

Sotheby's EST. 1744 Wine

AUCTION • RETAIL • ADVISORY
New York Hong Kong London

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2018 Wine Market Report
RETAIL & AUCTION

Analysis by Yassmin Dever
Published by Sotheby's Wine Advisory Services

Sotheby's EST. 1744 Wine

A Record-Breaking Year

<p>Wine and Spirits sales exceed</p> <p>\$100 million</p> <p>for first time</p>	<p>Since 1995, Sotheby's has achieved over</p> <p>\$1.1 billion</p> <p>in wine Auction sales worldwide</p>	<p>Auction sales surge</p> <p>over 50%</p>
<p>#1 Worldwide</p> <p>in live Auction sales</p> <p>#1 Asia</p> <p>in Auction sales</p>	<p>Sotheby's Wine Retail has</p> <p>highest sales ever</p> <p>in both Asia and New York</p>	<p>Largest Single Owner sale in Asia</p> <p>The Philanthropist's Cellar</p> <p>\$16 million</p>
<p>Highest price for any spirit sold at Auction in North America</p> <p>1 Bottle of The Macallan 1926 60-Year-Old Sir Peter Blake Label sold at Auction in New York for \$843,200</p>	<p>The largest single transaction at Retail</p> <p>7 Methuselahs of Domaine de la Romanée-Conti 2005 sold at Retail in Hong Kong for US \$1.5 Million</p>	

New Initiatives in 2018

Wine Advisory Services

Providing expert advice on building, refining and managing wine collections to clients of all experience levels.

Instant Cellars

A one-click service that delivers a specially-curated selection of wines overnight.

Moutai Sales

First western auction house to sell Moutai outside of China.

We are working on a number of exciting new initiatives which will expand our range of services in 2019.

Auction Results

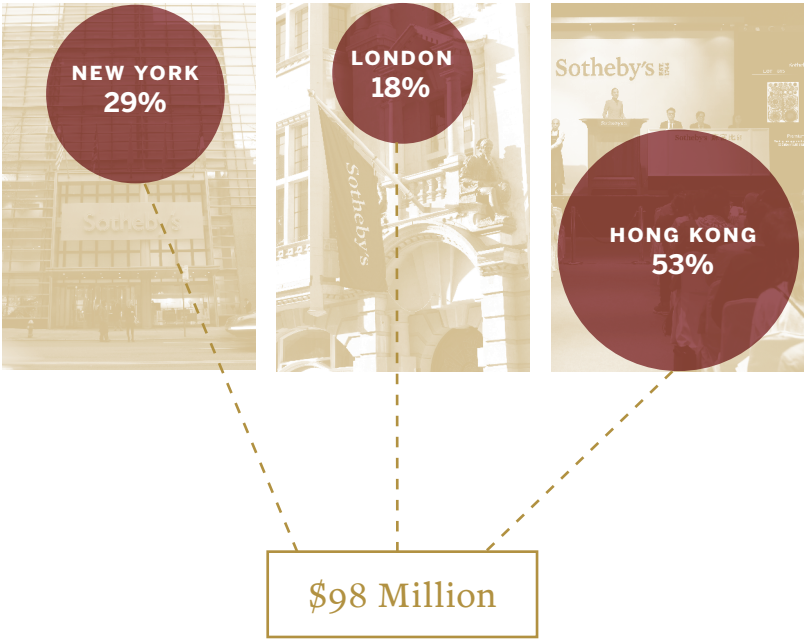
Global Wine Auctions sales surged over 50%

Hong Kong more than doubled sales making up more than half of the worldwide Auction total.

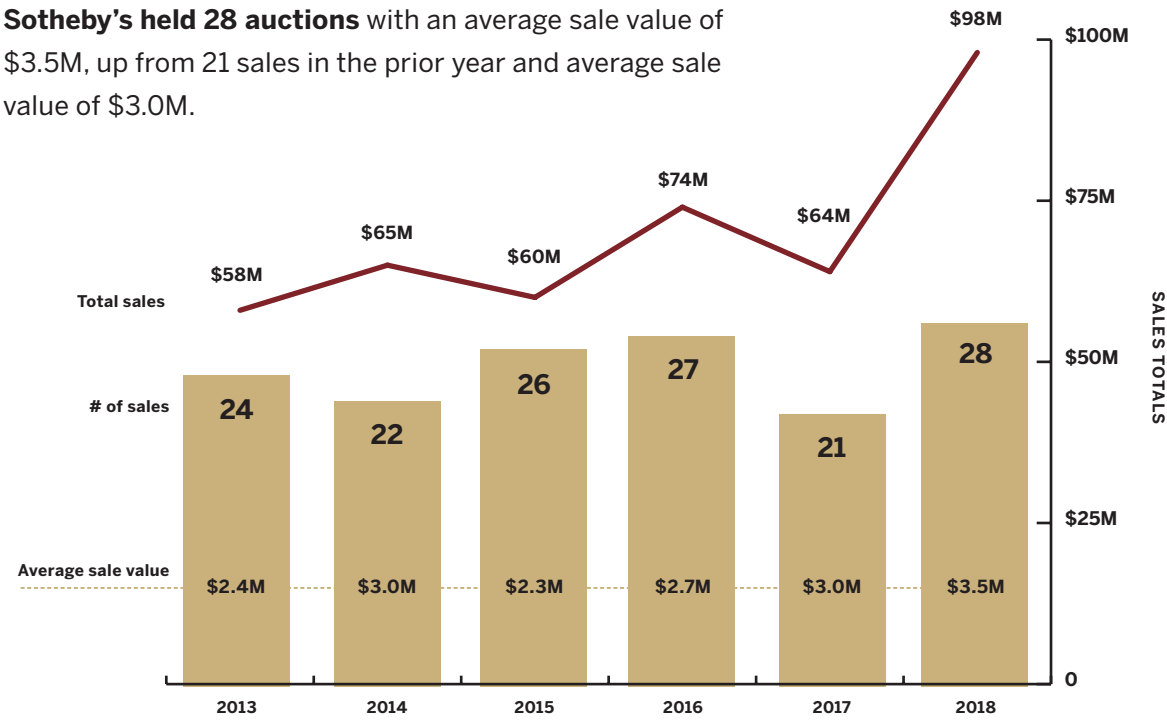
32% of bidders were new to Sotheby's, contributing to increased competition for each lot.

61% of lots sold above their high estimates.

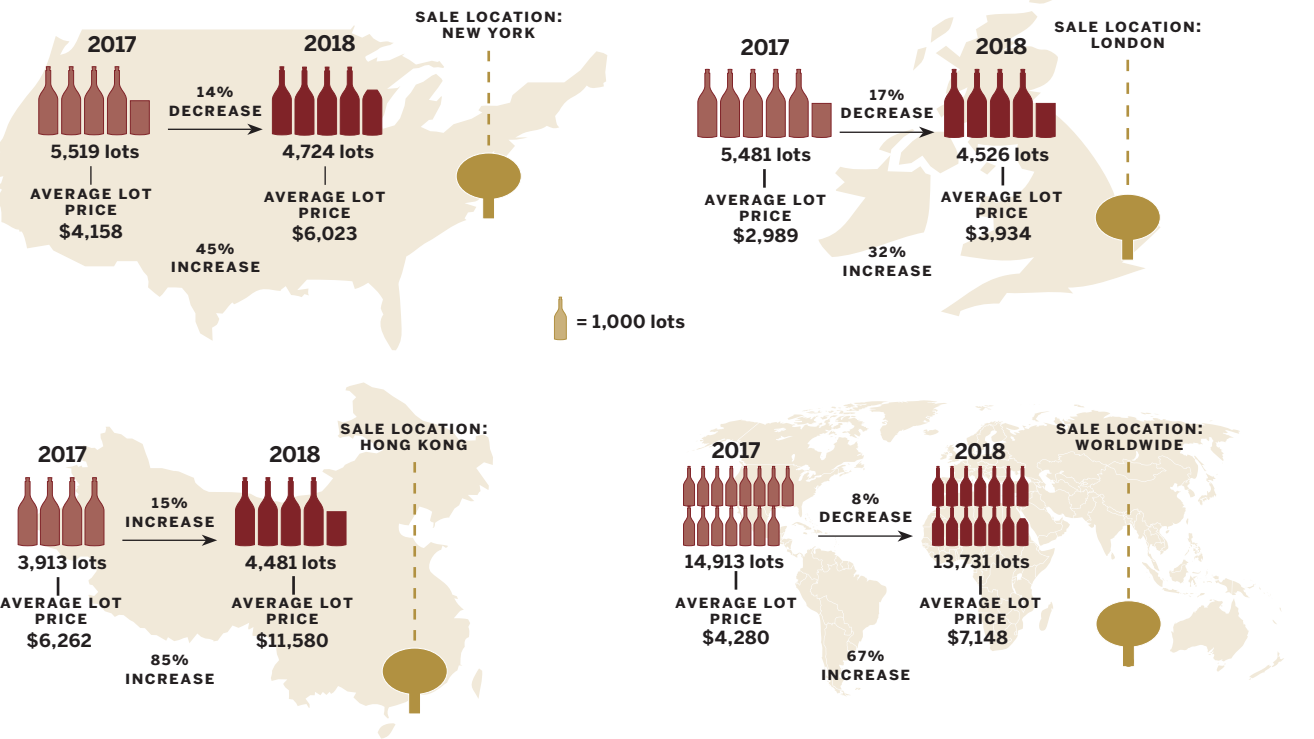
WORLDWIDE AUCTION SALES



Sotheby's held 28 auctions with an average sale value of \$3.5M, up from 21 sales in the prior year and average sale value of \$3.0M.



In 2018, we sold 8% fewer lots while achieving a 54% increase in sales, driving a massive **67% increase** in our average lot value to \$7,148.



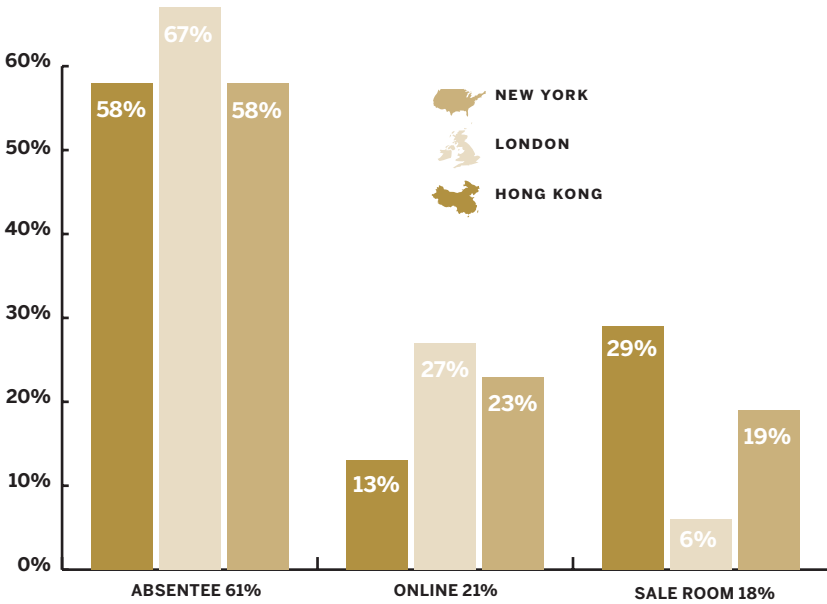
Bidding methods worldwide

Bidding methods worldwide were generally unchanged compared to 2017.

Absentee/phone bidding is still the most prevalent method of bidding worldwide.

In London, Absentee and Online bidding are most popular, while Sale Room participation is highest in Hong Kong.

BIDDING METHODS FOR EACH SALE LOCATION



The Market Leaders in Single Owner Sales

Sotheby's most valuable Single Owner sales:

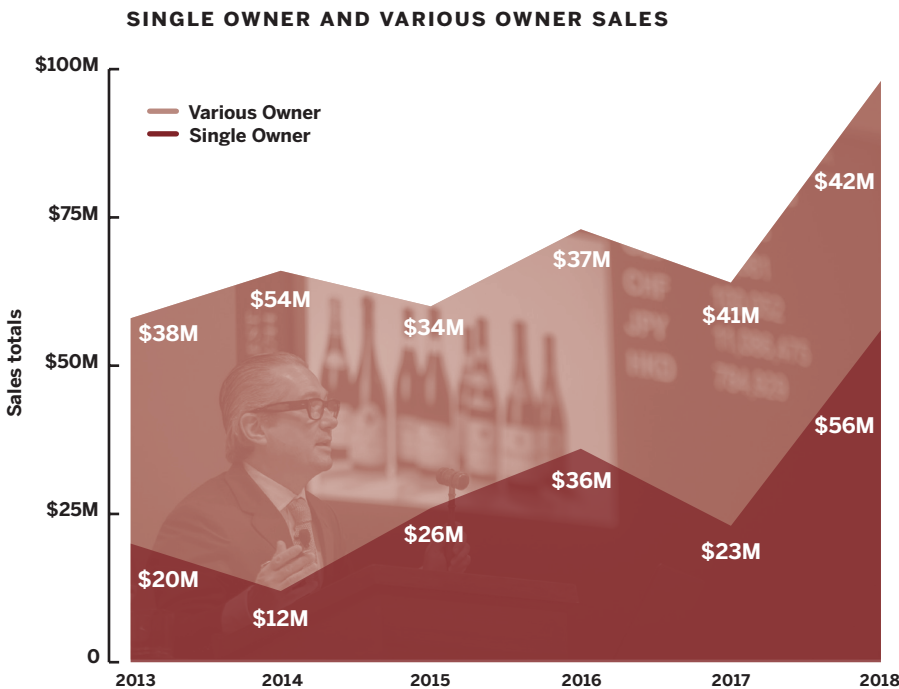
- 1 The Classic Cellar of an American Collector 2009–2013 \$52 Million
- 2 The Cellar of William I. Koch 2016 \$22 Million
- 3 The Don Stott Cellar: 50 Years of Collecting I–III 2015–2017 \$19 Million
- 4 The Philanthropist's Cellar 2018 \$16 Million
- 5 The Millennium Wine Cellar 1999 \$14 Million
- 6 The Ultimate Cellar 2011 \$12 Million
- 7 The Cellar from the Estate of Jerry Perenchio 2018 \$12 Million
- 8 The Bordeaux Collection from SK Networks 2010 \$10 Million
- 9 A Monumental Collection from the Cellars of a Connoisseur I–III 2017 \$9 Million
- 10 Lafite Ex Cellars 2010 \$8 Million

Sotheby's sells the greatest wine Single Owner sales

Collectors continue to ascribe greater value to **condition and provenance** and Sotheby's series of Single Owner sales showcase the best of the world's wine collections.

Number of Single Owner sales nearly doubled to **13**, totalling **\$56M** with an average sale value of **\$4.2M**.

Since 2009, Sotheby's has conducted **67 Single Owner** wine auctions which have collectively sold for **\$281M**, making us the auction house with the highest totals by both volume and value.



Retail Results

Sotheby's Wine increased sales in its Retail business, in both locations. Hong Kong sales increased by **nearly 30%**

A record high was set for a single Retail transaction at Sotheby's Wine with the sale of 7 Methuselahs of Domaine de la Romanée-Conti 2005 for **\$1.5 million in Hong Kong**

Average bottle price was \$209, representing a **10% increase** from \$190 in 2017

Bottles sold range in price from **\$13.95 to \$703,000**

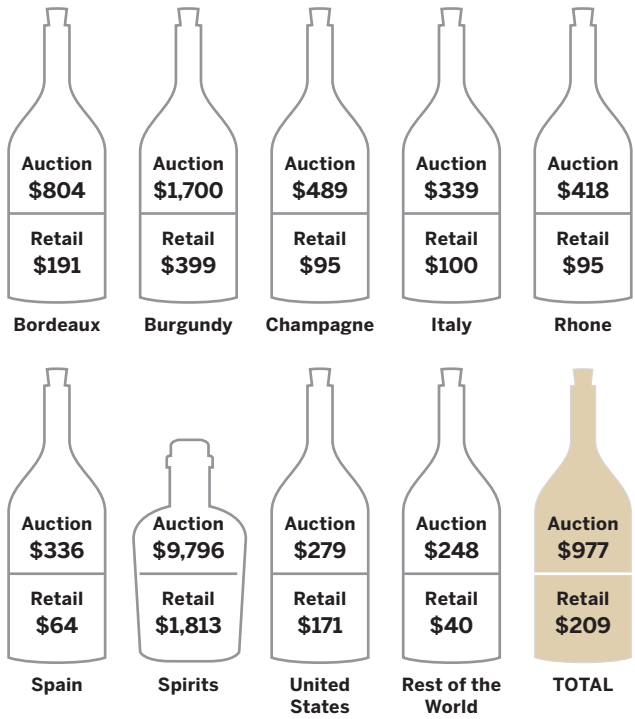
Sales of Sotheby's Champagne **increased over 10%**

New York Retail location **awarded the gold medal** on Wine-Searcher's annual Retailers List, distinguished not only for having the best selection of French and European wines, but also the best overall list of wines throughout New York City

Wine Sales & Bottle Prices by Category

AUCTION AND RETAIL

AVERAGE BOTTLE PRICE



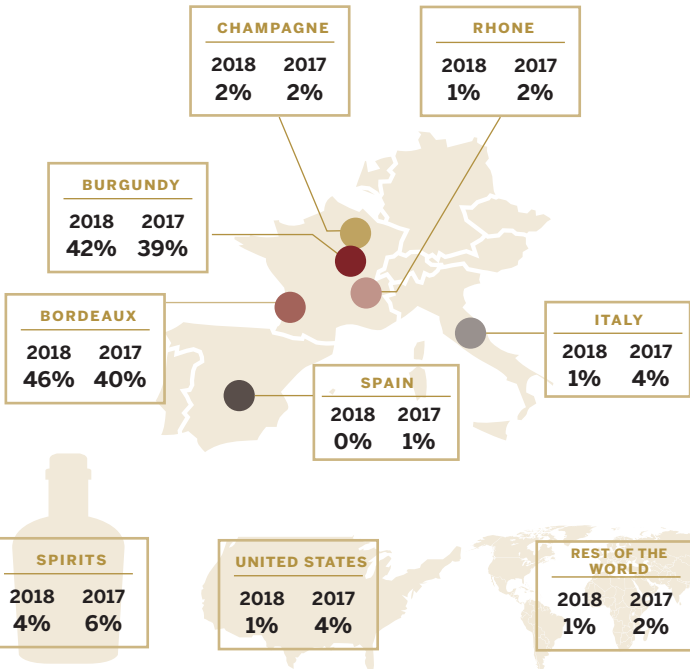
At Auction, average bottle prices for both Burgundy and Bordeaux appreciated by 65% and 63% respectively.

At Retail, Burgundy prices increased by 52% while Bordeaux remained flat.

These results demonstrate the **increased demand for all vintages of Burgundy**, while the greatest demand for Bordeaux has been focused on mature vintages.

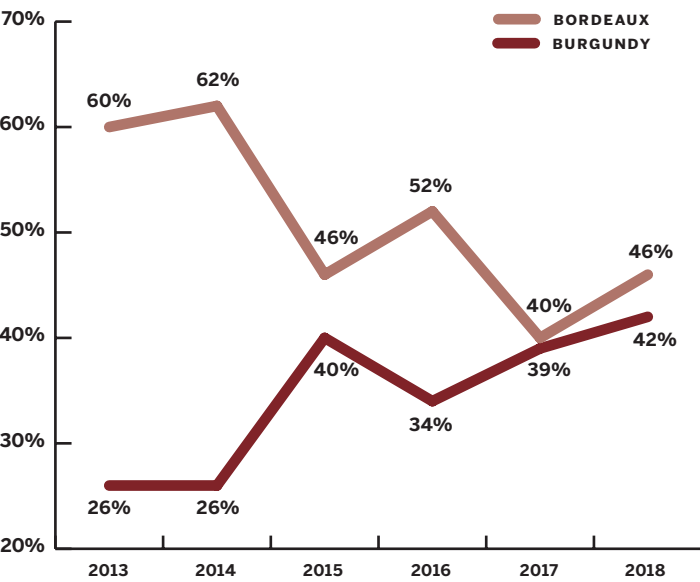
Buyers are paying top prices for Burgundy largely **with the intention of consuming** the wines, not for investment.

PERCENT OF SALES



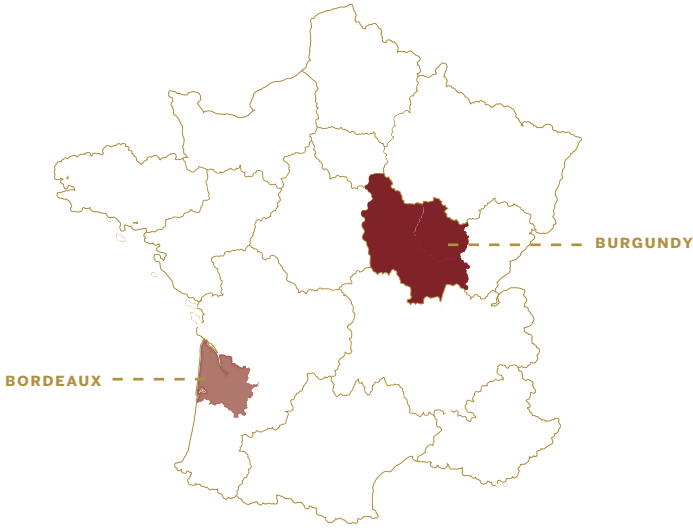
Both Bordeaux and Burgundy gained share at the expense of other categories, accounting for **88% of our worldwide sales**, up from 80% in 2017.

BORDEAUX & BURGUNDY AS % OF TOTAL SALES SINCE 2013

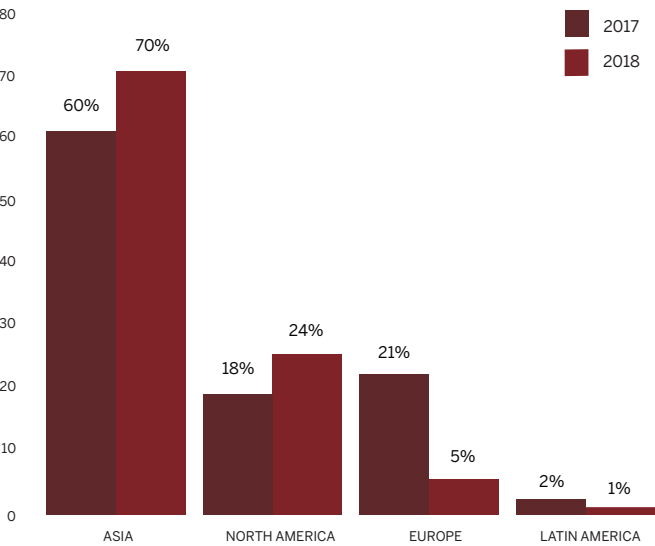


Bordeaux recouped some losses in its share of sales, increasing to 46% of worldwide sales in 2018 after dipping to 40% in 2017.

Burgundy continued to be the prime focus of the market, reaching its highest share level at 42%.



SHARE OF BURGUNDY SALES BY BUYER REGION



Asian and North American buyers are driving increased demand for Burgundy

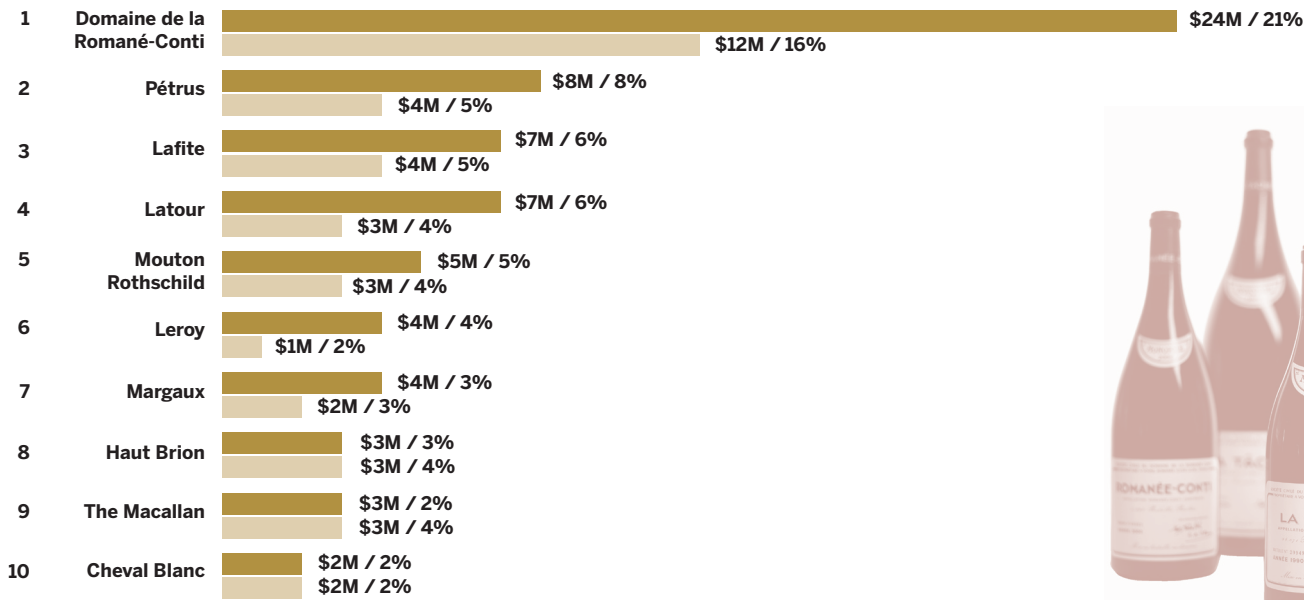
Top Producers

AUCTION AND RETAIL

Domaine de la Romanée-Conti retained the No. 1 ranking for the 6th consecutive year

Sales of **almost \$24M**, greater than Pétrus, Lafite and Latour combined, comprising a staggering **21%** of our worldwide sales.

2018 RANKINGS



PRICE PERFORMANCE OF TOP PRODUCERS

RANKINGS			AVERAGE BOTTLE PRICE			AGGREGATE AS % TO AUCTION EST	
2018	2017	TOP PRODUCERS	2018	2017	CHANGE	% TO LOW EST	% TO HIGH EST
1	1	Domaine de la Romané-Conti	\$ 8,813	\$ 4,713	87%	287%	203%
2	3	Pétrus	\$ 4,072	\$ 3,069	33%	165%	121%
3	2	Lafite	\$ 1,204	\$ 1,045	15%	144%	105%
4	5	Latour	\$ 996	\$ 829	20%	157%	112%
5	4	Mouton Rothschild	\$ 953	\$ 777	23%	156%	114%
6	14	Leroy	\$ 2,033	\$ 1,430	42%	227%	163%
7	10	Margaux	\$ 710	\$ 622	14%	150%	112%
8	6	Haut Brion	\$ 903	\$ 659	37%	157%	113%
9	7	The Macallan	\$ 15,067	\$ 11,876	27%	160%	98%
10	11	Cheval Blanc	\$ 891	\$ 973	(8%)	143%	105%

Producer Rankings



BORDEAUX	2018	2017
Pétrus	1	2
Lafite	2	1
Latour	3	4
Mouton Rothschild	4	3
Margaux	5	6
Haut Brion	6	5
Cheval Blanc	7	7
Le Pin	8	14
La Mission Haut Brion	9	8
Lafleur	10	11



ITALY	2018	2017
Sassicaia	1	3
Gaja	2	5
Masseto	3	1
Bruno Giacosa	4	6
Giacomo Conterno	5	8
Antinori	6	7
Biondi-Santi	7	2
Ornellaia	8	4
Soldera	9	11
Dal Forno Romano	10	14



BURGUNDY	2018	2017
Domaine de la Romanée-Conti	1	1
Leroy	2	5
De Vogüé	3	6
Rousseau	4	2
Leflaive	5	8
Jayer	6	4
Liger-Belair	7	9
Drouhin	8	13
Dujac	9	10
Ponsot	10	14



RHONE	2018	2017
Guigal	1	3
Jean-Louis Chave	2	2
Paul Jaboulet Aîné	3	1
Rayas	4	5
Domaine du Pégau	5	7
Beaucastel	6	4
Chapoutier	7	6
Henri Bonneau	8	8
Clos des Papes	9	12
Vieux Télégraphe	10	17



CHAMPAGNE	2018	2017
Krug	1	1
Dom Pérignon	2	2
Salon	3	3
Louis Roederer	4	4
Bollinger	5	8
Sotheby's	6	5
Taittinger	7	15
Pol Roger	8	6
Piper Heidsieck	9	27
Ruinart	10	11

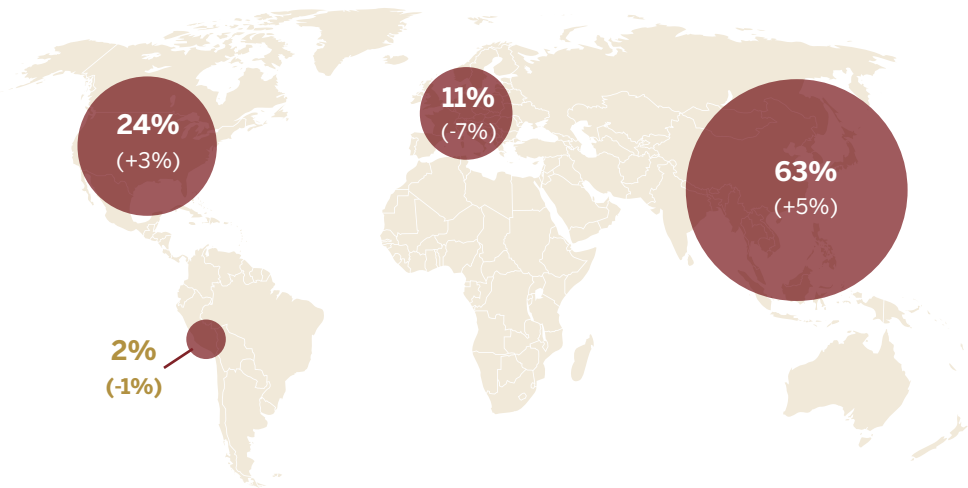


UNITED STATES	2018	2017
Harlan Estate	1	2
Screaming Eagle	2	1
Opus One	3	8
Colgin Cellars	4	4
Dominus	5	5
Bryant Family	6	10
Heitz Cellars	7	3
Shafer	8	14
Joseph Phelps	9	11
Bond	10	9

Buyers Worldwide

AUCTION AND RETAIL

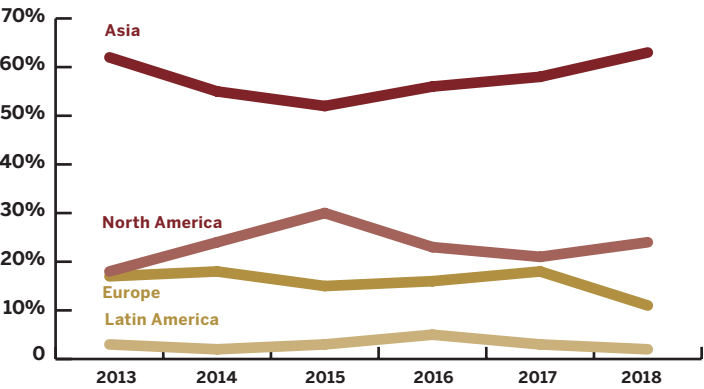
GEOGRAPHIC DISTRIBUTION OF SOTHEBY’S BUYERS



The importance of Asia

The resurgence in demand from Asia continues, with the share of worldwide sales climbing to 63% from 58% in 2017, with Hong Kong, China and Taiwan being the most important markets.

GEOGRAPHIC DISTRIBUTION OF SOTHEBY’S BUYERS SINCE 2013



Hong Kong and the United States maintained the top 2 positions in our Buyer Rankings, making up almost 60% of our worldwide sales

BUYER RANKINGS



Highest Prices Achieved

RANKING	PRICE	WINE
1	\$ 1,500,000	Domaine de la Romanée-Conti 2005 Assortment 7 Methuselahs sold in Hong Kong at Retail
2	\$ 843,200	The Macallan, 1926, 60 Years Old, Sir Peter Blake 1 Bottle sold in New York at Auction
3	\$ 558,000	Romanée-Conti, Domaine de la Romanée-Conti 1945 1 Bottle sold in New York at Auction
4	\$ 496,000	Romanée-Conti, Domaine de la Romanée-Conti 1945 1 Bottle sold in New York at Auction
5	\$ 407,489	Romanée-Conti, Domaine de la Romanée-Conti 1971 12 Bottles sold in Hong Kong at Auction
6	\$ 407,489	The Macallan in Lalique Set 6 Bottles sold in Hong Kong at Auction
7	\$ 376,144	Romanée-Conti, Domaine de la Romanée-Conti 1971 12 Bottles sold in Hong Kong at Auction
8	\$ 313,453	Romanée-Conti, Domaine de la Romanée-Conti 1989 12 Bottles sold in Hong Kong at Auction
9	\$ 310,000	1 Magnum Romanée-Conti, Domaine de la Romanée-Conti 1937* 1 Magnum sold in New York at Auction
10	\$ 298,879	The Yamazaki Single Malt Whisky Aged 50 Years NV 1 Bottle sold in Hong Kong at Auction

*3 magnums of 1937 Romanée-Conti each sold for \$310,000

The continued strength in the market for **Burgundy and Whisky** is evident, as both categories exclusively dominated the ranking of highest prices achieved.

Hong Kong and New York shared the top sales, claiming 5 each.

7 of the top 10 prices achieved were by **Asian buyers**.



Upcoming Events

2019 Auctions & Consignment Deadlines

DATE	LOCATION	TYPE	DEADLINE
Mar 9	New York	Live	-
Mar 12	New York	Online	-
Mar 20	London	Live	-
Mar 29–31	Hong Kong	Live	-
Apr 1	Hong Kong	Live	-
Apr 6	New York	Live	-
Apr 17	London	Live	Mar 6
May 3–4	New York	Live	Mar 4
June 1	New York	Online	Apr 1
Jun 4	Hong Kong	Live	Apr 4
Jun 12	London	Live	May 1
Jul 10	London	Live	May 29
Sept 6	New York	Live	Jul 1
Sept 18	London	Live	Aug 7
Sept 30	Hong Kong	Live	Jul 26
Oct 1	Hong Kong	Live	Jul 27
Oct 16	London	Live	Sept 4
Oct 24–26	New York	Live	-
Nov 1	New York	Online	Sept 1
Nov 23	New York	Live	Sept 23
Dec 11	London	Live	Oct 30

Dates are subject to change.



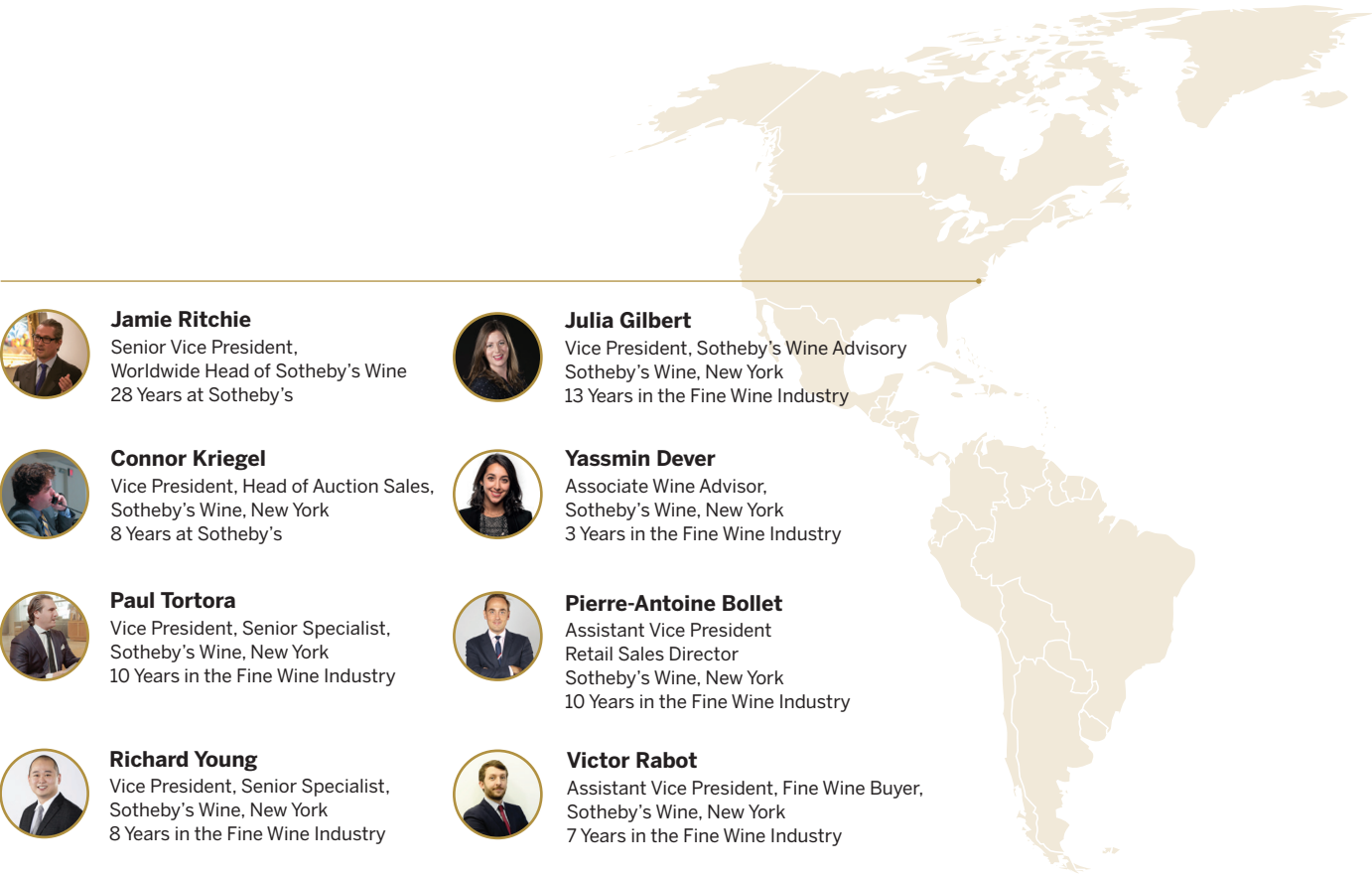
Other Events


EN PRIMEUR/FUTURES SCHEDULE:
2018 VINTAGE


DATE	
Apr 3–Apr 11	Sotheby's tasting in Bordeaux
May 1–Jul 1	Anticipated Chateaux releases
For more information visit: sothebys.com/futures	


23 Specialists Worldwide


Sotheby's global team has a cumulative **387 years** of experience in the fine wine industry, with an average of **17 years each**.





 **Jamie Ritchie**
Senior Vice President,
Worldwide Head of Sotheby's Wine
28 Years at Sotheby's


 **Connor Kriegel**
Vice President, Head of Auction Sales,
Sotheby's Wine, New York
8 Years at Sotheby's


 **Paul Tortora**
Vice President, Senior Specialist,
Sotheby's Wine, New York
10 Years in the Fine Wine Industry


 **Richard Young**
Vice President, Senior Specialist,
Sotheby's Wine, New York
8 Years in the Fine Wine Industry

 **Julia Gilbert**
Vice President, Sotheby's Wine Advisory
Sotheby's Wine, New York
13 Years in the Fine Wine Industry

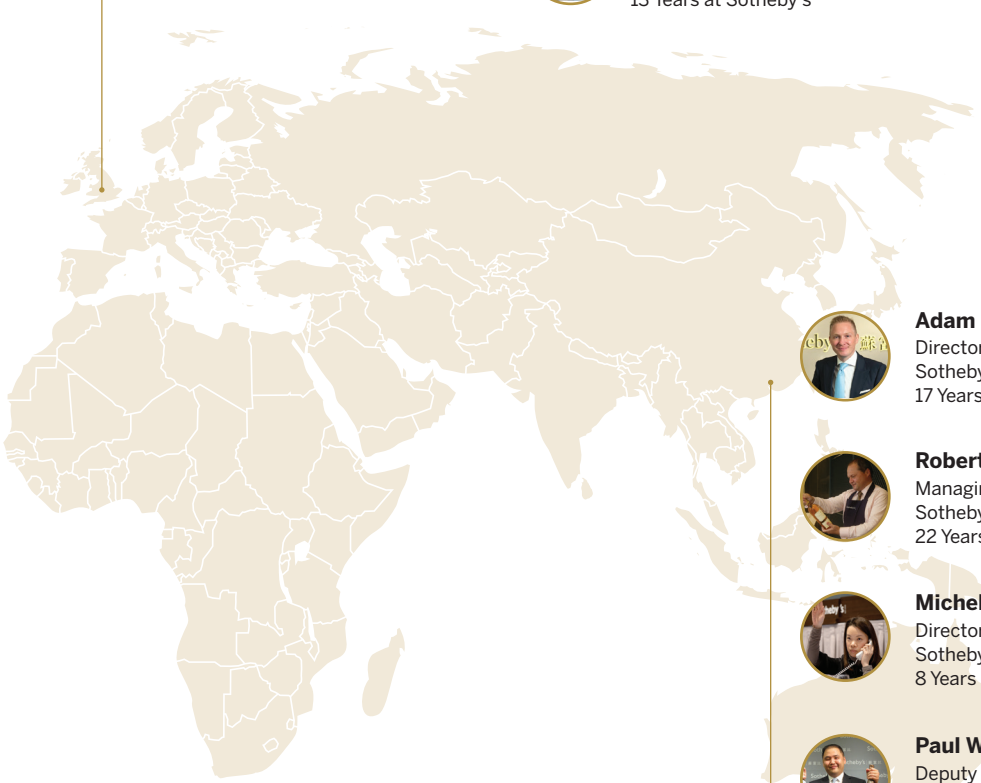
 **Yassmin Dever**
Associate Wine Advisor,
Sotheby's Wine, New York
3 Years in the Fine Wine Industry


 **Pierre-Antoine Bollet**
Assistant Vice President
Retail Sales Director
Sotheby's Wine, New York
10 Years in the Fine Wine Industry


 **Victor Rabot**
Assistant Vice President, Fine Wine Buyer,
Sotheby's Wine, New York
7 Years in the Fine Wine Industry

 **Sara Sparks**
Retail Sales, Americas
5 Years in the Fine Wine Industry

NEW YORK
AUCTION +1 212 606 7050
RETAIL +1 212 894 1990
ADVISORY +1 212 606 7050





 **Serena Sutcliffe, MW**
Honorary Chairman, Wine,
27 Years at Sotheby's

 **Stephen Mould**
Senior Director, Head of
Sotheby's Wine, Europe
38 Years at Sotheby's

 **James Reed**
Director, Specialist
Sotheby's Wine, London
21 Years at Sotheby's


 **Damian Tillson**
Director, Specialist
Sotheby's Wine, London
18 Years at Sotheby's


 **Frédéric Guyot du Repaire**
Director, Specialist
Sotheby's Wine, London
13 Years at Sotheby's

 **Claire Collini**
Director, Specialist
Sotheby's Wine, London
18 Years at Sotheby's


 **Caroline Shepherd**
Deputy Director, Specialist
Sotheby's Wine, London
16 Years at Sotheby's


LONDON
AUCTION +44(0)20 7293 6423

 **Adam Bilbey**
Director, Head of
Sotheby's Wine, Asia
17 Years in the Fine Wine Industry


 **Robert Sleigh**
Managing Director, Operations,
Sotheby's Wine, Hong Kong
22 Years at Sotheby's

 **Michelle Chan**
Director, Senior Specialist,
Sotheby's Wine, Hong Kong
8 Years at Sotheby's

 **Paul Wong**
Deputy Director,
Specialist, Sotheby's Wine, Hong Kong
7 Years at Sotheby's

 **Kent Law**
Specialist, Sotheby's Wine,
Hong Kong
4 Years in the Fine Wine Industry

 **Vivian Liang**
Retail Sales Manager, Asia
4 Years in the Fine Wine Industry

 **Lucien Michel**
Retail Sales, Asia
4 Years in the Fine Wine Industry

HONG KONG
AUCTION +852 2822 8174
RETAIL +852 2886 7888



The Sotheby's Fine Wine Ecosystem

At Retail in New York and Hong Kong.

At Auction in New York, Hong Kong and London.

- Wine Advisory Services** for:
- Clients interested in building new, entirely personalized wine collections.
 - Clients in need of refining and managing existing collections.

Cellar Management Services, including physical inventories, inspections, and valuations.

Access to Sotheby's Wine Virtual Collection Management platform.

Advice on where and how to store your wine.

BUY

SELL

In **New York, London, and Hong Kong**, we offer consignments for auction, or direct purchase by our retail business in New York and Hong Kong.

We make selling wine easy, we provide:

- A free evaluation of your wines.
- A proposal of how to maximize the value of your collection, whether at auction or direct purchase.
- We arrange the inspection, packing and shipping to our temperature controlled warehouse.
- Competitive financial terms.
- Prompt payment.
- Professional service from a trusted publicly traded company.

"We have the trust and respect of the worldwide wine collecting community due to our reputation for selling authentic wines in excellent condition."

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