

SA wines achieve recognition with record prices

It's been a breakthrough year for South African wine at the 40th Nederburg Auction with presented wines turning a corner and proving their worth with record prices. A record average price per litre of R597.36 was achieved, a 68.5% increase on the previous year.

"This is indicative of strong demand for premium South African wine, underpinned by a record average price per litre achieved and no unsold lots," says Auction Manager Dalene Steyn.

"South African wine has long been undervalued and this year's edition proved to be a correction of this trend. This also recognizes the exceptional quality of the wines on offer," she says.

Despite tough local market conditions, bidding illustrated an appetite for rare quality wines, as illustrated by the record price per litre achieved for both the red and white categories, and record prices achieved for a Chenin and Noble Late Harvest.

The latter fetched R6,444 for 12 x 375ml bottles of Nederburg Edelkeur 1979, the best price ever for this varietal. This sale took the Nederburg Auction to a total of just over R7 million as the last item in the line-up to be auctioned over the two days.

South African buyers again trumped their international counterparts, with Tsogo Sun taking top honours (with R 723 900), followed by Juric Imports & Exports and the Spar Group. Singita, last year's top buyer, was in at fourth place. Taiwan, one of several new international countries on the buyers' list, came in at number three.

Garry Reed, Southern Sun The Cullinan GM and Tsogo Sun spokesman, said the quality of wines on offer support the hotel group's strategy: "At Tsogo Sun we have a commitment to our guests and partners to deliver the finest beverage and food experience in South Africa."

Demand drove price with bidders paying a premium of 215.2% on the 2014 reserve price, compared to 91.7% on the 2013 reserve price.

Distell MD Richard Rushton said this performance provided a platform on which its African and international expansion will be built. In his opening address, Rushton said the Auction was a celebration of the very best that South African wine has to offer. "The final wines that go on auction are chosen by an expert panel of local and international wine judges who taste blindly

with independently audited results. So we think it really does showcase our very finest as an industry.”

The charity sale raised R209 000 for the beneficiaries, Hope Through Action and the Breytenbach Centre, with charity auctioneer Ken Forrester knocking down amongst other items, 12 x 750ml bottles of Nederburg Vintage Cabernet 1975 for R47 500 and the Van Ryn’s Charentaise Collection of 10-year-old potstill brandy for R25 000.

A complete summary of sales achieved is available to view and download at this link:
<https://www.nederburgauction.co.za/wp-content/uploads/2014/09/2014-Nederburg-Auction-Media-Conference.pdf>

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Photo Captions:

1_Tsogo Sun: Georgio Meletiou, Regional Sommelier Western Cape and Garry Reed, General Manager, both from Tsogo Sun

2_Nederburg 1975_Charity Auction: 12 x 750ml bottles of 1975 Nederburg Cabernet sold for R47 500

3_Tasting_Nederburg Auction 2014

An unprecedented 91% increase in price per litre paid at the 2013 Nederburg Auction is excellent news for South African producers, and an affirmation that the event's increased focus on quality is paying off. Organisers of South Africa's premier fine wine auction say the increase comes on top

of a further overall income result of R4, 38 million – more than double the amount expected due to reduced volumes on auction.

“We are delighted that the lowering of volumes, brought about by a tough selection panel, paid off,” said auction manager Dalene Steyn. “The rand per litre is up and that’s a direct result of our tighter auction offering. This is not isolated, as the increase is consistent from lot to lot, with a 91,8% premium attained on reserve prices.”

“What was clearly apparent from the Nederburg Auction this year is that the buyers were far more informed, knew exactly what they wanted to buy and were prepared to competitively bid on lots. The result was a consistently high top average selling price, with prices for individual cases in lots rarely varying by more than a few hundred rands. This was a clear affirmation of consistent quality across the board.”

Steyn further added that the tighter selection this year resulted in a much stronger line-up. Since this was a completely blind tasting, quality, and only quality, determined inclusion in the auction line-up. “If a wine made it to the auction, it was worthy of the auction seal of approval. However, not all of the smaller producers attained the prices they deserved, that could be attributed to a lack of self-promotion.” Francois Rautenbach, buyer for the Singita Game Reserve, commented that the solution is twofold: “Be visible, and prepare by putting aside something special that offers a genuine sense of exclusivity.” Keynote speaker Joe Roberts reinforced this statement in his keynote address, where he highlighted the fact that producers need to tell and sell a story.

Regarding wine categories, the average price per litre achieved this year was R354.64, compared to R184.78 in 2012. Highlights included the highest price of R22 000, paid by Next International of Nigeria for three 750ml bottles of Zonnebloem Cabernet 1973. Other standout prices achieved included R17 000 paid for a single case of 6 x 750ml bottles of the Monis Collectors Port (Double Stamp Collection) 1948, R8 500 paid for one case (6 x 750ml) of the Kanonkop Cabernet Sauvignon 1997, and R7 000 paid for one case (6 x 750ml) of the De Krans Vintage Reserve Port 1993.

Distell MD Jan Scannell said that he was very pleased to see a 4.7% increase in wine sales to Africa, accounting for 28.7% (R1 249 200) of the total auction turnover.

In terms of international sales, which contributed 8.3% (R360 600) of total sales, the biggest contribution came from the United Arab Emirates, accounting for R219 150.

Note to the editor:

The total sales achieved for 2013 amounts to R4, 358, 860. This year's top buyers are:

Spar Group

1. Singita Game Reserve
2. Hotel Pension Palmquell
3. Checkers
4. Distell Winemasters Ltd
5. Makro
6. Juric Imports & Exports
7. Restaurant Mosaic
8. Truebell Marketing
9. Southern Industrial Park Twenty CC

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