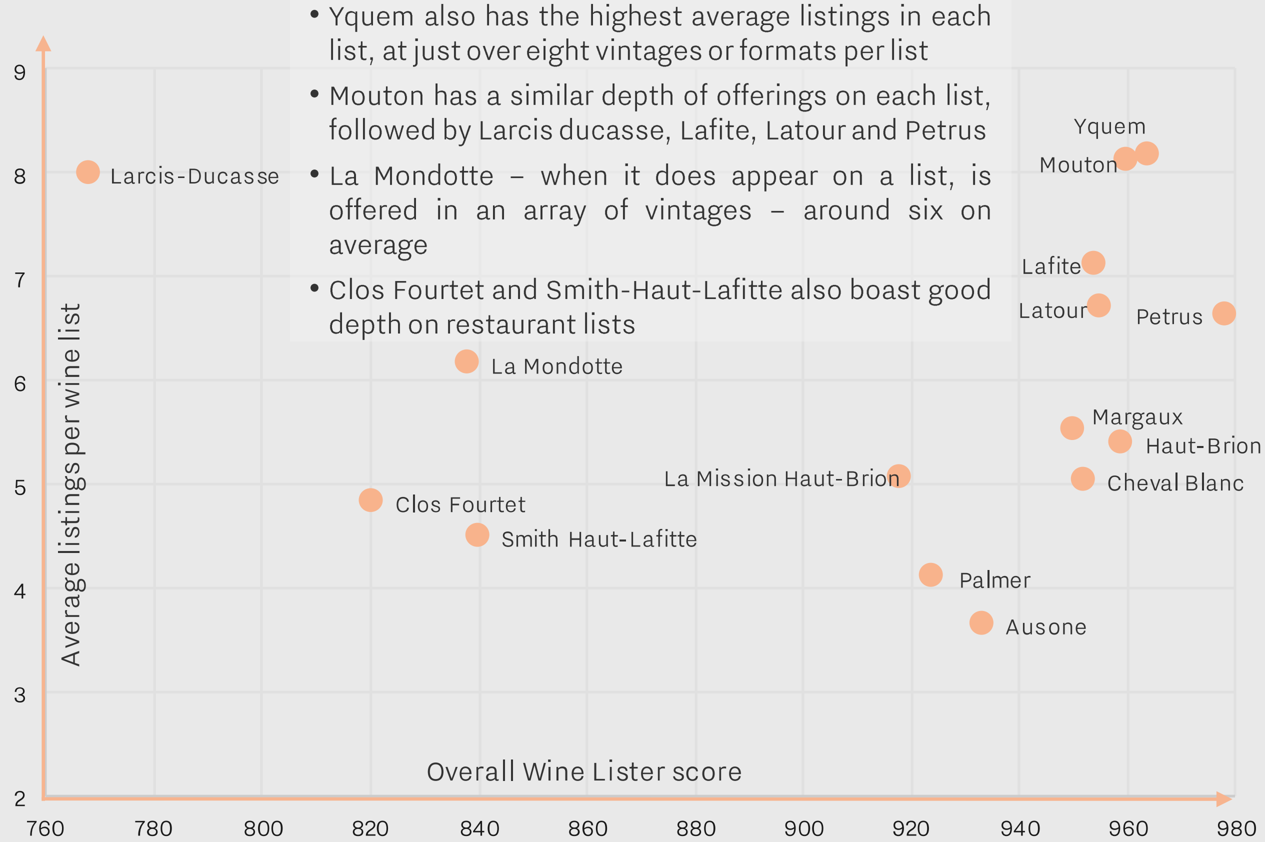
- Château d'Yquem is in the highest number of restaurants
- Latour is the next most widely distributed in top restaurants, followed by Margaux
- Lynch-Bages appears on more restaurant lists than Lafite and Mouton, and is on a par with Haut-Brion
- Cheval Blanc is just behind the first growths
- Cos d'Estournel, Palmer, Ducru Beaucaillou and Léoville Las Cases all have wider distribution than Petrus
- Pichon Comtesse and Montrose also appear again and again

Average restaurant presence | top 15 wines



Average vintage / formats | top 15 wines

- Yquem also has the highest average listings in each list, at just over eight vintages or formats per list
- Mouton has a similar depth of offerings on each list, followed by Larcis ducasse, Lafite, Latour and Petrus
- La Mondotte – when it does appear on a list, is offered in an array of vintages – around six on average
- Clos Fourtet and Smith-Haut-Lafitte also boast good depth on restaurant lists



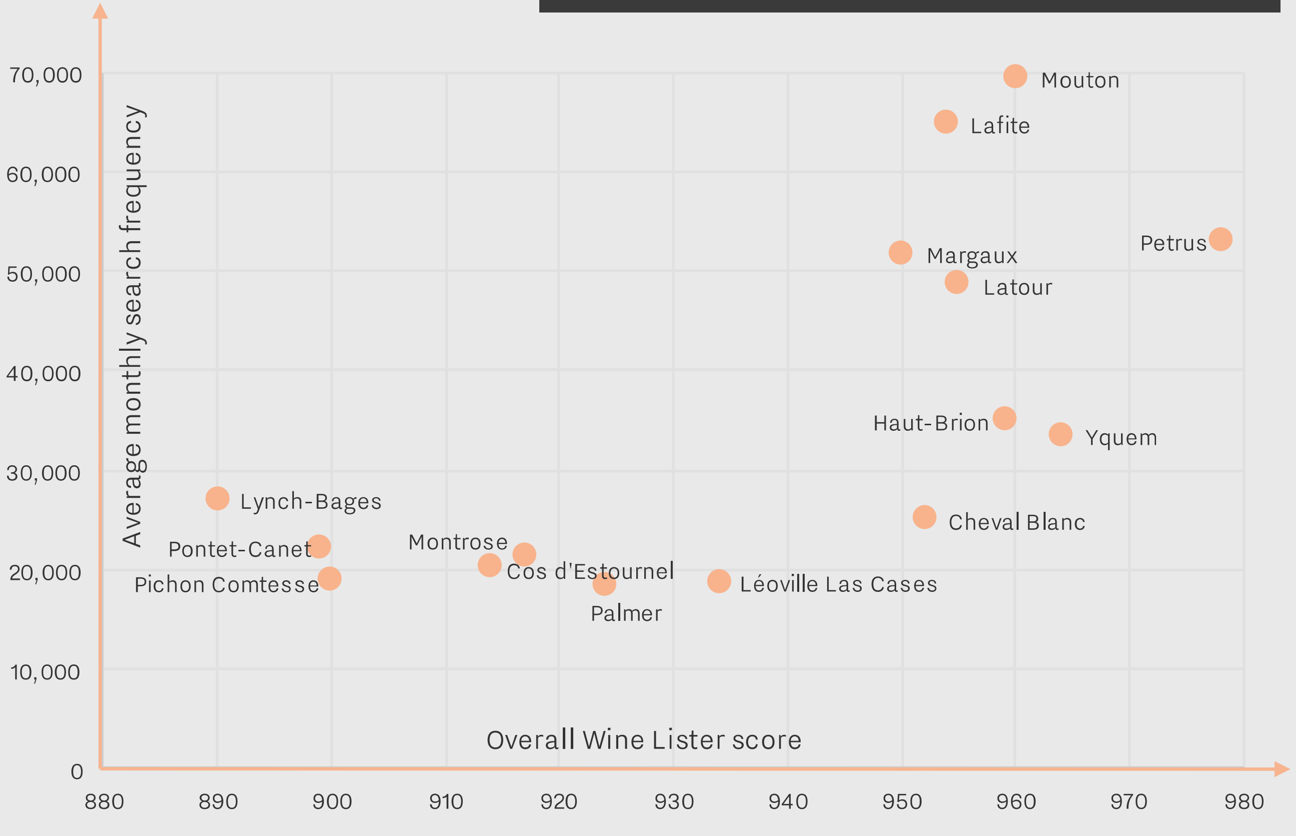
Measuring the number of searches on the world's most visited wine site, Wine-Searcher, provides a unique insight into a wine's overall popularity and desirability.

In the year to March 2016, 168 million searches were carried out on Wine-Searcher, by global users, 47% of whom have household income over $100,000.

Our partnership gives us access to monthly search statistics for each cru, and we use a three-month rolling average, allowing wines increasing in popularity to improve their brand scores quickly.

- The most searched-for wine is Mouton Rothschild, with c.70,000 average searches per month
- Next is Lafite Rothschild with 65,000 searches, more than 10,000 searches per month more than Petrus, whose overall Wine Lister score far exceeds its search frequency
- Margaux and Latour come next, with just above and just below 50,000 searches respectively
- More than 10,000 searches behind this pair are Haut-Brion and Yquem
- Lynch-Bages has more online searches than Cheval Blanc, yet its overall Wine Lister score is more than 60 points lower (at 890 vs 952)
- Next, all in the region of 20,000 searches per month, are top left bank names, Pontet-Canet, Montrose, Cos, Pichon Comtesse, Léoville Las-Cases and Palmer
- The right bank is underrepresented here as its wines tend to be made in smaller quantities, making it harder to achieve the same reach

Search frequency | top 15 wines



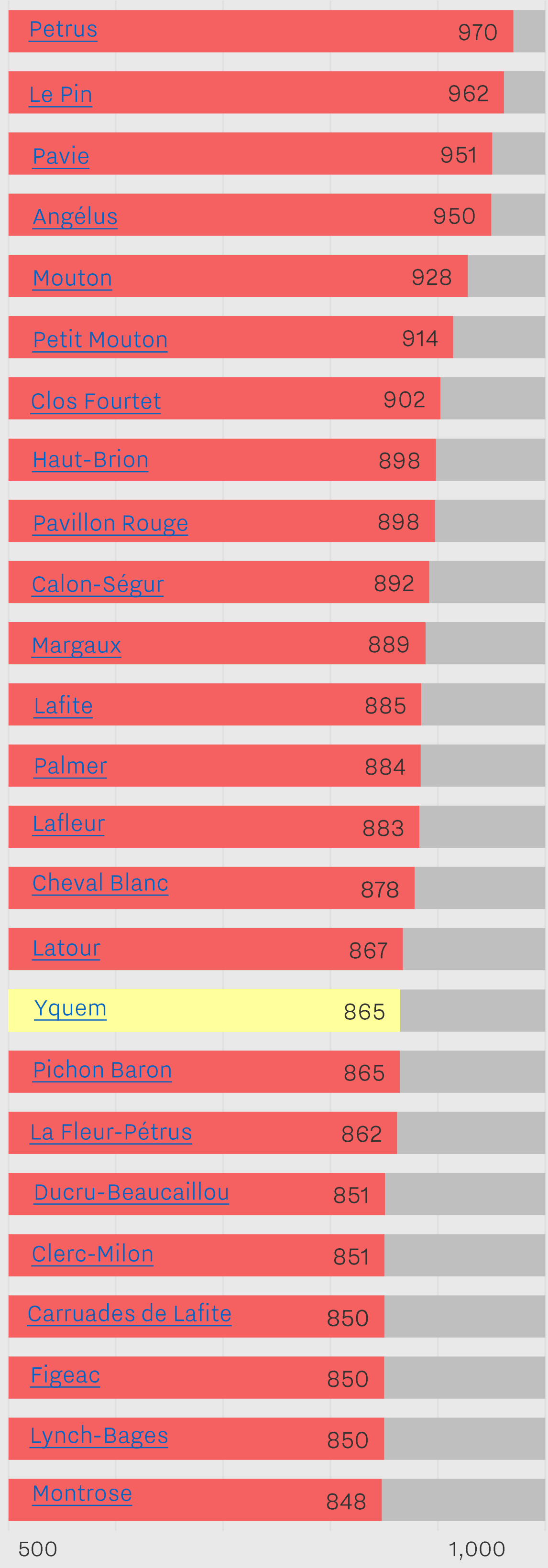
ECONOMICS

Looking just at the economics category, as at 6th May, the order once again changes.

There is far less bunching up of top scores in this category, as Bordeaux has suffered economically. While many crus – even in the top 25, have shown negative price performance in recent years, their high trading volume relative to other regions pulls up their scores.

- The first four spots are for the right bank, although the overall top 25 is dominated by the left bank
- Two unbeatable Pomerols – Petrus and Le Pin – are in first and second place, thanks to high average prices, solid long-term performance, high short-term performance, and relatively high volume traded
- The two newer Saint-Emilion grands crus classés A, Pavie and Angélus are in third and fourth thanks to significant price increases since their promotions in 2012, and solid volumes traded
- In fifth and sixth place are Mouton Rothschild and its second wine, Petit Mouton, the former with large volumes traded, and the latter with very strong price growth over the last six months
- Clos Fourtet has also experienced good short-term price performance
- Haut-Brion, in eighth position, is currently the second strongest first growth
- Margaux is next in 11th place, but its second wine – Pavillon Rouge – is ahead in ninth
- While Cheval Blanc's price performance is consistently disappointing, its prices are relatively stable, and the wines trade strongly at auction
- Yquem tells a similar story, with poor three-year performance but coming back slightly over the last six months
- Figeac shows flat price growth over three years but slightly better than average gains over six months

Economics score | top 25 wines



Cemented by the 1855 classification, price has always been an accepted indicator of a wine's quality and status (however, this must be checked by the capacity to sustain the price, and to trade at that price – see price performance, price stability, and volume traded criteria).

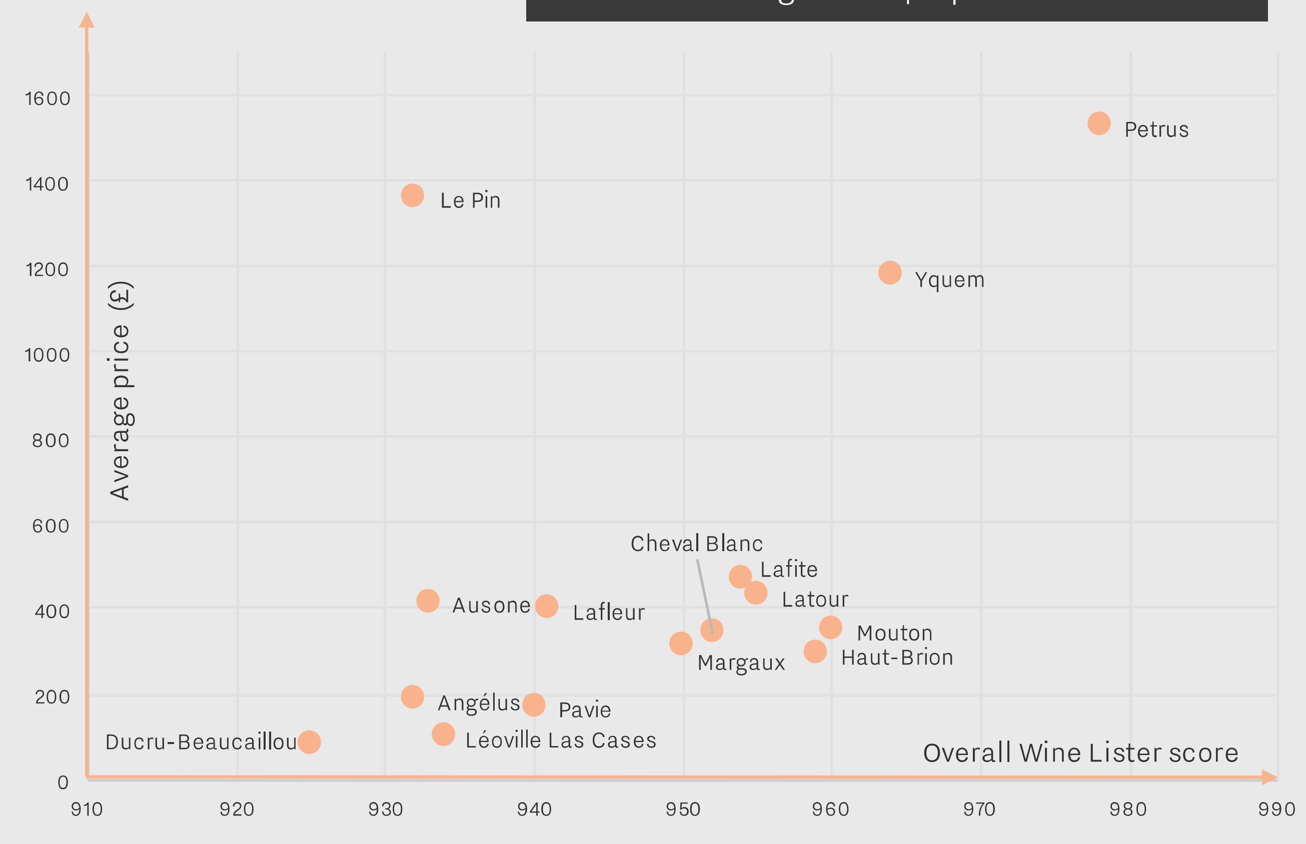
We use the current average market price – what the market is willing to pay – not the release price.

Updated weekly, we look at the last three months' average price for one 75cl bottle (or equivalent) excluding sales tax. The wine-level prices shown below are the average price of all vintages in our database, with a higher weighting for the most recent vintage, and gradually decreasing impact on the average for older vintages.

Prices are provided by Wine Owners, based on the world's largest price database, Wine-Searcher, carefully calculated to remove anomalous and outlying listings, designed to represent a realistic market price.

- Petrus has the highest price of all Bordeaux wines (averaging £1,528 across vintages) and also the highest Wine Lister overall score
- Thereafter, the correlation between price and score is quite low
- Le Pin is the next most expensive, but 11 other wines have higher Wine Lister overall scores
- The second-highest overall scorer, Yquem, also commands a high price, but largely because it is bumped up by very expensive older vintages (in spite of heavier weightings for more recent vintages). Recent vintages average more like £200 per bottle
- At the opposite end of the spectrum is Ausone, averaging £415 but with a lower score than five cheaper wines
- The first growths are priced in the same region, at just over £300 on average, apart from Lafite and Latour, averaging more than £400 (not equating to a higher score)
- Cheval Blanc is doggedly priced at the level of the first growths

Average Price | top 15 wines



Long-term price performance is a telling measure of whether a wine's price has been sustainable over time. Rising prices show that demand for a wine supports the price in the market, and decreasing prices the opposite.

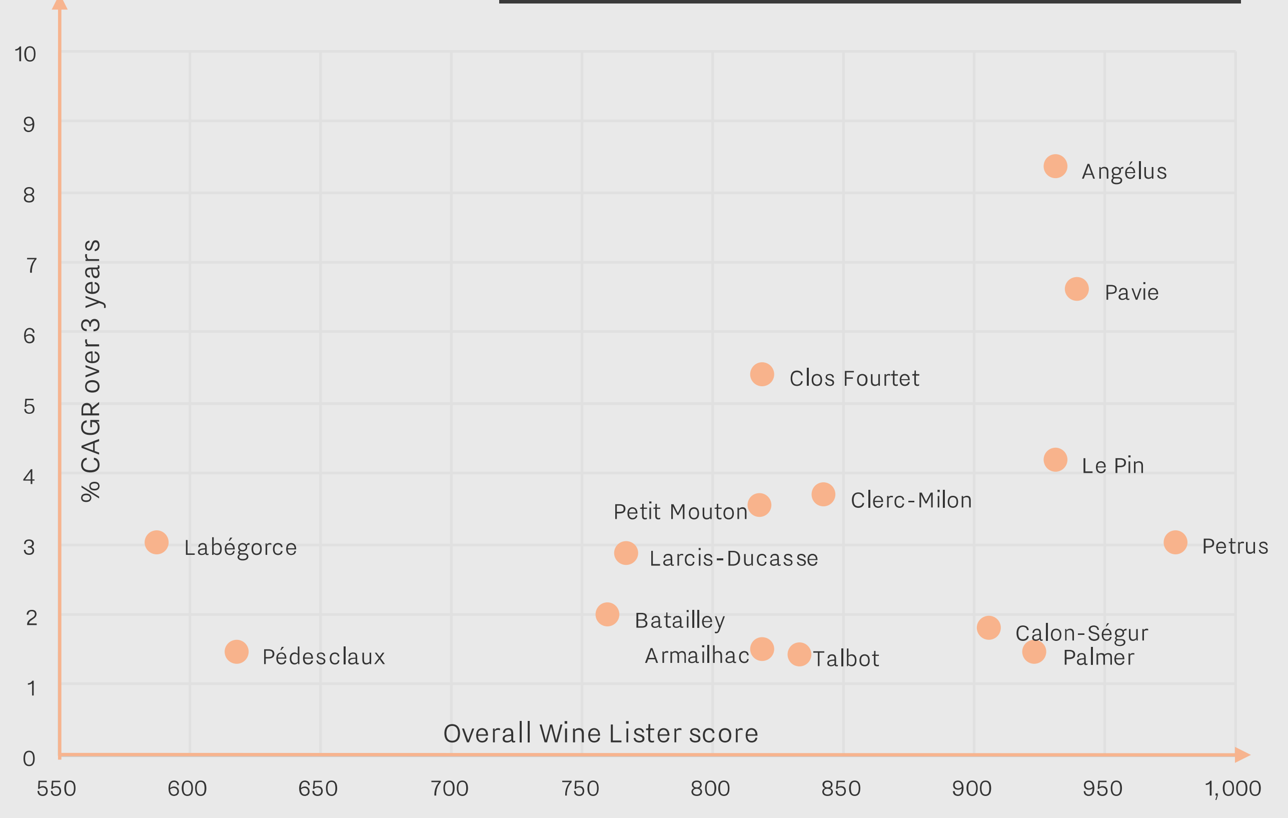
We calculate the CAGR (compound annual growth rate) over the last three years – a long enough period to discount any one-off spikes or shot-lived trends. This measure is relative to other wines on Wine Lister, so as not to penalise or benefit wines for overall fine wine market trends.

Historical prices are provided by [Wine Owners], based on the world's largest price database, Wine-Searcher.

[The 97 wines in this study] have decreased on average by 1% per year over a three year period.

- The wines that have outperformed this average are a mix of some of the biggest names alongside less famous crus
- The largest annual gains over three years were made by Angélus and Pavie, at around 8% and 7% respectively, thanks to their promotion in the Saint-Emilion classification in 2012, which has contributed to their high overall scores
- Other very high scoring wines which have made more modest annual gains, are Le Pin (4%), Petrus (3%), Calon-Ségur (2%) and Palmer (1%)
- Clos Fourtet has made the third-highest price gains over the last three years
- Wines in the Baron Philippe de Rothschild stable (Petit Mouton, Armailhac, and Clerc-Milon) have outperformed the basket average
- Modest outperformance was also achieved by Labégorce, Larcis-Ducasse, Batailley and Pédesclaux

Long-term price performance | top 15 wines



Short term price performance indicates recent / current trends, showing which wines' demand supports price rises, as well as which prices are not being sustained by the market.

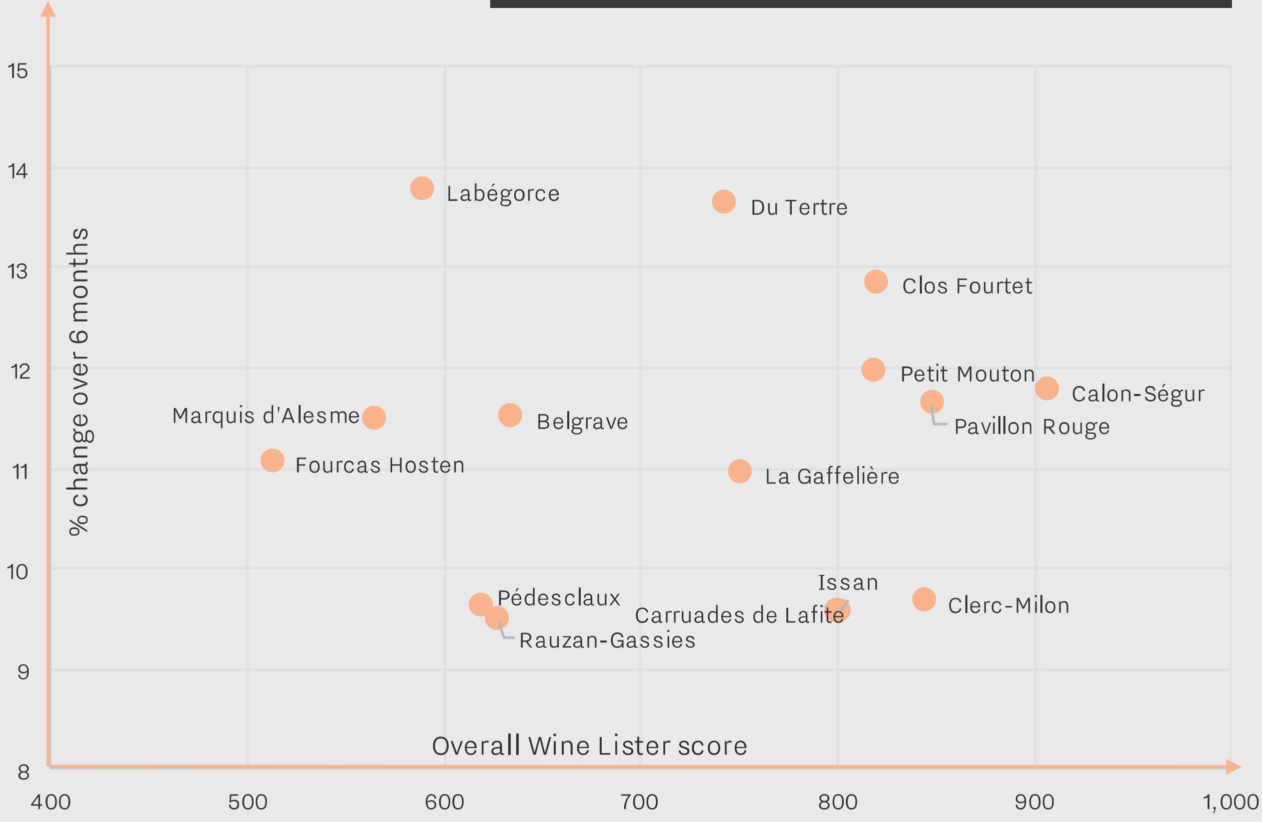
The six-month average price change is measured against the average movement of the full basket of wines on Wine Lister, so as not to penalise or benefit wines for overall fine wine market trends.

Historical prices are provided by Wine Owners, based on the world's largest price database, Wine-Searcher.

The 97 wines in this study have increased on average by 6% over the last six months.

- The wines that have outperformed the average are largely lower classed growths and second wines
- The largest six-month gains were achieved by du Tertre and the unclassified Labégorce, at around 14%
- Marquis d'Alesme (from the same owners as Labégorce) and Belgrave also show strong short-term performance
- With only a modest weighting for this criterion (more importance being placed on long-term performance), there is little or no correlation with overall scores
- The highest scorer on the below chart is Calon-Ségur, which is on an upward trajectory
- Wines that appear on this chart as well as in the long-term performance top 15, are Petit Mouton, Calon-Ségur, Labégorce, Pédesclaux, Clos Fourtet, and Clerc-Milon

Short term price performance | top 15 wines



Stable prices are another indicator of correct pricing, and often come hand in hand with high liquidity (infrequently traded wines often lack stable pricing).

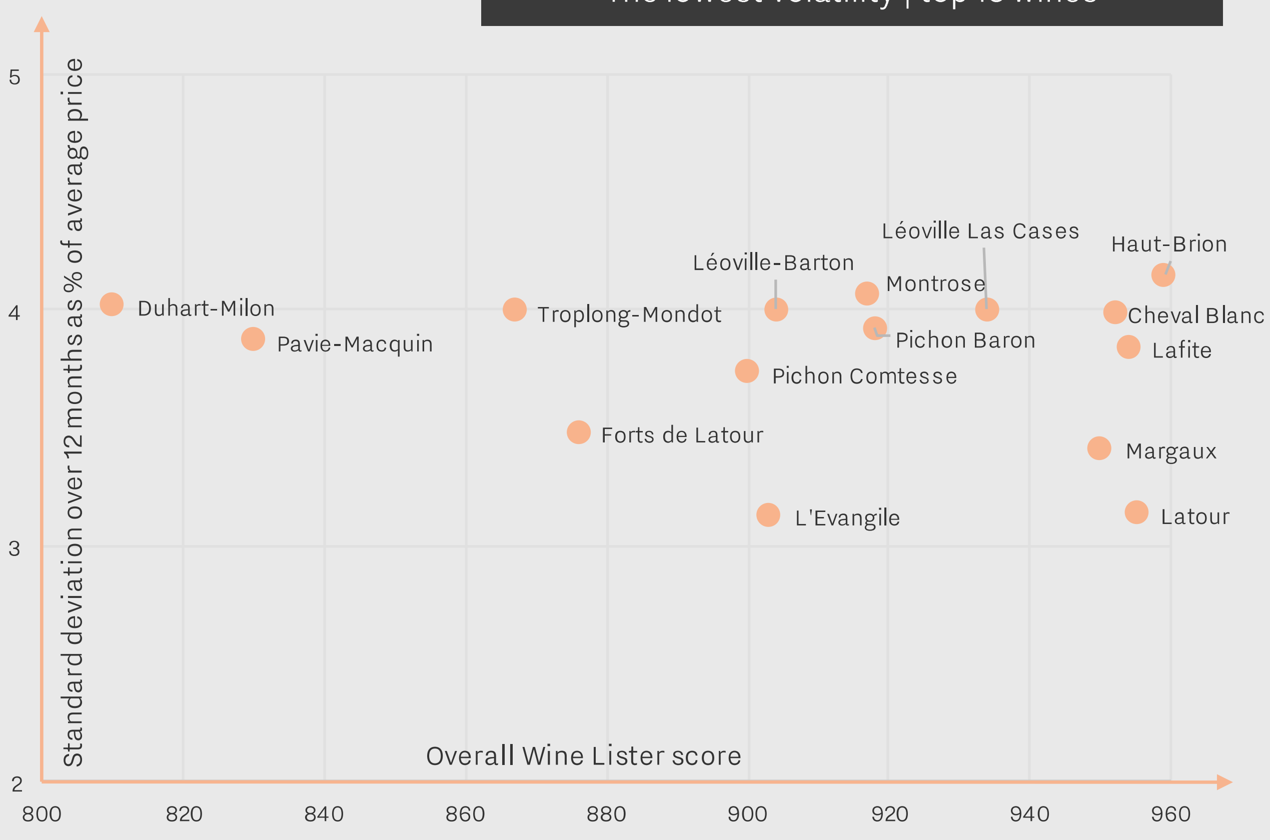
The inclusion of price stability in the economics category score – with a small weighting – acts as a check on the other criteria. Volatile prices might be due to price rises, but can also represent changeable and unpredictable prices, and high risk.

We use historical prices provided by Wine Owners to calculate the price volatility of each wine, by looking at the standard deviation of the wine price over the last 12 months, expressed as a proportion of the average price for that wine over the same period.

The 97 wines in this study have an average volatility of 5%.

- The most stable prices are for solid wines; while they may not be soaring, they tend to be reliable, blue-chip names
- The chart below shows volatility on the Y axis, so the lower the better (the more stable)
- L'Evangile has the steadiest prices
- The low volatility of Latour and Les Forts de Latour could be read two ways, suggesting that their retreat from en primeur in 2012 has led to more stable prices, but perhaps also a lack of momentum while the market has had to wait longer for releases of library stock, which should pick up again as these releases continue to take place
- The top 15 features four of the first growths, and strong brands such as Pichon Baron and Pichon Comtesse
- Other appearances include Troplong-Mondot and Pavie-Macquin

The lowest volatility | top 15 wines

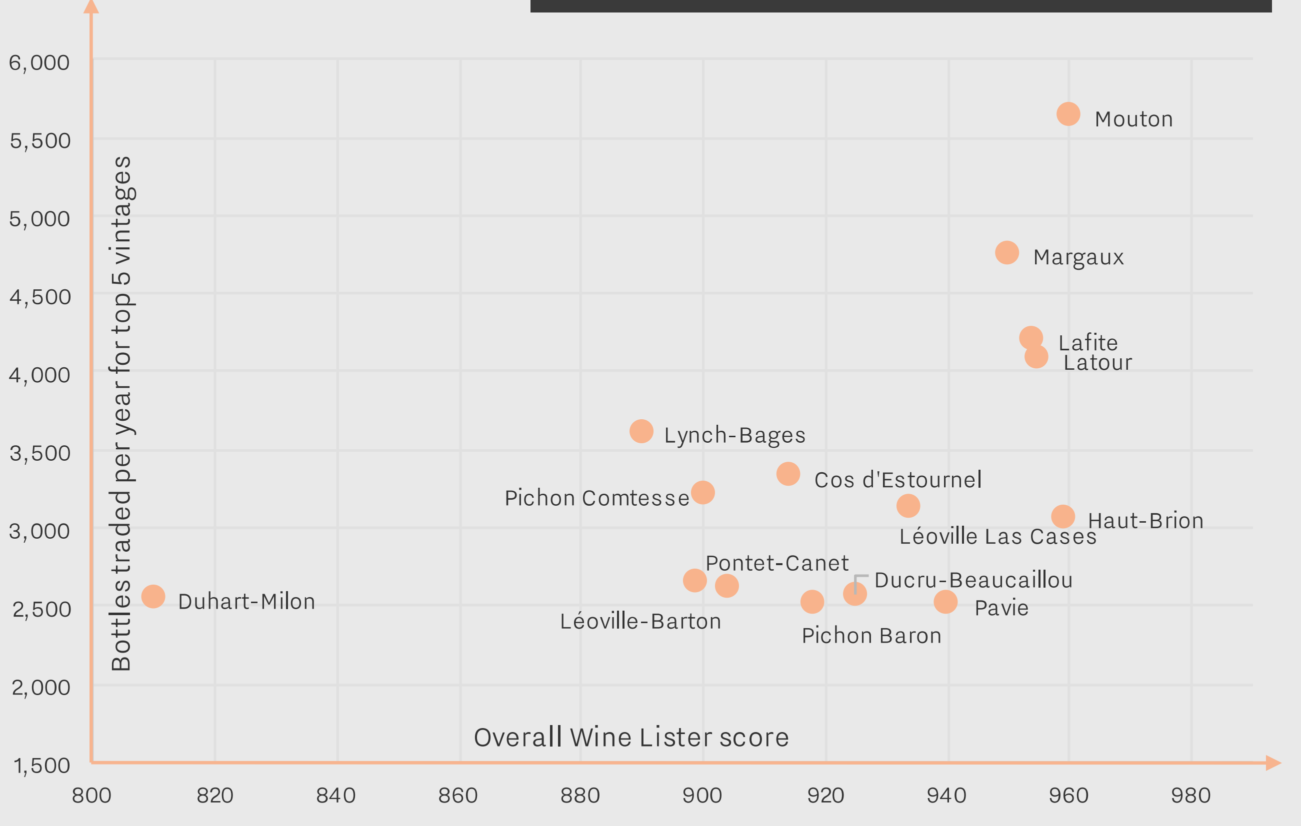


Trading volumes are an important measure of a wine's success in the marketplace, denoting demand and creating liquidity.

We use figures collated by Wine Market Journal from sales at the world's major auction houses in order to measure the wine's relative trading volume. The chart below shows the number of bottles traded in the last four quarters for the top five traded vintages of each wine.

- Scores loosely correlate to volumes, although high-scoring wines such as Yquem, Petrus, and Le Pin do not feature in the top 15 most traded
- The four Médoc first growths are the most traded wines at auction, with between 4,000 and 5,600 75cl bottles selling each year
- Haut-Brion trails behind Lynch-Bages, Cos d'Estournel, Pichon Comtesse, and Léoville Las Cases
- Pontet-Canet, Léoville-Barton, Ducru-Beaucaillou and Pichon Baron also make frequent appearances at auction
- Duhart-Milon is an outlier, in that it has very high volumes (2,550 bottles per year) for its score (810)

Volume traded | top 15 wines



A shortcut to identifying different characteristics, based on data-driven algorithms...

Value picks:
those wines which represent exceptional quality for the price

The best quality-to-price ratio of all the wines in our database, where we have applied a coefficient to allow exceptional quality to be recognised, even for higher priced wines

Buzz brands:
the most talked-about wines that will bring prestige to any table

Wines with strong distribution, with high search popularity, or displaying recent growth in popularity, and which are identified by the fine wine trade as trending or especially prestigious

Hidden gems:
wines which are under the radar but warrant discovering

Wines rarely found in the top restaurants, not often searched-for online, but which are highly rated by the critics, also taking into account hidden gems as identified by fine wine experts

Investment staples:
wines that belong in an investment portfolio

Wines of a price that warrant the effort, that are long-lived and are not too old, have proven price performance or represent particularly good value for money compared to their peers, and are traded enough to be sufficiently liquid to exit a position, with recognition by the wine trade

Vintage level

Investment Staples

The Wine Lister database contains over 900 investment staples, of which over 300 are Bordeaux wines.
The list below includes investment staples of 30 producers included in this study.

1er Cru

Haut Brion 2008
Haut Brion 2009
Haut Brion 2011
Haut Brion 2012
Haut Brion 2013
Haut Brion 2014
Lafite 2008
Lafite 2009
Lafite 2010
Lafite 2011
Lafite 2012
Lafite 2014
Latour 2008
Latour 2010
Latour 2011
Margaux 2008
Margaux 2009
Margaux 2010
Margaux 2011
Margaux 2012
Margaux 2013
Margaux 2014
Mouton 2008
Mouton 2009
Mouton 2010
Mouton 2011
Mouton 2012
Mouton 2014

Saint-Emilion A

Angélus 2008
Angélus 2009
Angélus 2010
Angélus 2011
Angélus 2014
Ausone 2011
Ausone 2012
Ausone 2013
Ausone 2014

Vintage level

Investment Staples

Cheval Blanc 2008

Cheval Blanc 2012

Cheval Blanc 2014

Pavie 2014

Pavie 2008

Pavie 2009

Pavie 2010

Pavie 2012

Pomerol

L'Eglise Clinet 2014

Lafleur 2008

Lafleur 2009

Lafleur 2010

Lafleur 2011

Le Pin 2011

Petrus 2008

Petrus 2009

Petrus 2010

Petrus 2012

Trotanoy 2008

Trotanoy 2009

Vieux Château Certan 2010

2ième Cru

Cos d'Estournel 2009

Cos d'Estournel 2010

Ducru-Beaucaillou 2009

Ducru-Beaucaillou 2010

Léoville-Poyferré 2009

Montrose 2009

Montrose 2010

Graves Cru Classé

Haut-Bailly 2009

La Mission Haut-Brion 2008

La Mission Haut-Brion 2009

La Mission Haut-Brion 2011

La Mission Haut-Brion 2012

La Mission Haut-Brion 2014

Smith Haut-Lafitte 2009

Vintage level

Investment Staples

Second Wines

- Carruades de Lafite 2009
- Carruades de Lafite 2010
- Forts de Latour 2008
- Forts de Latour 2009
- Forts de Latour 2010
- Petit Mouton 2010

3ième Cru

- Palmer 2008
- Palmer 2009
- Palmer 2010
- Palmer 2012
- Palmer 2013
- Palmer 2014

Sauternes & Barsac

- Yquem 2008
- Yquem 2010
- Yquem 2011

5ième Cru

- Pontet-Canet 2009
- Pontet-Canet 2010

Saint-Emilion B / Grand Cru

- Clos Fourtet 2009
- Tertre-Rotebœuf 2010

Vintage level

Value picks

Of the [97 wines included in this study](), 14 are classified as [value picks]().

Unclassified

- Labégorce 2012
- Labégorce 2013
- Labégorce 2014
- Fourcas Hosten 2011
- Fourcas Hosten 2013
- Fourcas Hosten 2014

Sauternes & Barsac

- Coutet 2014
- Rieussec 2009
- Rieussec 2010
- Suduiraut 2010

5ième Cru

- Belgrave 2014
- Cantemerle 2014

4ième Cru

- Prieuré-Lichine 2014

3ième Cru

- Kirwan 2014

Wine level

Buzz Brands

Of the 97 wines included in this study 36 are classified as buzz brands.

Pomerol	Graves Cru Classé	1er Cru	Saint-Emilion A	2ième Cru	5ième Cru
l'Eglise Clinet	Domaine de Chevalier	Haut-Brion	Angélus	Cos d'Estournel	Grand-Puy-Lacoste
Lafleur	Haut-Bailly	Lafite	Ausone	Montrose	Lynch-Bages
Le Pin	La Mission Haut-Brion	Latour	Cheval Blanc	Pichon Comtesse	Pontet-Canet
Petrus	Pape Clément	Margaux	Pavie	Rauzan-Ségla	
Trotanoy	Smith Haut-Lafitte	Mouton			
Vieux Château Certan					

Wine level

Buzz Brands

4ième Cru	Saint-Emilion B / Grand Cru	Second Wines	3ième Cru	Unclassified	Sauternes & Barsac
Beychevelle	Clos Fourtet	Carruades de Lafite	Palmer	Phélan-Ségur	Yquem
Talbot	Figeac	Petit Mouton			

Hidden Gems

None of the wines included in this study possess the full set of characteristics to be identified as hidden gems.

This is due to the very well established brand enjoyed by the top Bordeaux crus.

Three wines were identified by the fine wine trade as hidden gems, but did not meet the other selection criteria.

The trade's view

– Founding Member survey findings

We have carried out an unprecedented, in-depth survey with the key fine wine trade players from across the globe. The CEOs, MDs, and wine department heads we consulted run companies that between them represent more than one third of global fine wine revenues.

The results of this survey – as they apply to Bordeaux – provide an enlightening insight into the wine trade's position on the region. We drill down into the wine trade's views on every single one of the 97 wines included in this study. The trade's confidence – or lack of – in certain crus adds another dimension to the understanding of each cru's position in the marketplace.

We also present the trade's opinions on the world's most prestigious, most reliable, highest potential, and most underappreciated producers and wines, in the context of Bordeaux and its position in the world.

WINE LISTER

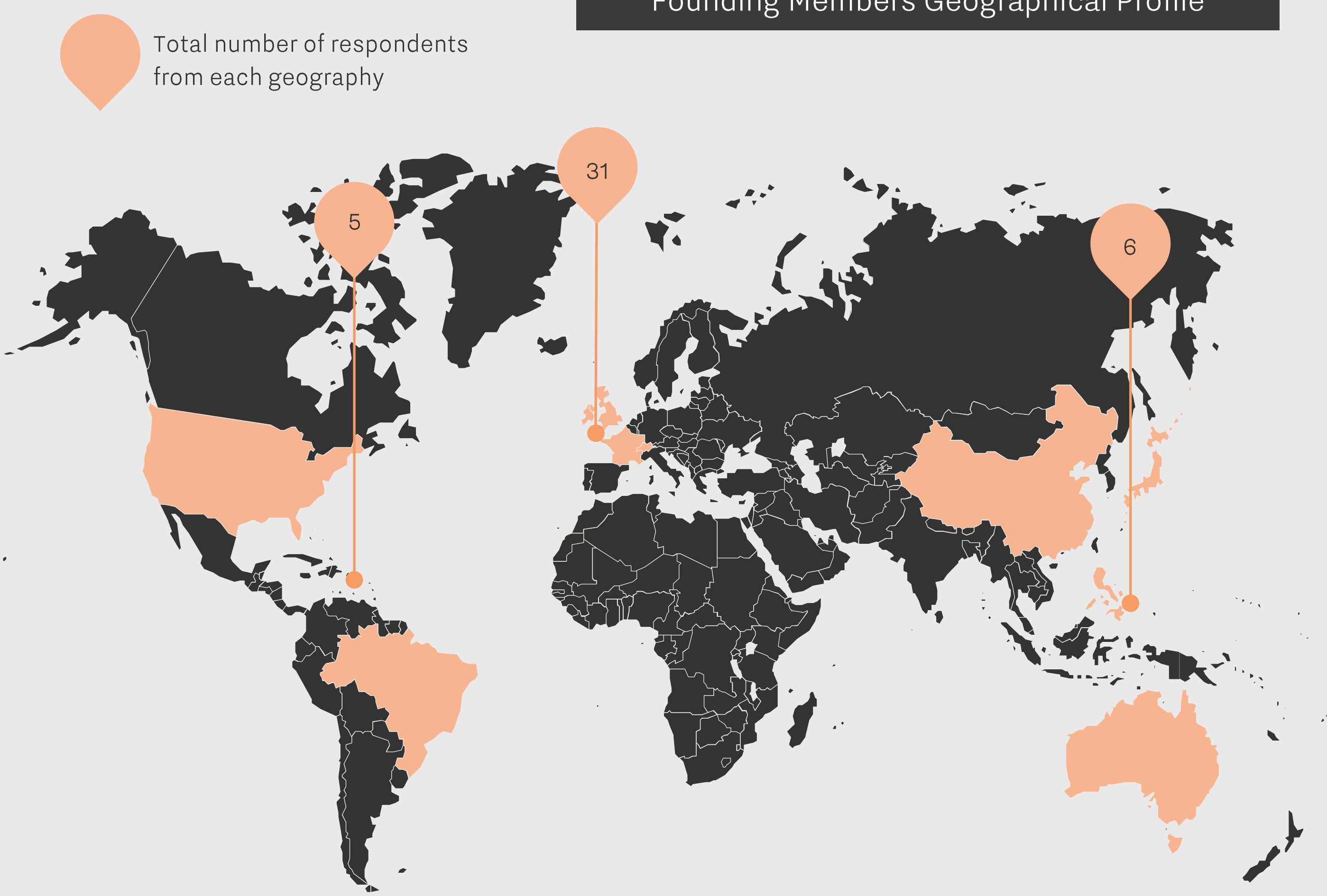
At the end of last year, Wine Lister circulated a specially developed survey to the majority of the world's **largest merchants**, top **international wine auctioneers**, and several **high-end retailers**.

Responses representing well over **one third of global fine wine revenues** provide a unique set of insights into the strengths and characteristics of different labels.

SURVEY DETAILS

DATE	November – December 2015
METHOD	Online Survey (CAWI – Computer Aided Web Interviewing)
SAMPLE	42 key members of the global fine wine trade

Founding Members Geographical Profile

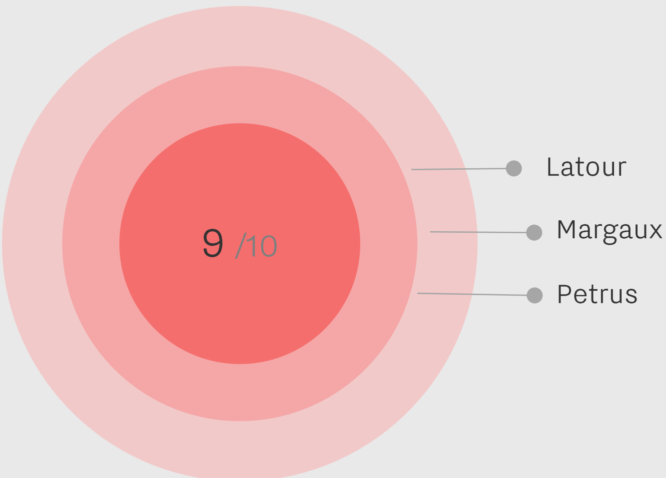


The trade's view – confidence ratings (high)

We asked our Founding Members to give a confidence rating[1] on the same [97 Bordeaux crus in this study].

No wines received the top confidence rating of 10 out of 10.

> "Petrus still remains the number one Bordeaux brand."
> *- Top tier UK merchant*



The global trade are most bullish about Médoc first growths Latour and Margaux, and Pomerol equivalent Petrus, a formidable triptych.

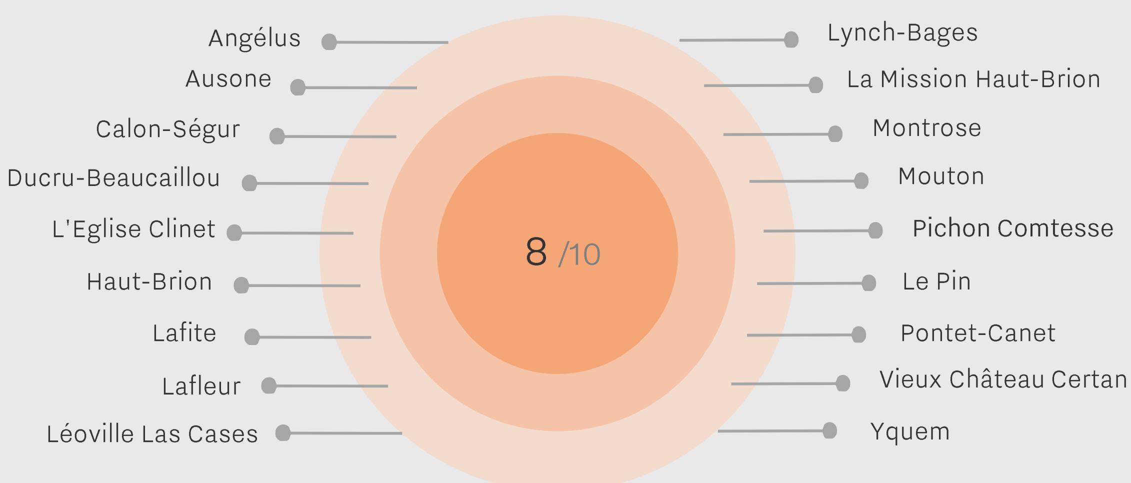
This suggests that Latour has not been significantly damaged by its retreat from the en primeur system in 2012, although several respondents mentioned this as a factor they considered. European respondents were more cautious than others, with an average rating of only 8, compared to 10. The same was true for Margaux. Petrus is considered to have an unassailable position, and was the wine that European respondents are most confident in. They describe it basically selling itself.

The other first growths (Lafite, Mouton and Haut-Brion), and Yquem, all achieve a confidence rating of 8 out of 10, alongside the likes of Angélus, Vieux Château Certan, Le Pin, and Léoville Las Cases.

A high confidence rating of 8 out of 10 was also achieved by Calon-Ségur, Pichon Comtesse, and Lynch-Bages, all currently very popular with the trade.

> "Angélus is reaching first growth status ."
> *- Top tier international auction house*

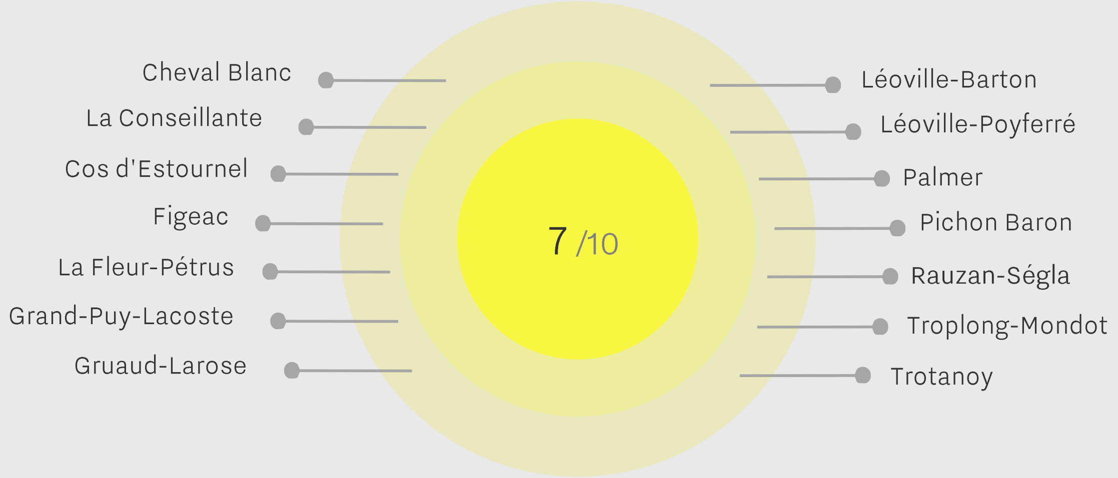
> "Demand for Mouton is now much higher than it was a year or two ago."
> *- Top tier UK merchant*



[1]Please give a confidence rating to the following ten wines on a scale of 0 to 10; 0 being zero confidence.

Q7:Please give a confidence rating to the following ten wines on a scale of 0 to 10; 0 being zero confidence.

Wines scoring 7 out of 10 are largely those which have put in consistent work, year-in, year-out, over several decades. They have built up loyal followings, and the trade are very happy to get behind them.

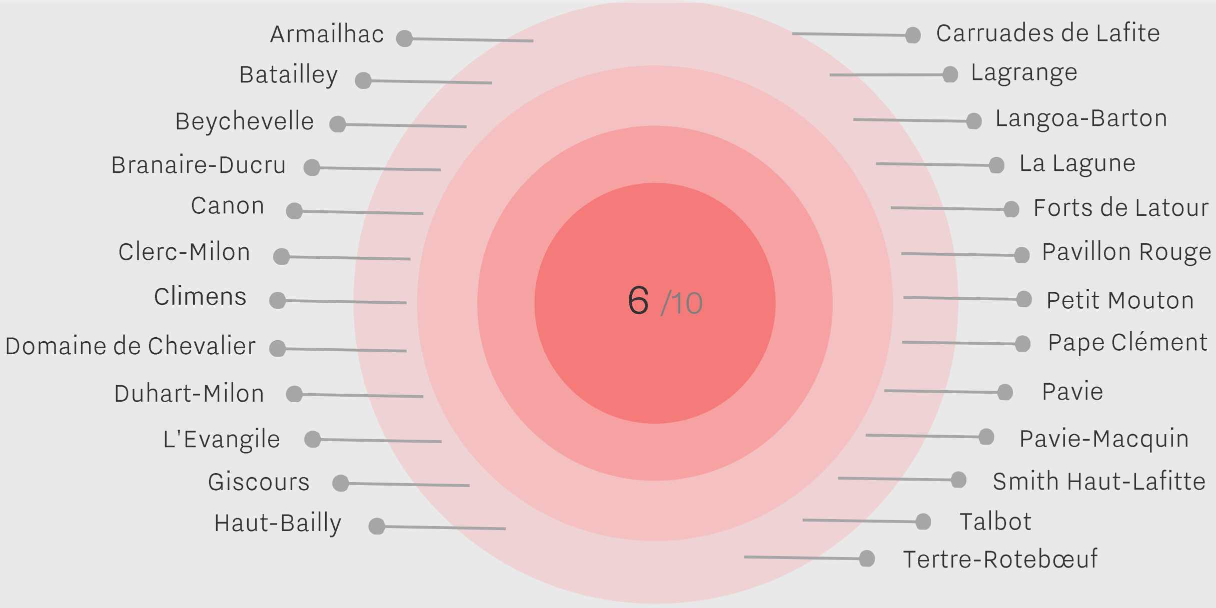


" Grand-Puy-Lacoste: a classic wine, full of potential. The departure of Parker should help it. "
- Top tier French merchant

" Cheval Blanc: ambitious release prices have dented buyer confidence but it will not slumber forever. "
- Top tier UK merchant

" La Conseillante: under-rated Pomerol that makes solid wines and is priced fairly, especially in older vintages. "
- Top tier UK merchant

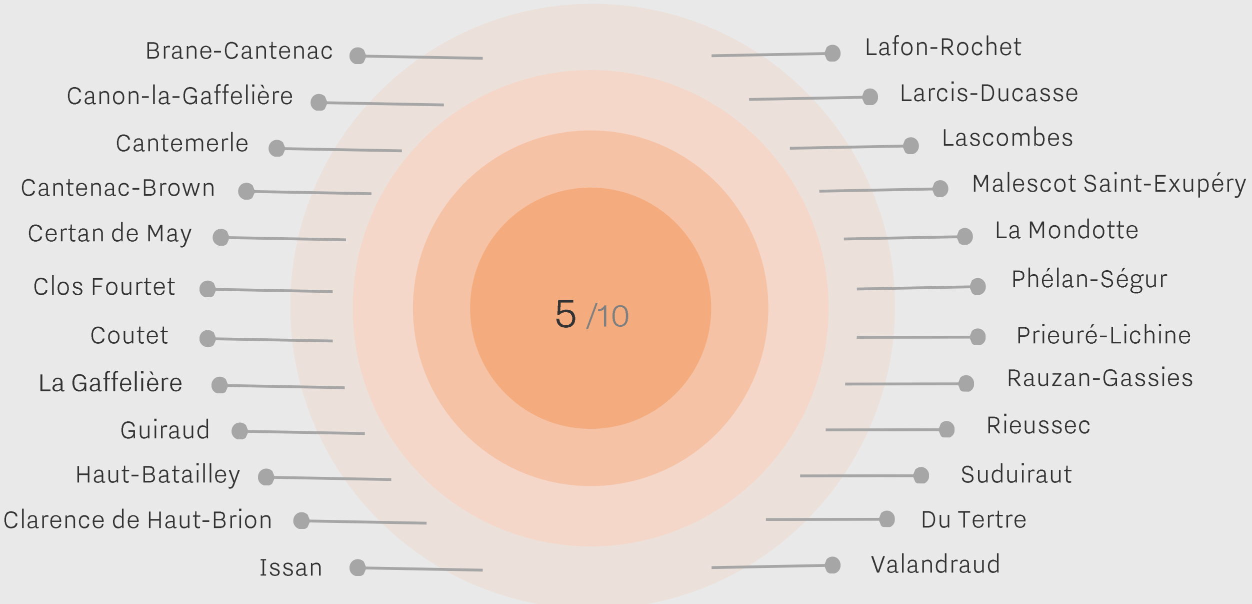
Confidence ratings of 6 out of 10 tended to be given to solid wines, but with a lower classification, that have yet to build up the same level of prestige in terms of brand recognition. This category also featured the second wines Carruades, Les Forts de Latour, and Petit Mouton, which are often considered to exist on the coattails of their grands vins. Pavie scored only 6/10 compared to 8/10 for Angélus.



The trade's view – confidence ratings (mid-low)

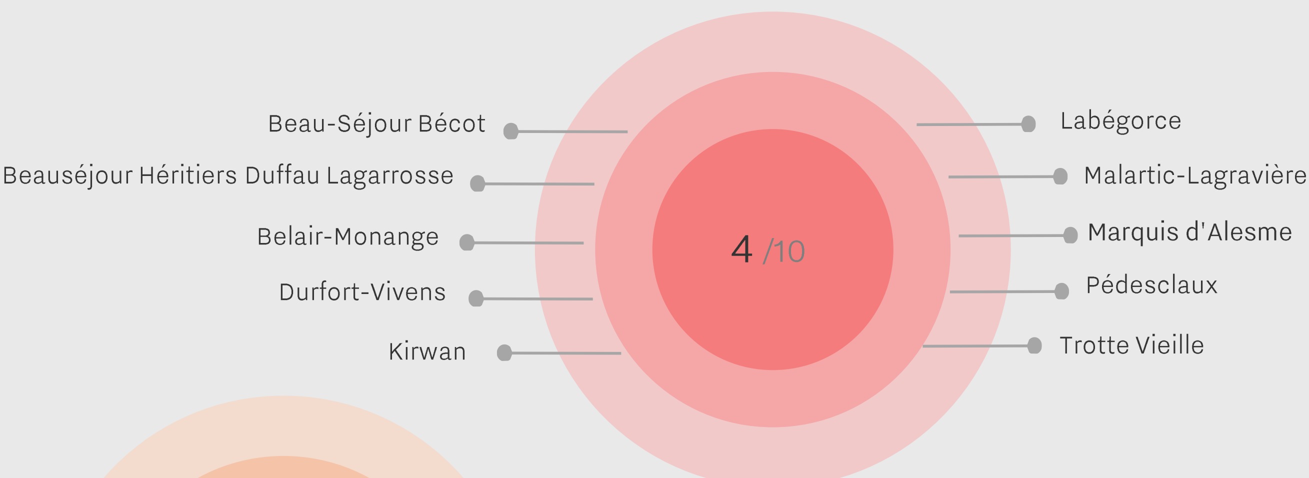
Q7:Please give a confidence rating to the following ten wines on a scale of 0 to 10; 0 being zero confidence.

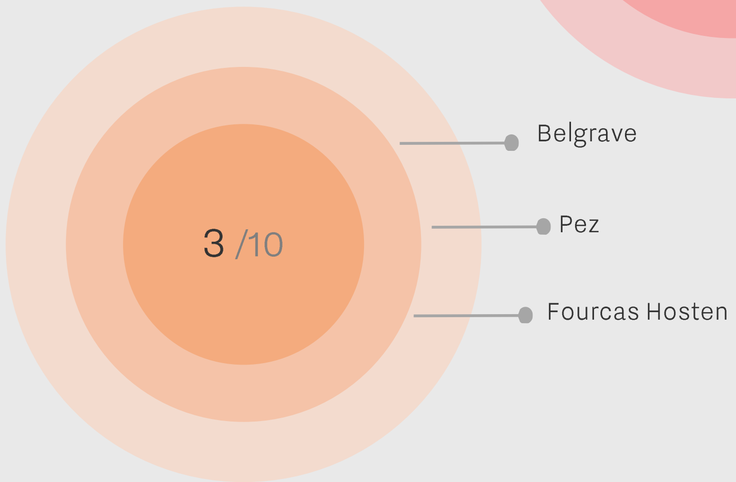
The middle rating, of 5 out of 10, was reserved for slightly less well-known names, but decent quality wines, as well as a handful of Sauternes.



As we move below 5 out of 10 we start to encounter brands that are really struggling, in which the trade lacks confidence. Some of these are making high quality wines, especially recently, but their renown is not in line.

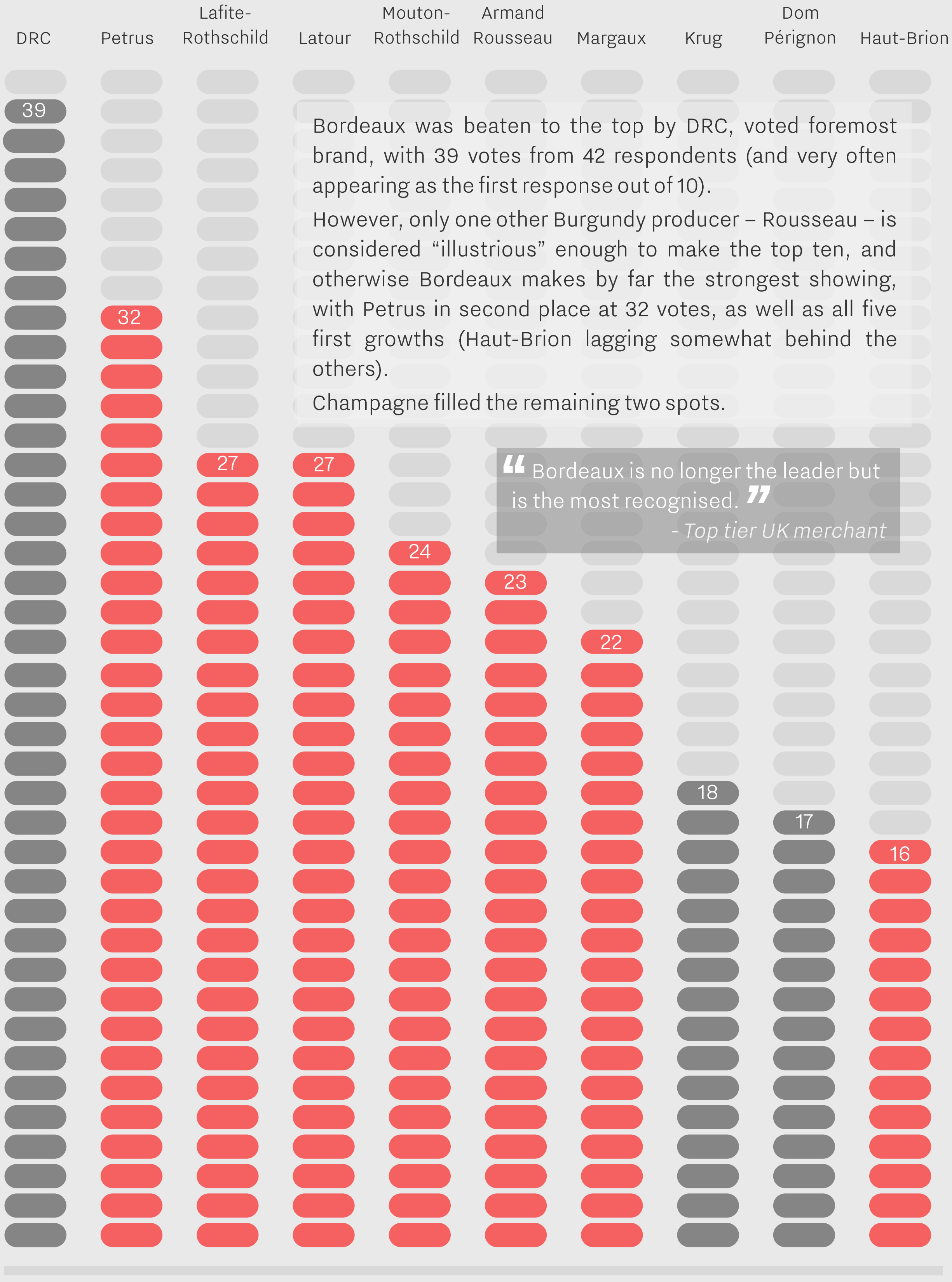
> “Demand for Clos Fourtet is growing quickly in South East Asia.”
>
> *- Top tier Asian merchant*





Wines with scores 3 out of 10 are mostly known of, but haven't left a lasting impression.

Q1: Thinking about the most illustrious names in fine wine, which are currently the world's foremost brands?



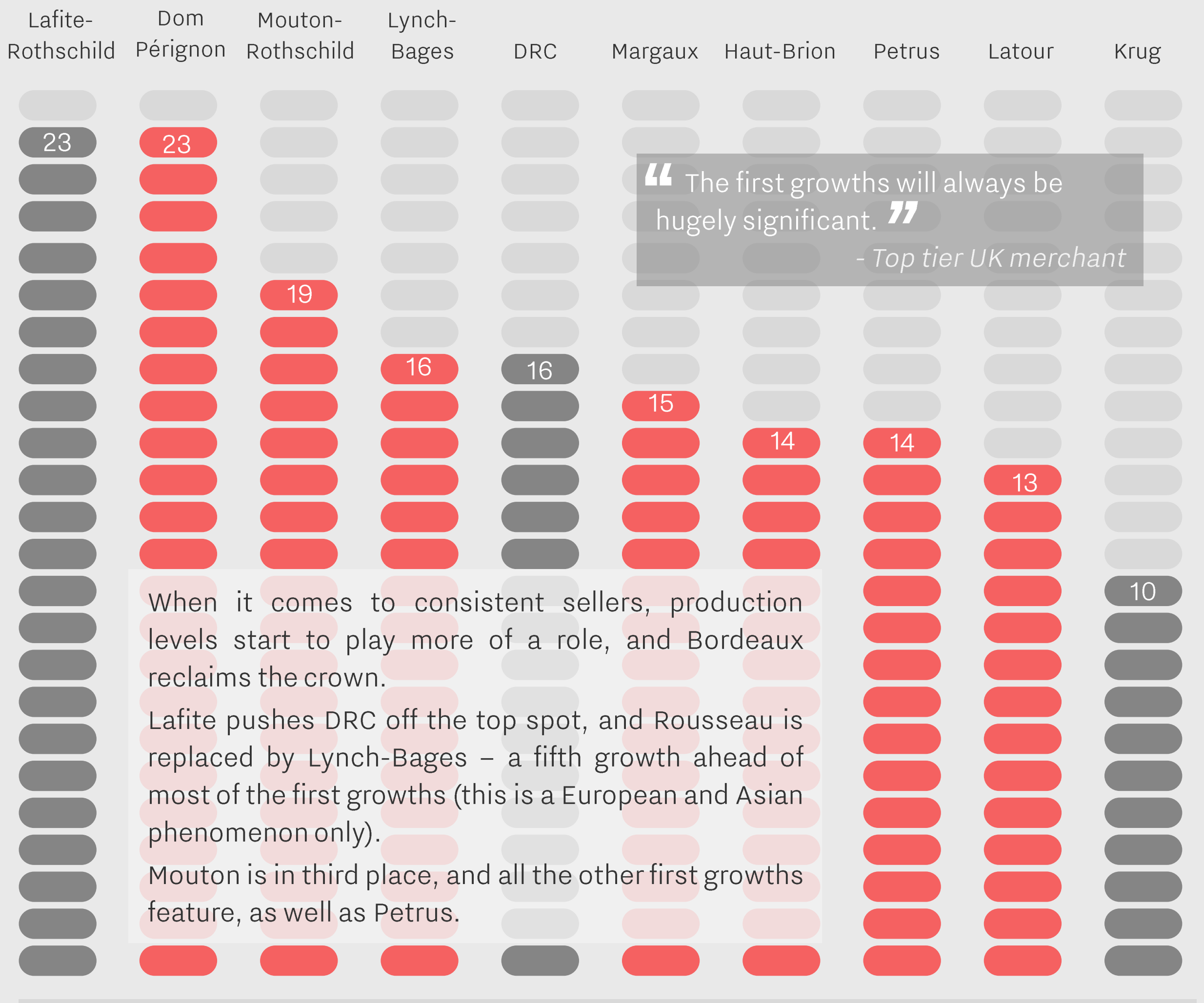
Bordeaux was beaten to the top by DRC, voted foremost brand, with 39 votes from 42 respondents (and very often appearing as the first response out of 10).

However, only one other Burgundy producer – Rousseau – is considered “illustrious” enough to make the top ten, and otherwise Bordeaux makes by far the strongest showing, with Petrus in second place at 32 votes, as well as all five first growths (Haut-Brion lagging somewhat behind the others).

Champagne filled the remaining two spots.

> “Bordeaux is no longer the leader but is the most recognised.”
>
> *- Top tier UK merchant*

Q2: Which are the ten fine wine brands that sell most consistently in volume terms, year in, year out? Please select the top ten producers.



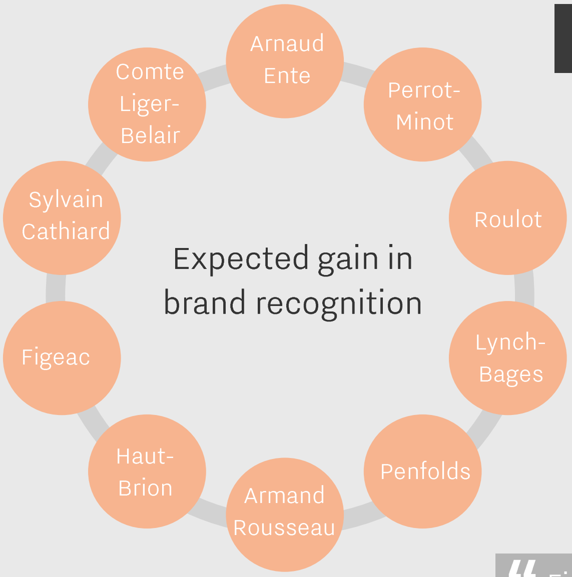
> “The first growths will always be hugely significant.” *- Top tier UK merchant*

When it comes to consistent sellers, production levels start to play more of a role, and Bordeaux reclaims the crown.

Lafite pushes DRC off the top spot, and Rousseau is replaced by Lynch-Bages – a fifth growth ahead of most of the first growths (this is a European and Asian phenomenon only).

Mouton is in third place, and all the other first growths feature, as well as Petrus.

Brand recognition growth – top 10 producers



Q3: Which producers will see the largest gain in brand recognition in the next two years?

Burgundy dominates where expected brand recognition growth is concerned.

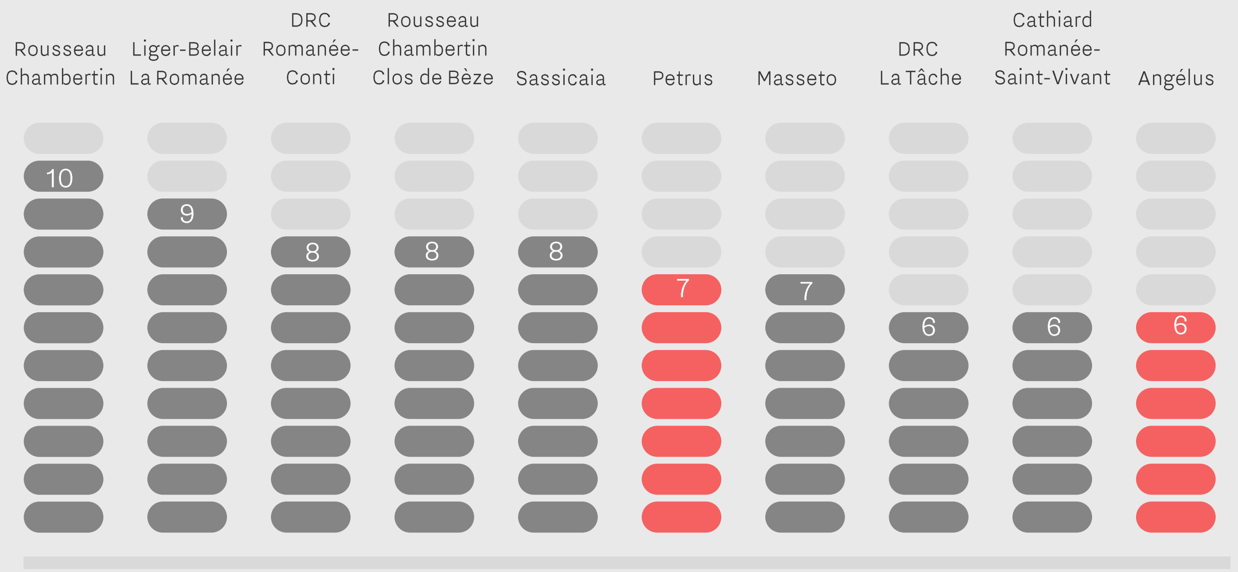
However, Bordeaux boasts three contenders, arguably growing from what is already a very high base. Haut-Brion might feature because it is expected to catch up with the other first growths.

It is hard to imagine Lynch-Bages' brand recognition growing any further, so strong is it already. Figeac is thought to be due a comeback.

> “Figeac: new marketing team.” *- Top tier Asian merchant*

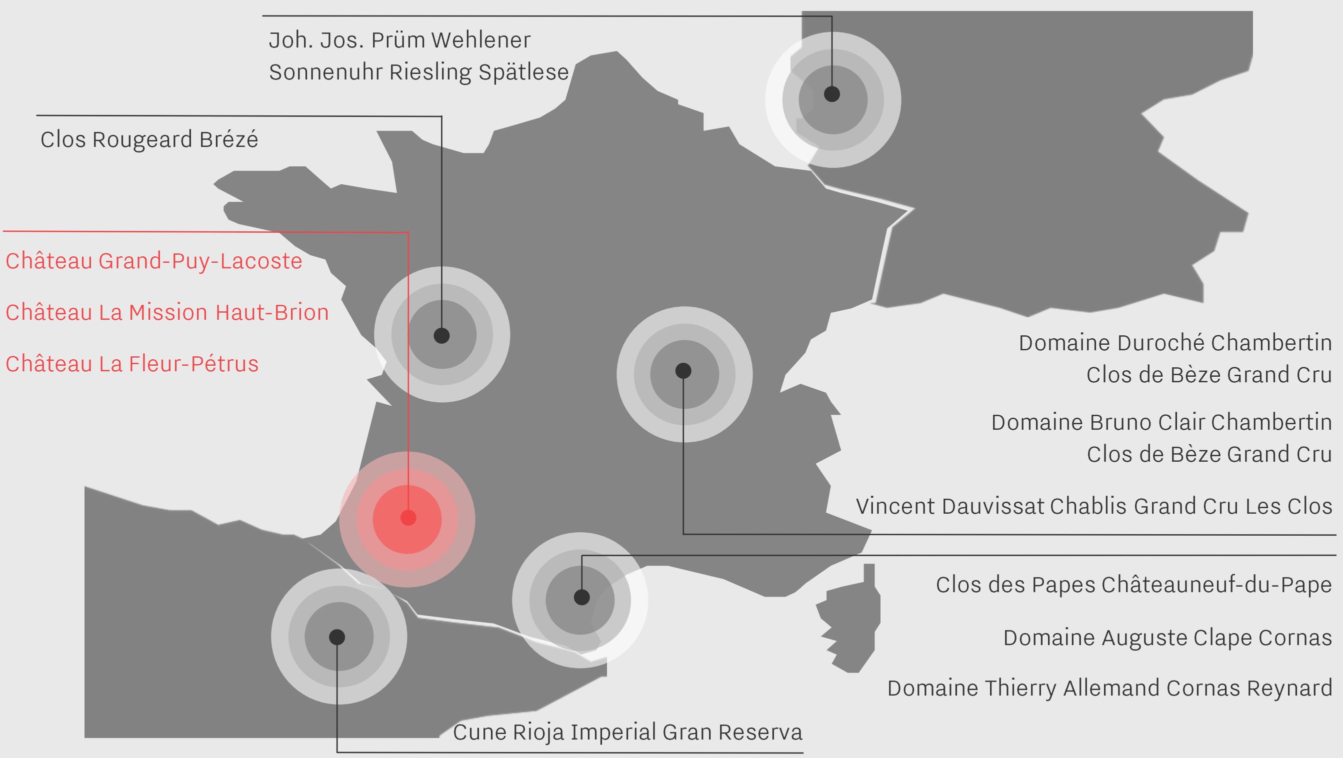
Q4: Thinking about recent trends, which ten fine wines' demand has seen the sharpest rise?

Now we move onto wines (as opposed to producers). The top four sharpest risers (and six in total) hail from Burgundy. Super Tuscans make a decent showing, and Bordeaux boasts only Petrus and Angélus (still benefitting from its promotion?).

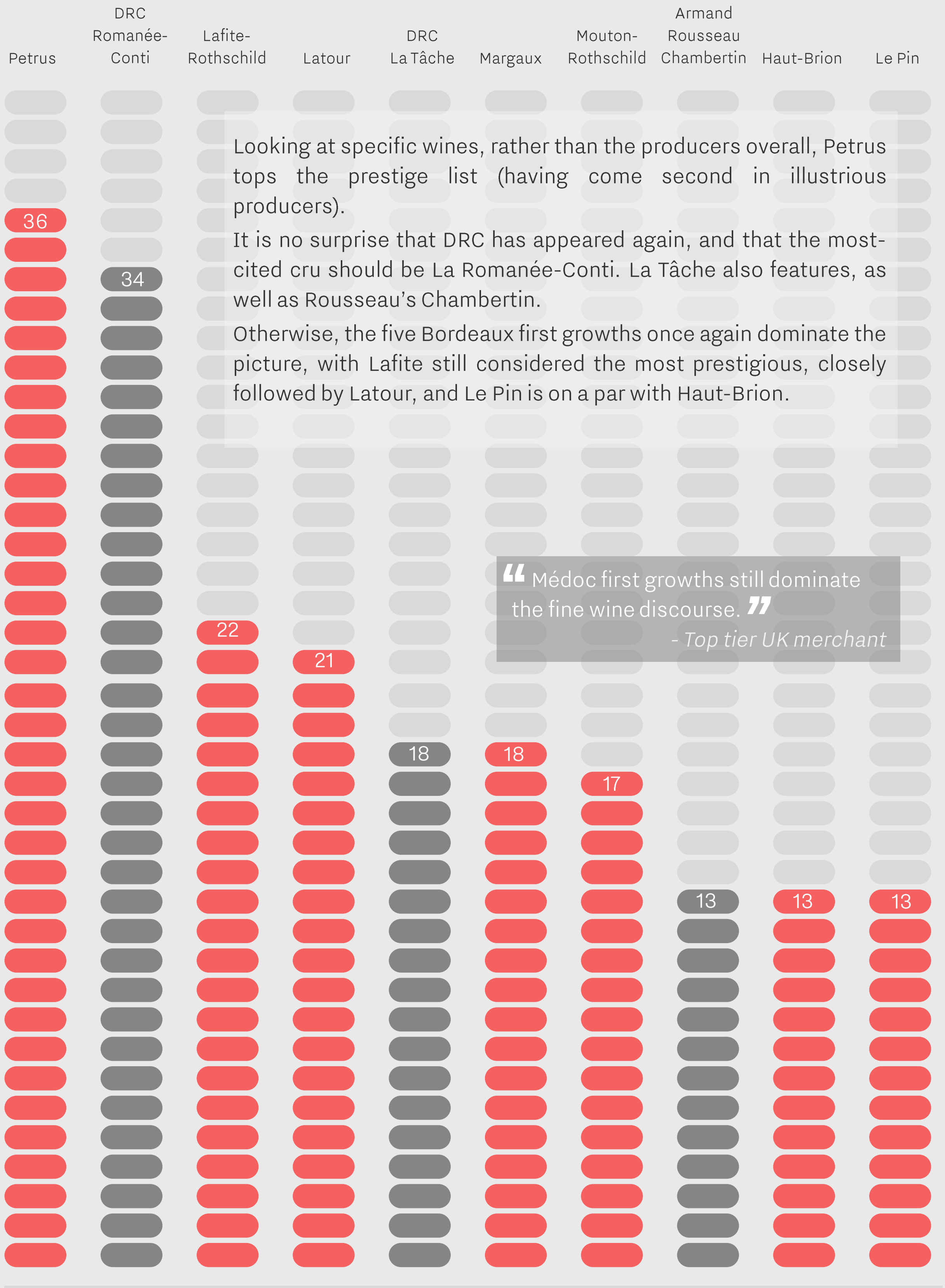


Hidden gems – top 12 wines

Q5: Which wines do you consider hidden gems (wines you rate highly but which are underappreciated)?



Q6: Based on what you see around you in the fine wine world, which ten wines do you consider to confer the most prestige?



Looking at specific wines, rather than the producers overall, Petrus tops the prestige list (having come second in illustrious producers).

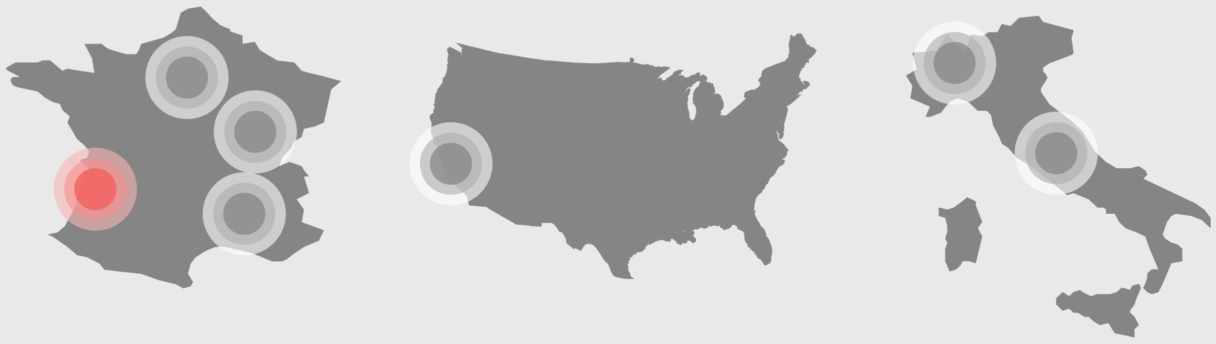
It is no surprise that DRC has appeared again, and that the most-cited cru should be La Romanée-Conti. La Tâche also features, as well as Rousseau's Chambertin.

Otherwise, the five Bordeaux first growths once again dominate the picture, with Lafite still considered the most prestigious, closely followed by Latour, and Le Pin is on a par with Haut-Brion.

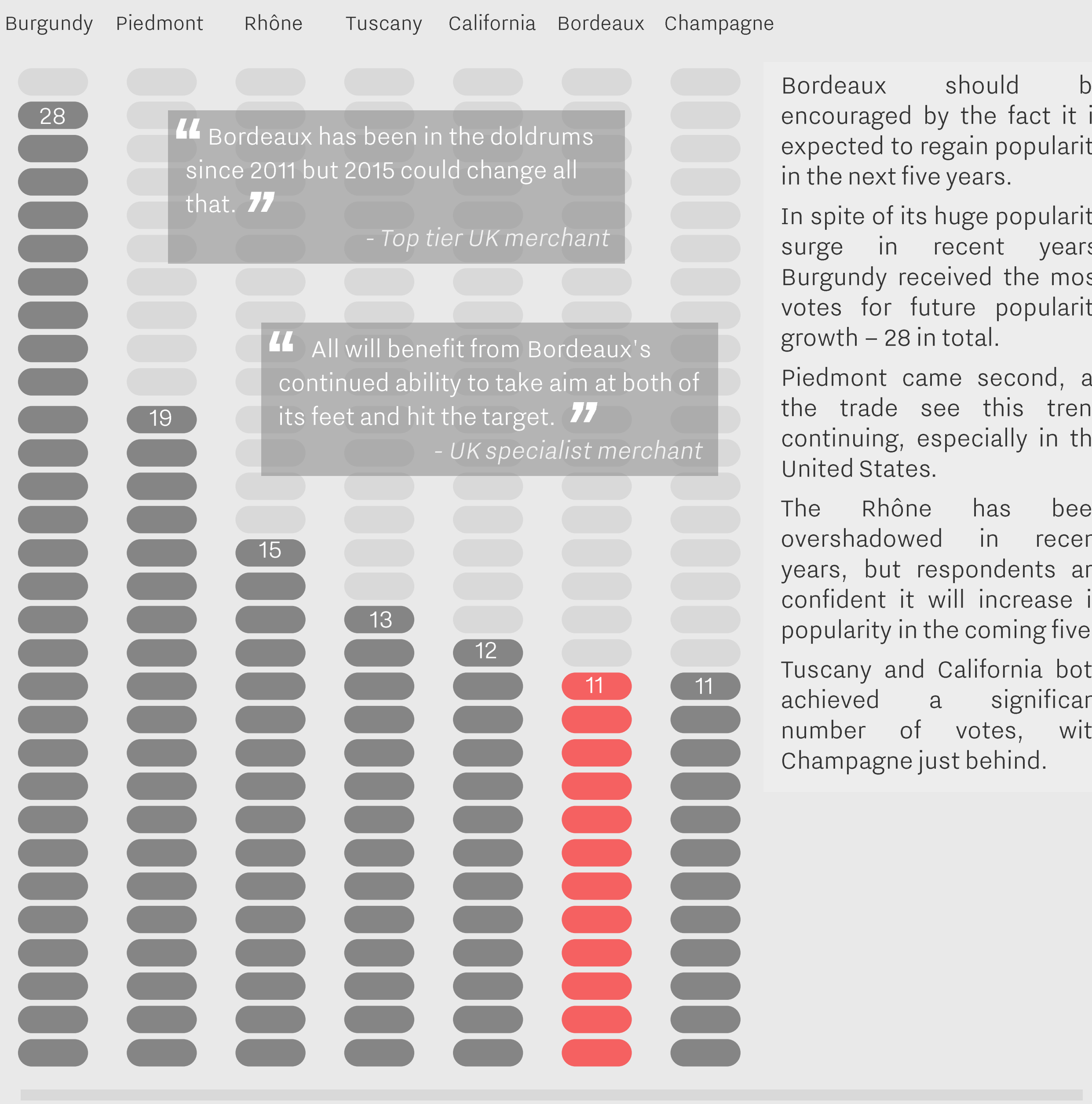
> "Médoc first growths still dominate the fine wine discourse."
>
> *- Top tier UK merchant*

WINE LISTER

Q9: Which wine-producing regions / appellations will see their popularity grow the most in the next five years?



Predicted popularity growth in the next five years



"Bordeaux has been in the doldrums since 2011 but 2015 could change all that."

- Top tier UK merchant

"All will benefit from Bordeaux's continued ability to take aim at both of its feet and hit the target."

- UK specialist merchant

Bordeaux should be encouraged by the fact it is expected to regain popularity in the next five years.

In spite of its huge popularity surge in recent years, Burgundy received the most votes for future popularity growth – 28 in total.

Piedmont came second, as the trade see this trend continuing, especially in the United States.

The Rhône has been overshadowed in recent years, but respondents are confident it will increase in popularity in the coming five.

Tuscany and California both achieved a significant number of votes, with Champagne just behind.

2015 en primeur pricing considerations

The 2015 vintage is variously held to be exceptional, great, good, or mixed. Everyone agrees it is the best since 2010, and some believe it rivals 2010 (at least for a good handful of wines) and that only caution prevents this position from being more widely stated.

The context of a Bordeaux slump and "Bordeaux bashing" make 2015 pricing a sensitive issue. The Bordeaux producers feel they are unfairly subject to scrutiny on their pricing, and that other elements of their wines – history, hard work, quality – are overlooked. Many in the trade defend the criticism of Bordeaux, arguing that getting the pricing right in 2015 is a make or break moment for the region.

Bordeaux remains hugely significant on the global fine wine scene, even if other regions have been getting more of a look in in recent years. The vast majority of the trade – be they European, American, or Asian – want the vintage to resuscitate the region, and are getting behind the en primeur campaign in a bigger way than they have since 2010. They believe the client demand is there for the wines, and the believe in the wines. Now they just need to believe they can offer their clients some value.

A handful of wines have already been released, some at prices which do not provide much incentive for buyers compared to back vintages. The next pages attempt to provide food for thought in considering further releases.

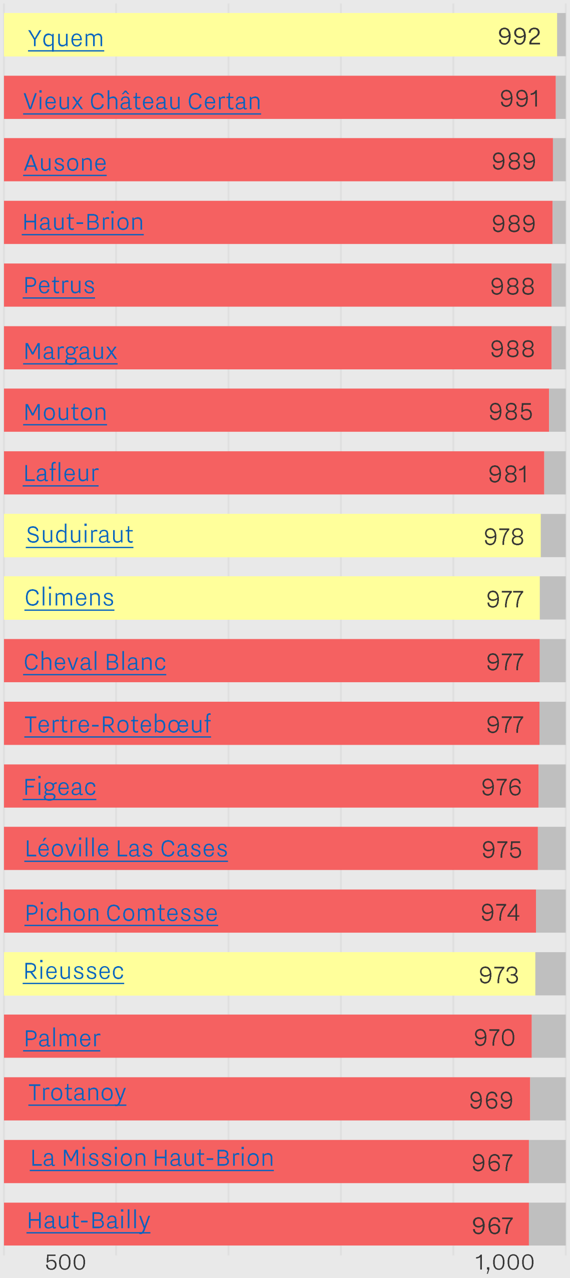
2015 *en primeur* pricing considerations – top 40 quality ratings in 2015

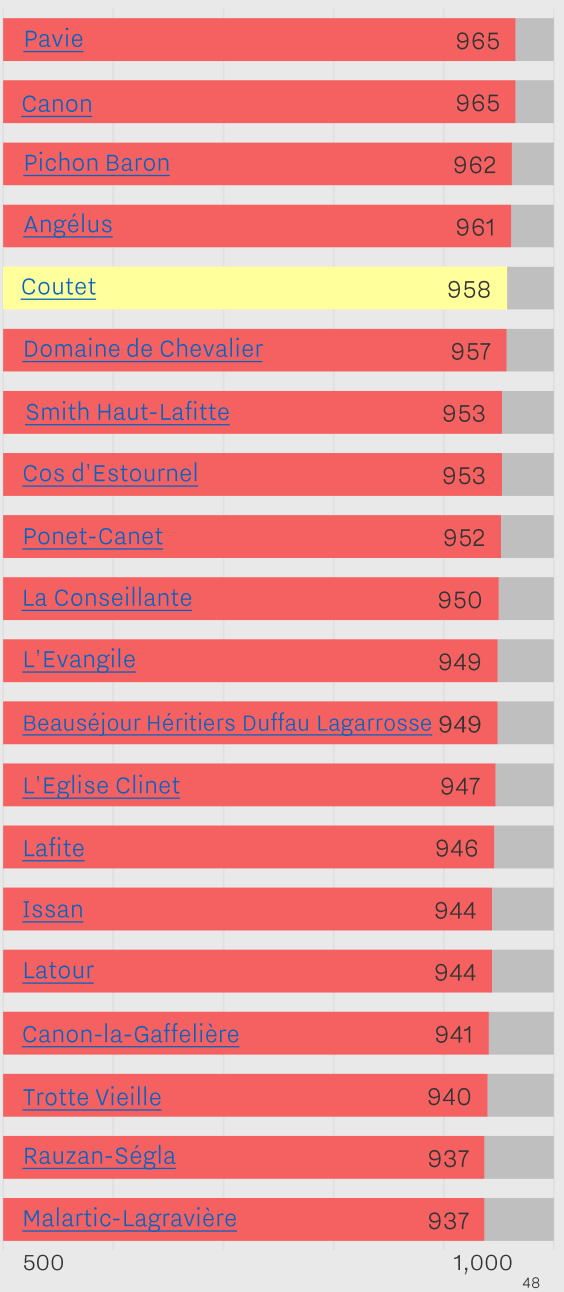
WINE LISTER

The below ranking is based on the recently released scores from our three partner critics – Jancis Robinson, Antonio Galloni, and Bettane+Desseauve – as well as a small weighting for their average predicted drinking windows.

- Yquem fills the top spot, with a mammoth score of 992
- Vieux Château Certan is just behind with 991
- Haut-Brion is the most highly-rated first growth, followed by Margaux and Mouton
- Wines that most impressively outperformed their overall quality rankings (based on prior vintages) are Trotte-Vieille and d'Issan (+17%)
- Saint-Emilion also outperformed in 2015, especially Premiers grands crus classés B such as Canon, Canon-La-Gaffelière, Beauséjour HDL, and Figeac
- La Conseillante was the Pomerol that most improved on its average quality rating (+10%)
- In the Graves the biggest risers were Malartic-Lagravière and Haut-Bailly

QUALITY





We asked our 42 Founding Members – representing more than one third of global fine wine revenues – about the pricing of the 2015 Bordeaux vintage.

On average, all respondents considered an increase of 3% to be appropriate. This was marginally higher among Asian respondents, and twice the amount among top tier (larger) merchants and importers. The eight top UK merchants believed 9.4% to be more appropriate.

Auction houses advised a decrease on 2014 prices, demonstrating that they are further removed from the en primeur system.

The average increase suggested was 12%, and the highest 30%, while the largest decrease mooted was 20%.

+3.1% Specialist merchants / retailers

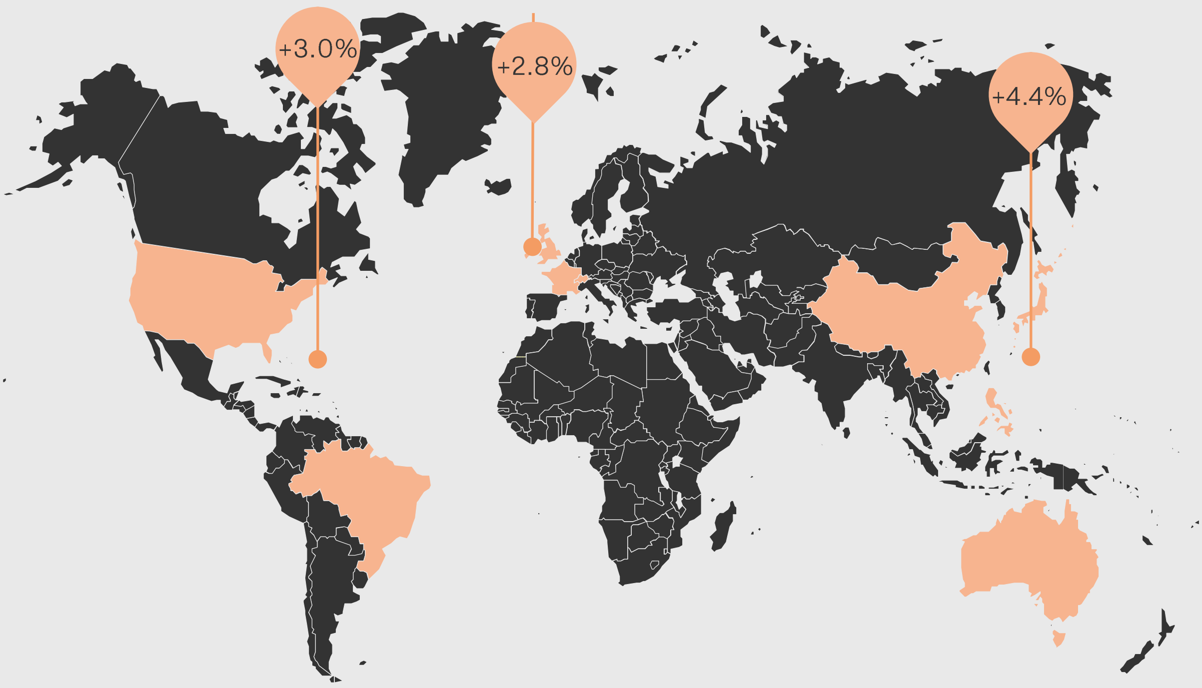
+6.3% top tier merchants / importers

-1.5% auction houses

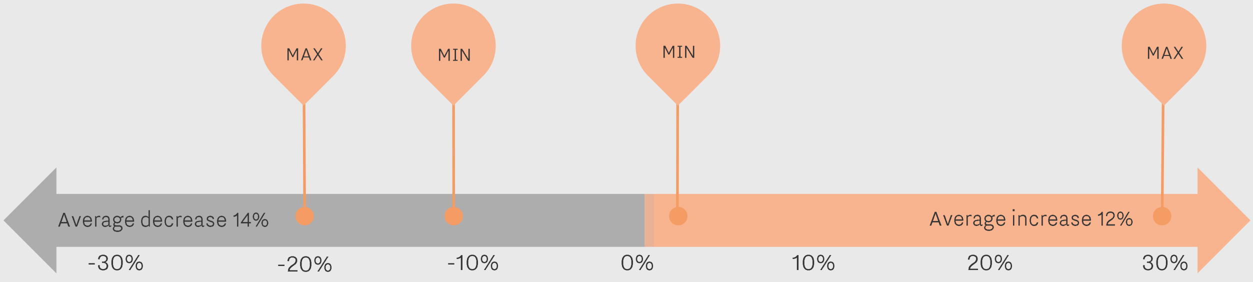
+3.0%

The average price adjustment

on 2014, considered to be appropriate for 2015 *en primeur*



The range of suggested price adjustment



It doesn't usually make sense to base pricing decisions for individual wines on the release price of a previous vintage, as this doesn't take into account the reception by the market of said price.

Nonetheless, for the vintage as a whole, it is interesting to consider the fine wine trade's consideration of an appropriate increase on 2014 release prices, bearing in mind that these were widely held to be on the high side, with muted reception from consumers, but somewhat more success than in the previous three years.

Wine Lister Founding Members' average suggested increase of 3% on 2014 prices seems unrealistically low, especially now that the wines have been tasted and their quality confirmed. The low number reflects the fact that 39% of respondents believed there should be no change on 2014, while 17% thought there should be a decrease.

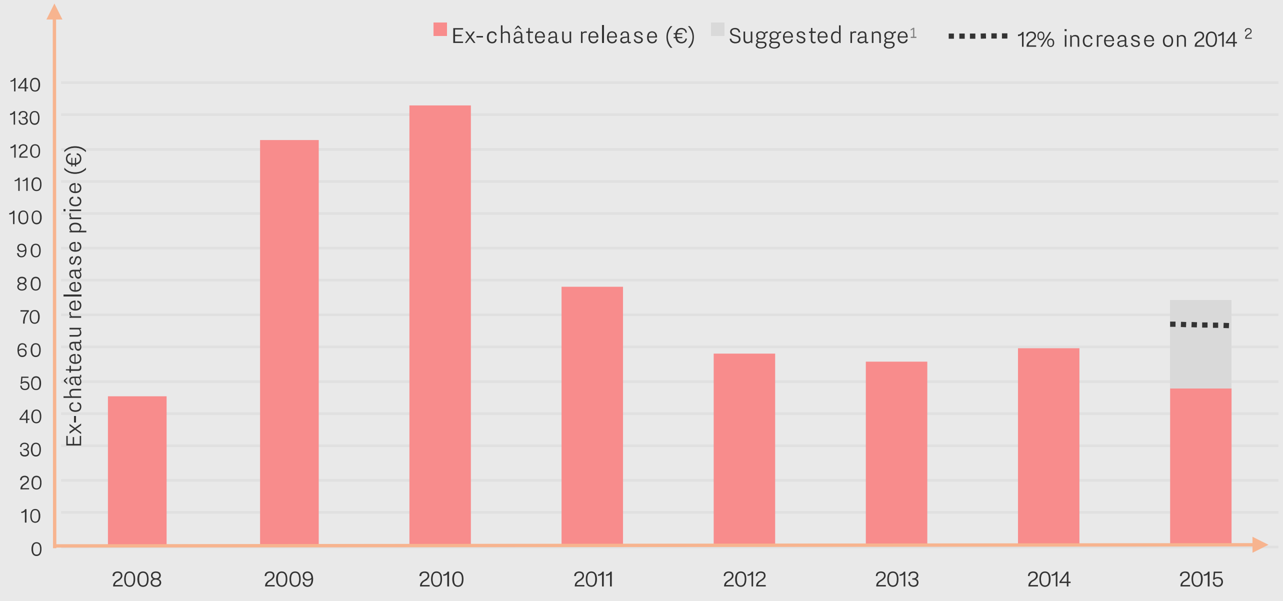
Among those who accepted a price increase on 2014 is on the cards, the average suggested increase was 12%, and the highest was 30%.

The chart below shows average ex-château release prices for 79 of the wines in this study. In 2015, the grey section of the column represents the range suggested as appropriate by Wine Lister's Founding Members, from a 20% decrease on 2014 to a 30% increase.

The dotted line represents the average ex-château release price for the wines included in the analysis, assuming the 12% average increase suggested by those respondents who deemed an increase to be appropriate.

This would put prices for 2015 above the last three vintages and 2008, but a little below 2011, and significantly below 2009 and 2010.

Ex-château release prices since 2008



[1] The range suggested as appropriate by the global wine trade vs the average 2014 release price, from a 20% decrease to a 30% increase

[2] The average of suggested increases on the 2014 release price of Bordeaux crus classés and equivalent

Note: based on a sample set of 79 of the 97 top Bordeaux crus classés and equivalent featuring in this study

Source: Wine Lister

In the chart below we compare the average quality scores from the last seven vintages to the current market price for those vintages.

2010 has the highest quality score, followed very closely by 2009, and accordingly they command the highest market prices.

Score and price do not always correlate perfectly – 2013 is cheaper than 2011 on average despite having a higher overall quality score. However, average price tends to reflect the overall quality ratings.

The closest quality rating to 2015 is 2010. As such, we have applied the quality to price ratio from 2010, in order to arrive at a derived future market price for the 2015 vintage on average, according to its current quality assessment.

The average price per bottle of the wines included in this study could be expected to reach £169 in the marketplace in due course.

Before this can help to guide appropriate release prices, various margins must be deducted.

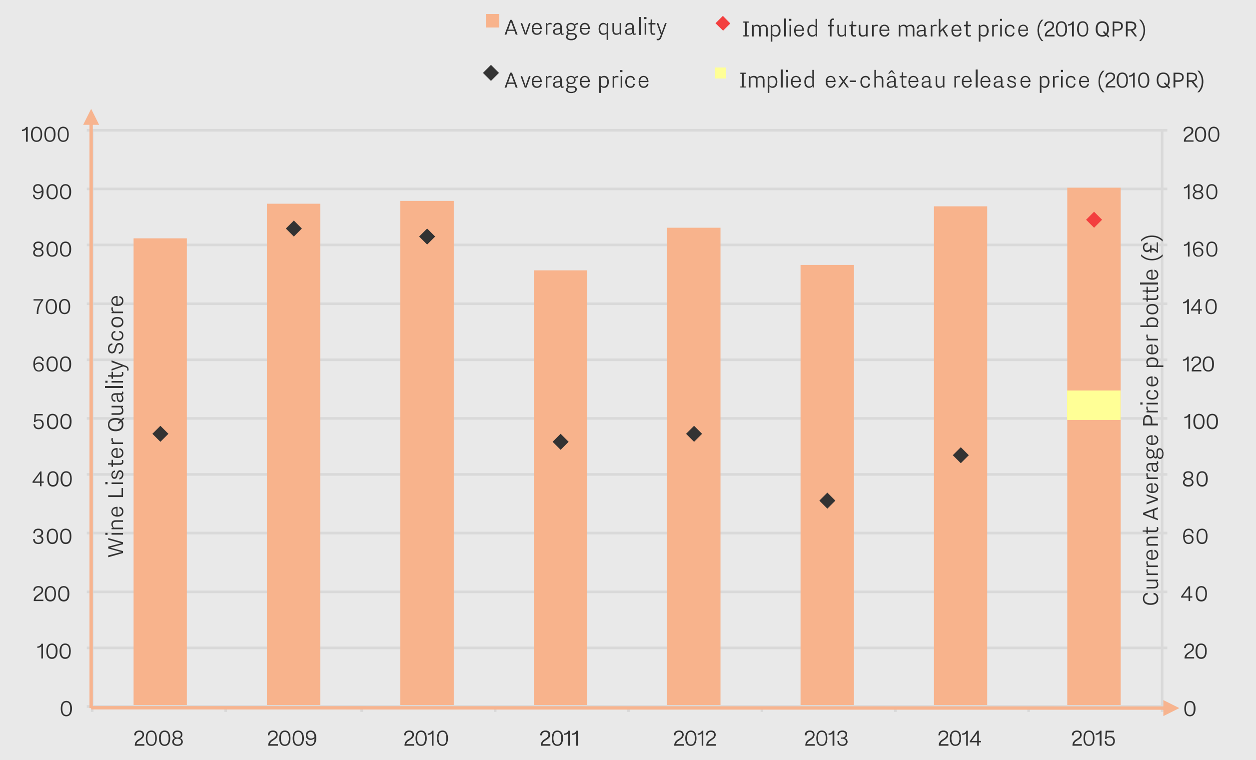
Margins taken by the négociant and then importers tend to amount to around 25-30%, although this varies from wine to wine.

That would take us to between £118 and £127 per bottle at release. Then there's the question of how much "discount" the consumer should receive for buying en primeur, before they receive the physical product. There is no hard and fast answer to this, and in any case all future price movements are merely speculative, but perhaps 10-20% would be enough to rekindle the huge amount of latent interest in Bordeaux (although unconducive exchange rates should be borne in mind for sales to the UK market). This suggests an average release price of £98 to £110 (see chart).

In general, this should mean that pricing 2015s just above the current market prices for the last four vintages is acceptable, but to create momentum, they should be 33%-40% below 2009 and 2020 prices.

This generic analysis would of course need to be undertaken for each specific wine.

Average quality score by vintage vs average price

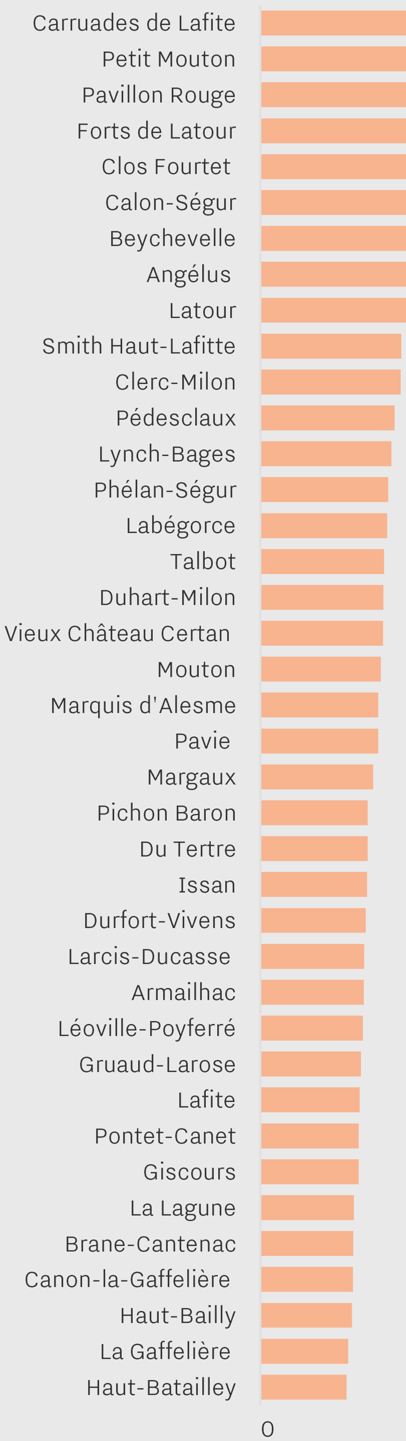


Based on the 97 wines included in this study

The aim of the chart below is to give a broad indication of how different crus have performed since release, relative to one another, based on the average across vintages from 2008 to 2014, where available.

The percentage change itself is not meaningful, as it doesn't take into account trade margins, but the overview of relative differences between the ex-château release price and the current market price for each cru gives a sense of which crus have been more or less effectively priced.

The relative % change between average ex-château release prices and current market prices (vintages 2008-2014)



- The second wines of the first growths have increased most in the marketplace since release over the last seven years
- Clos Fourtet, Calon-Ségur, and Beychevelle have undergone the next highest upswings
- Angélus and Pavie come relatively high up in the list, due to their promotion
- Latour has made larger gains compared to other first growths, but its average price change is based on 2008-2011 only (not dragged down by 2012-2014)

- Upcoming crus such as Pédesclaux, Phélan-Ségur and Labégorce have increased in price in the market in general, making historic en primeur releases seem reasonable
- At the lower end of the table, Haut-Brion, Léoville Las Case, Ausone and Cos d'Estournel, Cheval Blanc, and La Mission Haut Brion have lagged post-release
- Sauternes & Barsac – including Yquem –have really struggled to maintain release prices and have often lost the end consumer money

We hope you found reading this study as intriguing as we found preparing it. The contents only brush the surface of the unique combination of data and research at our fingertips. We have at our disposal a wealth of insights and analysis on each cru contained herein, that we could not make room for individually in this study. Contact us for more information: team@wine-lister.com

WINE LISTER

www.JancisRobinson.com

www.bettanedesseauve.com

www.vinous.com

Wine Lister is proud to collaborate with three of the most respected critics in the major fine wine markets: **Jancis Robinson** – UK, **Antonio Galloni (Vinous)** – US, and **Bettane+Desseauve** - France. Their scores make up the Wine Lister quality ratings, along with an assessment of each wine's longevity.

www.wine-searcher.com

www.winemarketjournal.com

www.wineowners.com

To determine popularity, as part of the brand category, we have formed a partnership with **Wine-Searcher**, the world's most visited wine website, to incorporate their online search frequency data.

To assess liquidity, as part of the economic category, we used trading volumes compiled by **Wine Market Journal**, the leading source of wine auction data.

Our price data is based on the world's largest price database and meticulously processed by **Wine Owners**, a best-in-class portfolio management and trading exchange platform. These historical market prices allow us to assess price performance and stability as well as current price.

Wines included in this study	
1ers Crus	Château Malescot Saint-Exupéry Troisième Cru
Château Haut-Brion Premier Cru	Château Marquis d'Alesme Troisième Cru
Château Lafite-Rothschild Premier Cru	Château Palmer Troisième Cru
Château Latour Premier Cru	Château La Lagune Troisième Cru
Château Margaux Premier Cru	4ièmes Crus
Château Mouton-Rothschild Premier Cru	Château Beychevelle Quatrième Cru
2ièmes Crus	Château Branaire-Ducru Quatrième Cru
Château Brane-Cantenac Deuxième Cru	Château Duhart-Milon Quatrième Cru
Château Cos d'Estournel Deuxième Cru	Château Lafon-Rochet Quatrième Cru
Château Ducru-Beaucaillou Deuxième Cru	Château Prieuré-Lichine Quatrième Cru
Château Durfort-Vivens Deuxième Cru	Château Talbot Quatrième Cru
Château Gruaud-Larose Deuxième Cru	5ièmes Crus
Château Lascombes Deuxième Cru	Château d' Armailhac Cinquième Cru
Château Léoville-Barton Deuxième Cru	Château Batailley Cinquième Cru
Château Léoville Las Cases Deuxième Cru	Château Belgrave Cinquième Cru
Château Léoville-Poyferré Deuxième Cru	Château Cantemerle Cinquième Cru
Château Montrose Deuxième Cru	Château Clerc-Milon Cinquième Cru
Château Pichon-Longueville Baron Deuxième Cru	Château Grand-Puy-Lacoste Cinquième Cru
Château Pichon-Longueville Comtesse de Lalande Deuxième Cru	Château Haut-Batailley Cinquième Cru
Château Rauzan-Gassies Deuxième Cru	Château Lynch-Bages Cinquième Cru
Château Rauzan-Ségla Deuxième Cru	Château Pédesclaux Cinquième Cru
3ièmes Crus	Château Pontet-Canet Cinquième Cru
Château Calon-Ségur Troisième Cru	Château du Tertre Cinquième Cru
Château Cantenac-Brown Troisième Cru	Graves Crus Classés
Château Giscours Troisième Cru	Domaine de Chevalier Cru Classé de Graves
Château d' Issan Troisième Cru	Château Haut-Bailly Cru Classé de Graves
Château Kirwan Troisième Cru	Château Malartic-Lagravière Rouge Cru Classé de Graves
Château Lagrange Troisième Cru	Château La Mission Haut-Brion Cru Classé de Graves
Château Langoa-Barton Troisième Cru	Château Pape Clément Cru Classé de Graves

Wines included in this study	
Pomerol	Château Troplong-Mondot Premier Grand Cru Classé B
Château Certan de May	Château Trotte Vieille Premier Grand Cru Classé B
Château La Conseillante	Château Valandraud Premier Grand Cru Classé B
Château l'Eglise Clinet	Sauternes & Barsac 1er Cru
Château l'Evangile	Château Climens Premier Cru
Château La Fleur-Pétrus	Château Coutet Premier Cru
Château Lafleur	Château Guiraud Premier Cru
Petrus	Château Rieussec Premier Cru
Le Pin	Château Suduiraut Premier Cru
Château Trotanoy	Château d' Yquem Premier Cru Supérieur
Vieux Château Certan	Second Wines
Saint-Emilion A	Château Haut-Brion Le Clarence de Haut-Brion
Château Angélus Premier Grand Cru Classé A	Château Lafite-Rothschild Carruades de Lafite
Château Ausone Premier Grand Cru Classé A	Château Latour Les Forts de Latour
Château Cheval Blanc Premier Grand Cru Classé A	Château Margaux Pavillon Rouge
Château Pavie Premier Grand Cru Classé A	Château Mouton-Rothschild Le Petit Mouton
Saint-Emilion B / Grands Crus	Unclassified
Château Beau-Séjour Bécot Premier Grand Cru Classé B	Château Labégorce
Château Beauséjour Héritiers Duffau Lagarrosse Premier Grand Cru Classé B	Château de Pez
Château Belair-Monange Premier Grand Cru Classé B	Château Phélan-Ségur
Château Canon Premier Grand Cru Classé B	Château Fourcas Hosten
Château Canon-la-Gaffelière Premier Grand Cru Classé B	
Clos Fourtet Premier Grand Cru Classé B	
Château Figeac Premier Grand Cru Classé B	
Château La Gaffelière Premier Grand Cru Classé B	
Château Larcis-Ducasse Premier Grand Cru Classé B	
La Mondotte Premier Grand Cru Classé B	
Château Le Tertre-Rotebœuf Grand Cru	

Email us at team@wine-lister.com

Registered office
Wine Lister Limited
5-7 Cranwood Street
London EC1V 9EE

WINE LISTER