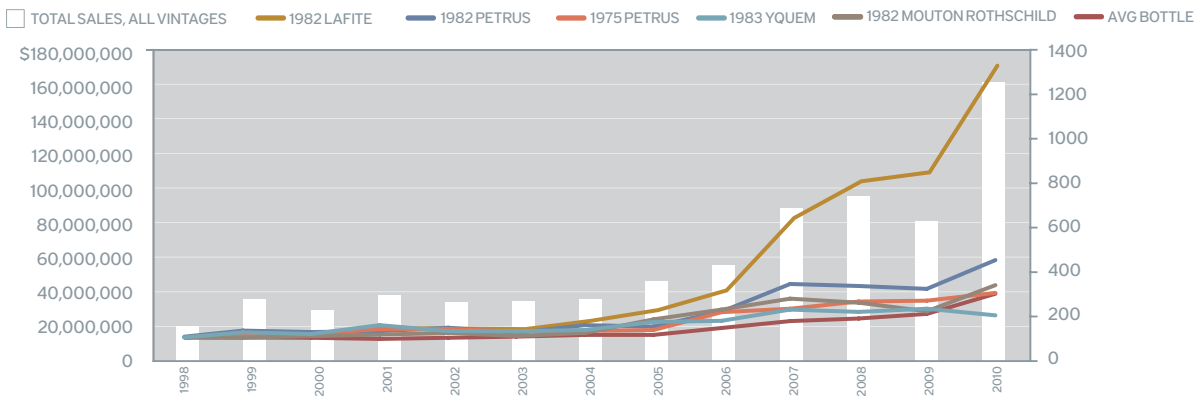


# Label Consciousness

The billion-dollar wine market is largely driven by the fabled names of Bordeaux: Château Lafite Rothschild, Château Latour, Château Pétrus, and Château d'Yquem, among others. In 2010, prices for the best Bordeaux first growths reached jaw-dropping heights as thirsty Chinese buyers and other investors pouring their capital into material assets paid a high premium for these luxury goods. Below, we analyze the rise—and the short-lived recession-era fall—of Bordeaux at auction, using 235,000 records retrieved from international sales at Artcurial, Bonhams, the Chicago Wine Company, Christie's, Hart Davis Hart Wine Company, Skinner, Sotheby's, Tajan, and Zachys from January 1998 through December 2010. Only .75-liter bottles that brought \$50 or more at auction are included in this index. While 2011 data is not illustrated, we have observed a slowing market for the most elite Bordeaux vintages—including the much-in-demand Château Lafite Rothschild—a correction that suggests that they were somewhat overvalued in 2010. The overall market remained strong throughout 2011, however, with high-net-worth individuals continuing to invest in wine. **BY ROMAN KRAEUSSL**

## INDEX OF BORDEAUX WINES, 1998–2010

The average price of a bottle of Bordeaux more than doubled between 2006 and 2010, but the value of 1982 Château Lafite Rothschild, a favorite among the house's Asian clients, jumped more than 400 percent during the same period, underlining the importance of name recognition. The index is based at 100 in 1998.

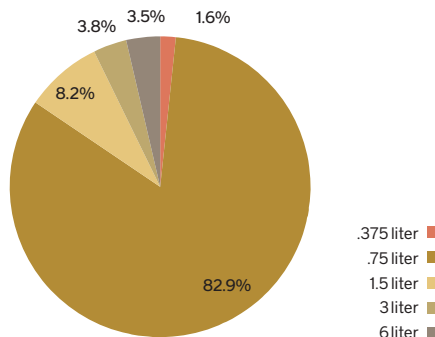


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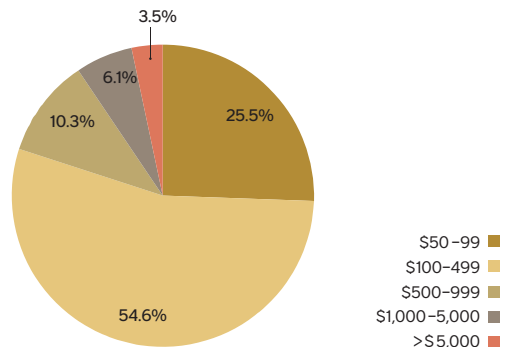
## BOTTLE SIZE AND PRICE BRACKET

Although the vast majority of bottles sold at auction are the standard .75-liter size, the rarity of a 1.5-liter magnum, a 3-liter jeroboam, or a 6-liter imperial magnum can elevate the unit price: Sotheby's sold an imperial of 2000 Château Pétrus in London last July for £32,200 (\$52,000), whereas six .75-liter bottles of the same vintage brought £18,975 (\$31,000) at Christie's London in March 2011. More than 80 percent of standard-size bottles, however, go for between \$50 and \$499.

Bordeaux Bottle Sizes, All Vintages



Bordeaux Price Ranges, .75 liter

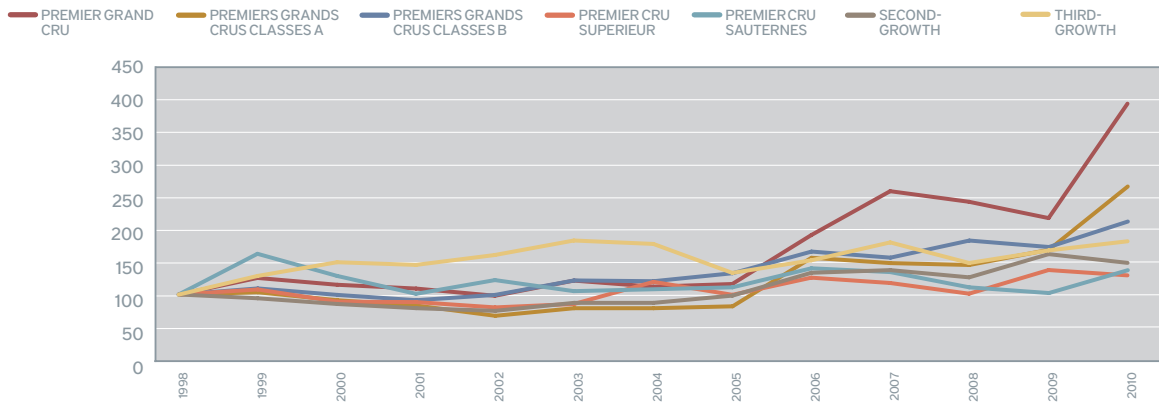




Two cases of 1982 Château Lafite Rothschild fetched \$59,750 apiece at a Lafite-themed Hart Davis Hart sale in Chicago last March.

### INDEX OF CRU CLASSIFICATION, 1998-2010

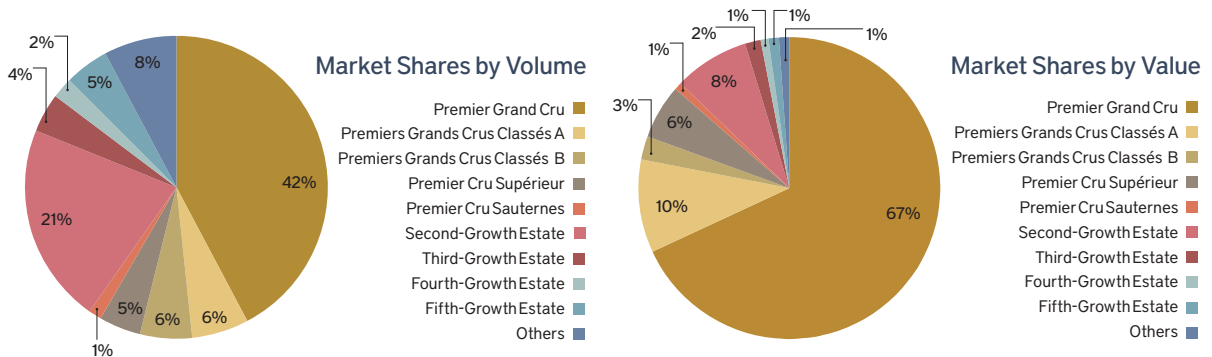
The index by cru classification demonstrates how the high end took off after 2005 and dipped during the financial crisis, whereas more moderately valued wines have remained steady.



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### BORDEAUX WINES CLASSED BY CRU

The Bordeaux classification system hails from 1855, when Napoleon III demanded that wines be officially graded by quality. The rankings—from first growth (premier cru) to fifth—have hardly changed since the 19th century and continue to play a large role in determining a wine's value on the market. The top classification, premier grand cru, includes Lafite Rothschild, Margaux, Latour, Haut-Brion, and Mouton-Rothschild. Wines rated as premier grand cru or premier grand cru classé A—specific to wines produced in Saint-Emilion and currently applicable to Château Ausone and Cheval Blanc—are the only ones that net a higher dollar share of the market than volume sold.



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