

Louis Latour

House JOURNAL

ISSUE #03 - 2018

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POINTS
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220 Years Anniversary

Celebrating a new milestone in our long history

Building the Brand

Successful actions around the world

2016 Vintage

A closer look into the 2016 growing season

Data Strategy

It's time to take the digital train!

House JOURNAL - ISSUE 03

Welcome to the third issue of the House Journal, an insider view of Maison Louis Latour and its initiatives in Burgundy and around the world...

For three years now, this publication is an opportunity to review the evolution of our brand management and its adaptation to the most modern marketing technique at stake in the W&S sector. We have been experience a lot on the domestic market, but our partners are also an inexhaustible source of ideas to promote the brand and perpetuate our image. Each day we invent together the future of a value-enhancing and high-spirited segment: premium burgundy wines.

The users, our customers, are more and more ready to share a lot of personal information with brands. But this is subject to an unavoidable condition: the service delivered in exchange must be perfectly adapted to their needs! This is about seduction — not repetition; we need to engage consumers emotionally, to provide them a reason to listen to our message. This requires us to redefine the “trust bond” that unites the brand with its “users.” To stay at their side on a multitude of channels and intercept them at the right time with the right message, no choice for us but to extend our knowledges, both of the clients and of the channels. This is a clear signal sent to brands: in terms of marketing, today, everything must converge to orchestrate the meeting between well targeted offers and precise demands, this is the reign of the “user experience.” To create long term value, you can’t just be a good reseller anymore, you have to understand the whole value channel. As a consequence of this strategic reflexion, we decided to increase our presence and know-how in the digital and data world. We launched projects and investments able to ensure the future of the communication of the brand in this new era of the “MarTech”, fusion of marketing and technology...

Every year is a new beginning! But in the vineyard, each year is unique and different, in that regards, the “2015-2016” vintage series is particularly interesting. Who can surely claim having experienced in the recent history of Burgundy, two vintages in a row, both very well regarded and yet so different from each other? We look forward to taste those wines with you. No doubt that their confrontation will generate some passionate discussions!



FLORIAN MIGEON
MAISON LOUIS LATOUR

On the cover

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2017 was the 220 years anniversary of Maison Louis Latour.

Year after year

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A closer look into the 2016 vintage.

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WINE SPECTATOR - JULY 2017 page 17-19



For the year to come...

Regarding the business year, selling wines from the current vintage series 2015 - 2016 is interesting in many ways. Personally, it is the first time in my career at Maison Louis Latour in which I witness two vintages in a row that are so well regarded, and yet, so different, even opposite on a stylistic standpoint.

This will be the opportunity to compare the rich 2015s, with the classic charm of the 2016s. The situation in the cellar is also quite peculiar, as we will switch during course of the year from a limited quantity of 2016s, to 2017s within the decennial quantity average, which has not happened in the region for the last five years. Unfortunately, the region which has not been spared with the climatic hazards for the 2017 vintage was Chablis; again. This does not mean there are no wines on the market, but the tension will be very high in 2018 on those wines, as 2016 and 2017 were very small crops. Regarding the Beaujolais, we have good prospects for 2018. The figures of the region, especially the export markets, are showing very encouraging signs, and the renewed interest in the press for this region over the last two years seems to be starting to bear fruit.

2018 will certainly not deny a very current fact; Burgundy still arouses the lust of major investors. The list of people whose financial strength allows them to purchase in the most prestigious vineyards of Burgundy is getting smaller and smaller. Some lands became completely unaffordable, even for the long-time established Maisons of the Côte, and this is a real concern as it impacts the local family successions. The takeover of the 7.5 hectares of the Clos de Tart by François Pinault's company, is just one more example. It comes after the sale of Clos des Lambray to LVMH and Bonneau du Martray to Stanley Kroenke. One of, if not the major reason for this attraction is the very healthy situation of the demand for quality wines from Burgundy. From a market point of view, I find interesting that powerful investors are coming to Burgundy, but only when the objective is to produce high quality wines.

This year again we must focus on the quality of our wines, but we also need to be attentive to maintain our yields by keeping our vines healthy. The respect and preservation of our "territoire" is also a major subject. In terms of Business, I like to have a diversified market worldwide in terms of countries, but also in terms of products, to spread out the risks. In that regards, our "Pinot Noir Pierres Dorées", our wines from Coteaux de l'Auxois and the newly released Gamay Noir will be of a great help in 2018..

Celebrating

220 Years of History



Louis Latour

DEPUIS 220 ANS, LA MAISON LOUIS LATOUR
PERPETUE UNE TRADITION FAMILIALE
D'EXCELLENCE ET DE SAVOIR-FAIRE:

CELLE DES GRANDS VINS
DE BOURGOGNE

 /louislatur1797
louislatur.com/220

L'ABUS D'ALCOOL EST DANGEREUX POUR LA SANTÉ,
A CONSOMMEZ AVEC MODÉRATION



As you may know, as a reader of this publication, we celebrated in 2017 the 220 years anniversary of the founding of the company in Alox-Corton. This new milestone in the Louis Latour history was the occasion to use a part of our extensive archives in order to illustrate a retrospective on our last two centuries in Burgundy. We've created some original content with the aim to showcase the bold story of the family and its eponymous brand. Underlining the input of each of the eleven generations at the head of the family business, with a synthetic document. It's important to precise that your graphic team can edit and adapt this retrospective to promote sales, as it was successfully done in France by Millesima. This «new» historical content can be used, for example, into your catalog, on printed document or digital displays. We can easily supply production files on request, they will fit the needs of your team or your external designer.

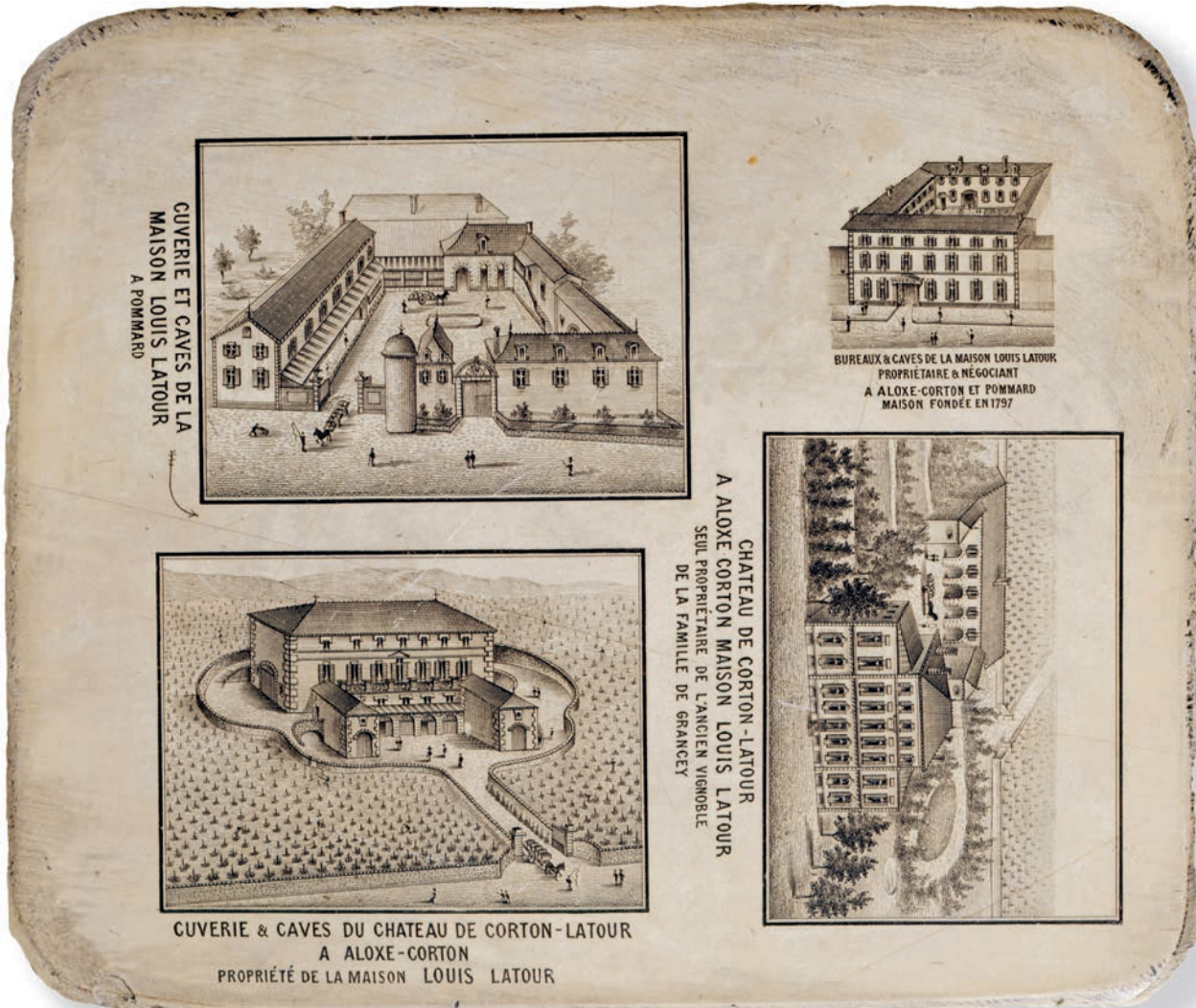
In addition to this retrospective, we have used this occasion to promote our extensive history during a high end press dinner at the Ritz Paris, in June 2017. Chambertin 1959, Chevalier-Montrachet

1947, Clos Vougeot 1934 to name a few, were served during the event. The party reunited the «crème de la crème» of the French wine press, and will remain a memorable date for everyone who had the chance to attend. The video made this evening has been used widely in our social medias, cumulating more than 40 000 views just in France.

In line with the event and the content we've created, all our 2017 printed and digital media campaign was declined into a qualitative visual. Underlining our 220 years, this ad has been seen in the three most regarded national newspapers as well as some of the biggest news magazines and of course, in the specialized W&S press. All the campaign was linking our public to the digital content previously mentioned and we've seen the success of the operation thanks to the tracking of the visits to this specific «landing page» of the website.

TOP:
Maison Louis Latour "Anniversary" Press dinner
at the Ritz Paris - June 2017

LEFT:
2017 printed advertisement example



The reinterpretation of the past is still an interesting exercise. In 1997, important research led to the publication of the “bicentennial book”. The vast digitization campaign of our graphic archives of the last two years, is in line with this initiative, which is now 20 years old. The point is to perpetuate the transmission of selected documents and their history, by modernizing their support.

This also has the effect of facilitating their use and dissemination. Making our history alive is the best way to transmit it to the next generation.

The term “lithography”, comes from the ancient Greek word “lithos”, for stone. This process uses simple chemical reactions to create an image. The positive part of an image is a water-repelling (“hydrophobic”) substance, while the negative image would be water-retaining (“hydrophilic”). Thus, the ink will adhere to the positive image and

the water will clean the negative image. This allows a flat print plate to be used, enabling much longer and more detailed print-runs than the older physical methods of printing.

This unique piece here above is a lithography on limestone of Latour’s owning at the end of the 19th century. Drawn by Weber (a collaborator of Godefroy Engelmann, inventor of chromolithography), it was used to illustrate the “monumental map of the city of Beaune”, edited by local bookseller Loireau. Printed by Rollet in Paris for the account of the “Society of the Monumental Maps of France”. This society was one of the many private cartographic companies created in France in the XIXth century. This map of Beaune has the peculiarity to be at the same time an “industry” map emphasizing the main Négociant houses of the city at that time, alongside the main historical monuments (available here : goo.gl/gy8iGM).

TOP:
Lithography of Maison Louis Latour
ownings at the end of the 19th century

In the beehives :

Honey Never Sleeps



This project is a great help to explain and showcase our sustainable philosophy in terms of viticulture. Sustainable farming is a complex method to understand when compared with the “organic” terminology, which has been widely explained and advertised to the general public. We understand this issue and launched a project last year which aims to correct that.

With the help of our Netherlands importer, Jan Janssen, owner of Heeren van Heusden, we have released a special production of honey. Made in partnership with a Burgundian producer, the product is branded “Miel de Bourgogne - Louis Latour selection” and sold as a wooden bi-pack including wine and honey. It was on the shelves in the Netherlands at the end of 2017, sold as a gift set including a leaflet explaining the sustainable policy of Maison Louis Latour.

We will extend this project to other markets in 2018 for different purposes. It will mostly emerge as press relations, to explain our sustainable farming policy, and actions to support B2C sales. Don't hesitate to contact your area manager at Maison Latour if you want to discuss this opportunity.

As you may know, the Domaine Louis Latour is managing beehives in the top of the Corton Hill. Part of our commitment to the ecosystem on this Hill is, in a way, bounded to the happy life of the bees living in our hives. There are many qualitative metrics we can determine on the hill ecosystem thanks to the colonization, health, behavior, reproduction cycle, and honey production of the bees.



TOP:
Miel de Bourgogne - 125 grams
“Sélectionné par Louis Latour”

LEFT:
Louis Latour bee hive
Corton Hill



Cut costs with Coravin!

Maximize the use of your premium samples

One of the side effect of the price increase in Burgundy is the greater difficulty to organise premium wine tasting. This is one of the important feedback we had this past year from our sales force in France.

The sample's price is a natural but annoying limitation of the ability for the sales team to create prime opportunities, especially on the top of the range, where a good tasting is often a key to close a deal! After exploring some of the solutions we had available, we decided to deal with Coravin. We are now able to supply directly from our inventory, a «tasting kit» branded Louis Latour. As a result, our agents in France are able to order the samples, but also the Coravin system and its accessories, directly to our sales administration.

This pack is composed of a branded trolley that can carry up to 12 bottles (or 6 if it is a checked luggage), and a Coravin Model One equipped with the premium type of needle. The aim of those kits is to allow the staff to organise 5 or 6 tastings with the same number of samples that where needed to perform only one tasting before that.

The sample's lifetime is another reason to promote the coravin to the sales team. When used with Coravin, the sample's lifetime is extended to 3 months versus less than a day when the cork is popped.

We should see the first results in 2018, but don't hesitate to contact us if you wish to order some «premium tasting kit» on your budget.

Domaine Louis Latour

Vegetative Cycle 2016

Despite the frost in April, the 2014-2015-2016 series could become a trilogy of great vintages, such as the 1988-1989-1990 series!

2016 Plant Cycle:

Bud burst: 17 April (3 days late)*

Flowering: 16 June (12 days late)*

Veraison: 10 August (9 days late)*

Harvest: 23 September (9 days late)*

**Compared with the 1981-2010 average*

French Climate Analysis – 2016

Average temperatures were higher than normal for a great part of the year (except in February, September and October).

There were two heat-waves in July and an exceptionally mild end of year.

2016 was ranked as one of the three hottest years since 1900, behind 2014 (+1.2°C) and 2011 (+1.1°C).

2016 began with a mild and particularly wet winter. In vine-growing terms, 27 April was the day that indelibly stamped its mark on the year. The temperature of 0.1°C on the southern side of the Hill of Corton meant that the frost caused no damage. By contrast, in the lower zones and the western side of the hill where the temperature fell to -2.2°C, the frost proved fatal for the young buds. This is the harsh reality of the working on the land, and we have stated time and time again that the grands crus are small islands with their own specific conditions.

The frost only reached 20% of the Latour domaine. Luck was on our side in what could be considered at once in a century occurrence, especially as our Chambertin parcel hasn't frozen since 1945! It was an extremely complex weather phenomenon; some areas (with less rain the night before?) were miraculously spared, while others were devastated for no topo-geographical reason. It was a particularly random frost, and some will have lost everything for 2016.

Spring continued in the same vein. May was a catastrophe, cold with 135mm of rain. Conversely, we were lucky in June. Aloxe-Corton and the Beaune side received only 55mm of rain, whilst Marsannay had more than 100mm and Chablis nearly 200mm. Some areas suffered incredible damage from mildew, but luckily, we were spared.



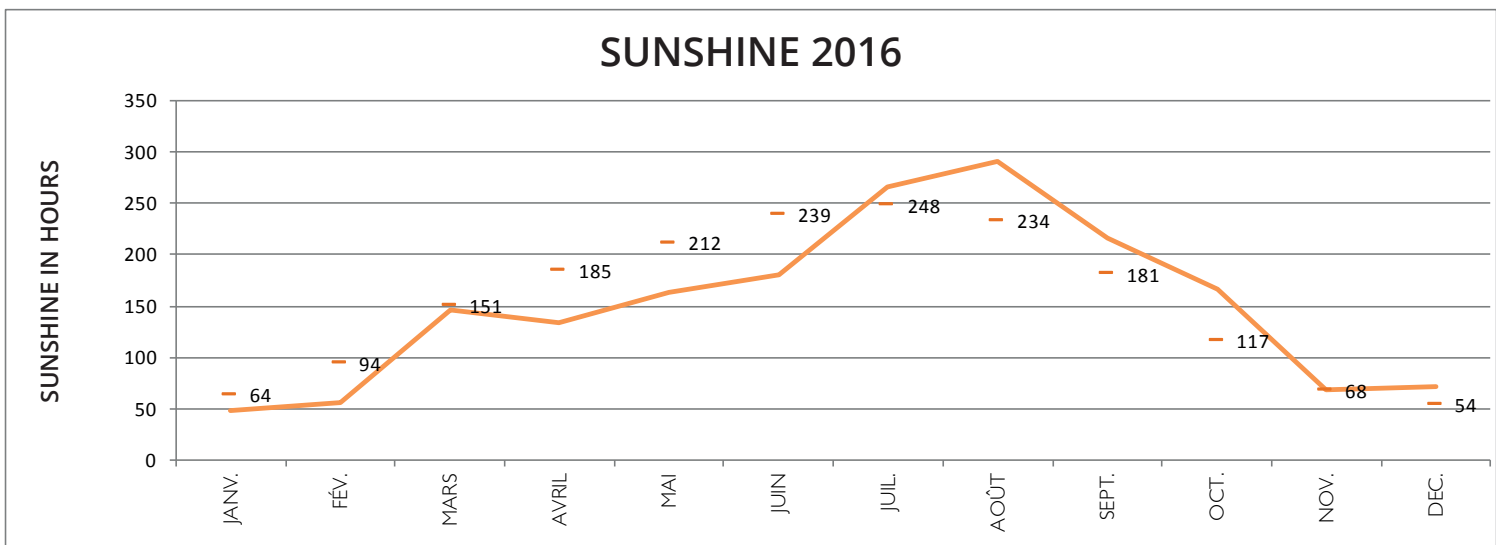
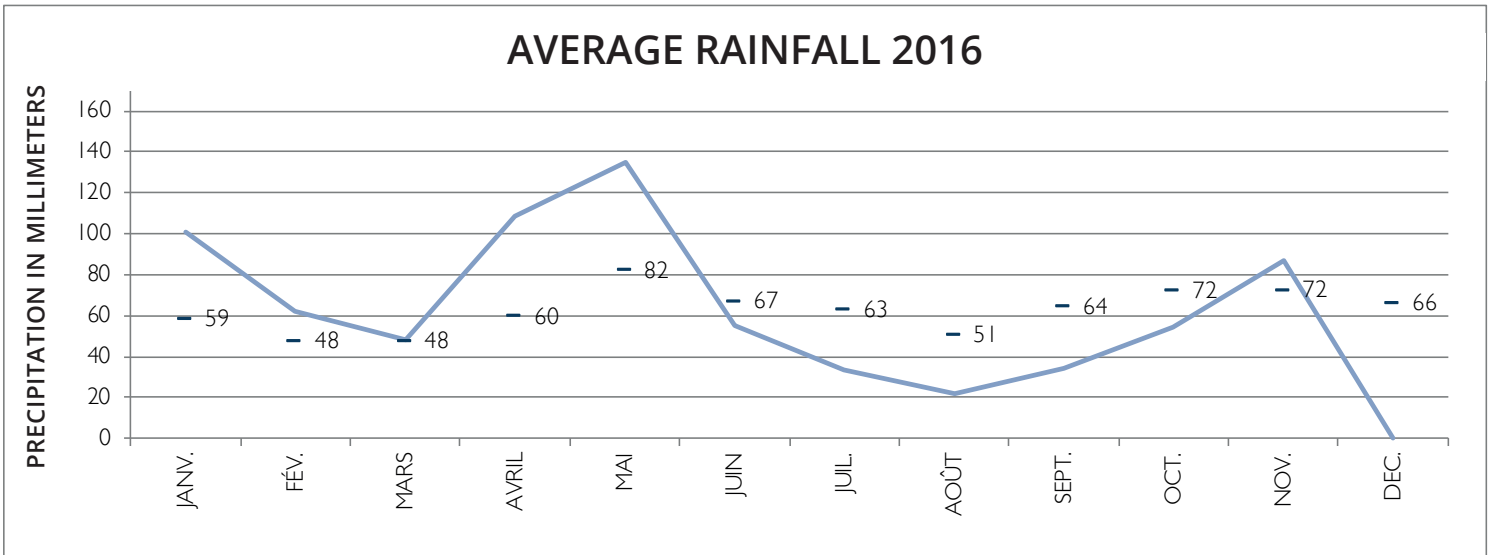
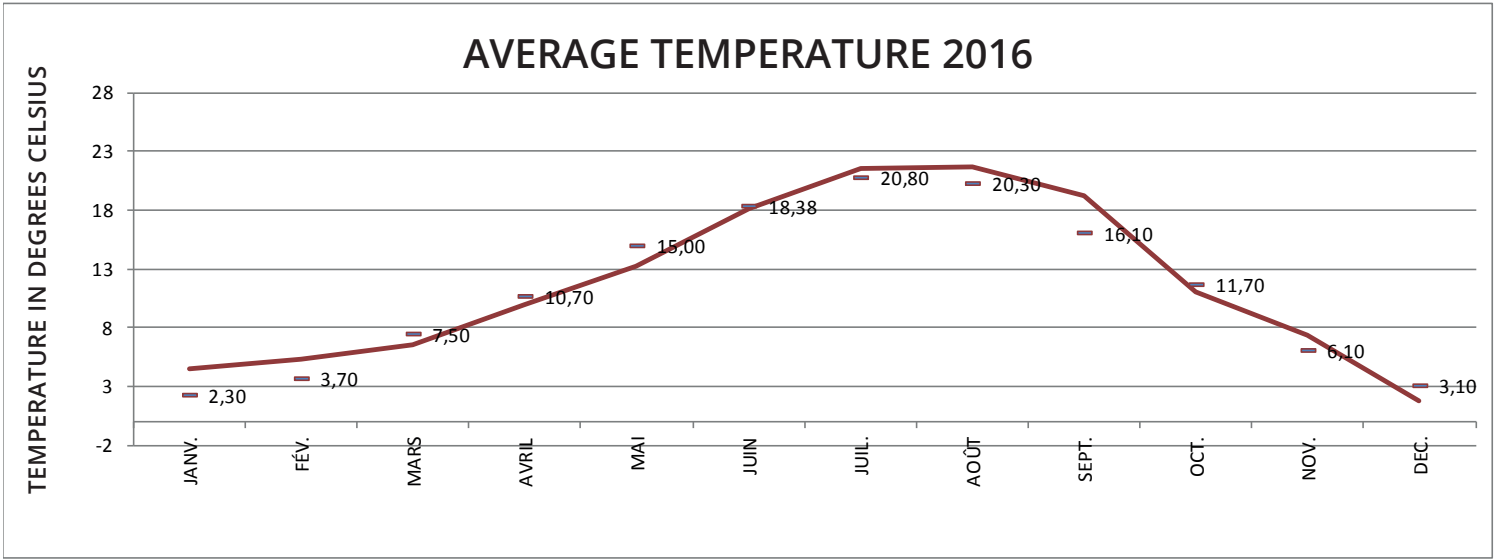
Of course, at a vine-growing level, we were now facing a complex strategic situation: the frost-damaged vines only regrew a month after the others, their growth was "anarchic", and it was a complicated job to get any harvest from them in the end. The other vines were magnificent; however, we continually had to nurture the soil, protect the vines and undertake intense leaf-thinning as there was little sun in June.

After these overall gloomy conditions, the summer set in for good and became very favourable: July, August and September were redemptive, miraculous even. August was the driest for 20 years and September was radiant. We had two other miracles during the season: a beautiful week at the end of June which allowed flowering to happen quite well; and three days of rain in mid-September which unlocked the ripening process. After starting to suffer from the dry conditions, the grapes were replenished, the flavours developed and the tannic base improved. The good weather remained for the grape harvest.

At the end of August, we did a green harvest in the young parcels where the crop was magnificent but a little abundant, which seems paradoxical when we know that Burgundy in 2016 will produce a vintage historically low in volume, but high in terms of quality. In the end, the 2014-2015-2016 series could become a trilogy of outstanding vintages, like that of 1988-1989-1990.

Christophe Deola,
Director of Domaine Louis Latour

2016 Average (1981-2010)





Louis Latour at the time of MarTech

It's time to take the digital train!

Last year, we announced that Maison Latour was in the early stage of a more «modern» approach of its Marketing. Today at Louis Latour, we follow a simple strategy that aims to target all of our audiences, via a multitude of means, media and platforms, with “handcrafted” messages as adapted as possible. These messages all have in common to seek and to enhance the image of the brand and to maintain and improve its positioning. This is done through the differentiating elements that determine us, to face the competition: history, unique brand, family, prestige of the domain, reputation of the wines and selectivity of the distribution.

Story telling is not a new concept in the wine world, but the implementation of a more structured, automated and personalized approach requires reflection and learning. The Guardian, when describing today's changes in the marketer's skillset, puts it this way : “We need people to understand data, the sales funnel and the principles of optimisation. It's very maths-heavy these days”...

Order's tracking system

The very first tool resulting from this new approach of our data is as simple as it is useful: since March 2017 all our customers in France automatically get email confirmations for each of their orders and a web service to follow its evolution until shipment. This tool is also convenient to provide our clients, in an effortless way, wine specs always up to date and selected news that are embedded in the confirmation emails. The message can even be conditioned per segment, on known criteria of our database, a cellarman will receive a different content than a restaurant for example. This is also a good way for us to help us qualify our database. We realized that, in France, about half of the emails of our clients were missing in the system. The reason is that most of the time, the communication goes through a prescriptor, with the loss of information that this may entail. In many cases we had a cellphone number but no email, in order to tackle this issue, we used a cross-canal fonction: the confirmation is sent by SMS but to access the web service, the client needs to provide a valid email address. We are planning to extend some fonctions of this tool in order to create a “portal service” for the export markets, and we are presently reviewing the best way to do it.

Synchronized store locator

The store locator on our website is the second most visited page of the site after the wine section. It seemed important to us to automate the update of the data transmitted there. Indeed it was difficult and complex to enter those data manually, and even more difficult to keep the list up to date! We have finished to “plug” this section of the website with our internal data system in order to have a dynamic synchronisation of our partners contacts in all the countries we are operating.

One of the possible next step resulting from an accurate and synchronized data system is the opportunity to promote not only the importers, but also final physical point of sales on our website, in any area where our distributor is able to automatically push those structured information to us. For instance, for the US market, we could have on our website all the points of sales that got Latour wines in their inventory.

Innovative sales funnel on the website

We want to capitalize on this new data's capabilities on the website and create, in 2018, a «sale funnel» based on both the store locator and the wine section of Maison Louis Latour's website. This new feature will invite the website visitors looking for a wine to identify themselves, choosing between professional or private customer. Many automated actions can then be triggered depending on the visitor's answers, thanks to its geolocalization and the contact they provide if they want to access the service. A demand from a private customer in Poland can for example be routed directly to the person in charge of the B2C sales in Poland, while a request from a professional buyer in Spain can be routed to the brand manager of Primeras Marcas, our importer in Spain...

The objective behind that, beyond the concept of sales and lead generation itself, is to provide the best possible user experience, as a brand, to our final and trade users around the world.

Specific products for specific segments

Today, we are fully ready for innovative actions, blending information on the brand but also precise and geolocalized information on point of sales (both in B2B and B2C) in order to drive sales at the same time as we are building the image. We made a simple constatation: in digital marketing, the price of a campaign is the same either you only push general information about the brand, or if you push this same information added to personalized and/or geolocalized recommendation including

call to actions.

For instance, in France, we pushed our “Pinot Noir Pierres Dorées” in the center of Lyon. The vines being close to the city of Lyon, we wanted to promote this product in its region of origin. We have created a partnership with 6 wine shops in the city center. They agreed to list the wine, in return we have endorsed their front window with a visual focusing on the product. Then, in order to boost sales, helped by this local anchorage, we launched a digital campaign around these stores trying to push the public to discover our product in our partner's shop.

We also launched a similar “smart” campaign focusing on ski resorts at the peak of the high season. We have always had an important place in this area of privileged consumption. We created specific visuals and a facebook contest with the aim to push our targeted audience - which were geolocated near the targeted areas - to visit our store locator page, so they can easily find a Latour point of sale close to them.

Intelligent “Programmatic” Social Ad campaign

After some successful trials in France we have released, with the help of a partner in the US, our very first programmatic campaign in New York. We wanted to push local customers, whose profile matches one or more of the characteristics of our targeted publics, from the web to the stores, in order to support the depletion of three of our wines directly in final shops.

In order to achieve this goal, we needed two distinct sets of data: the first one is the wine specs, the second is the live information on sales made by our distributors to final retailers. We had the first one, we bought the second, in the form of a subscription to a data company. This US based company supplies the industry with live sales data. That's a blind spot - between our national distribution and the local final retailers - where we, as a producer, usually have no control. But equipped with those two sets of data, we “just” had to define the targeted audiences and to automatise the campaign in the Facebook API. Say, we have two cases of Grand Ardèche arriving in a wine shop somewhere in New York, the system will automatically generate a facebook campaign targeting our audience within 1 mile around this place, pushing the audience to discover the brand online and to go buy some Grand Ardèche in this very wineshop close to them.

These new possibilities open a whole world of opportunities that were simply lost before, because of a lack of technology, information and skills.

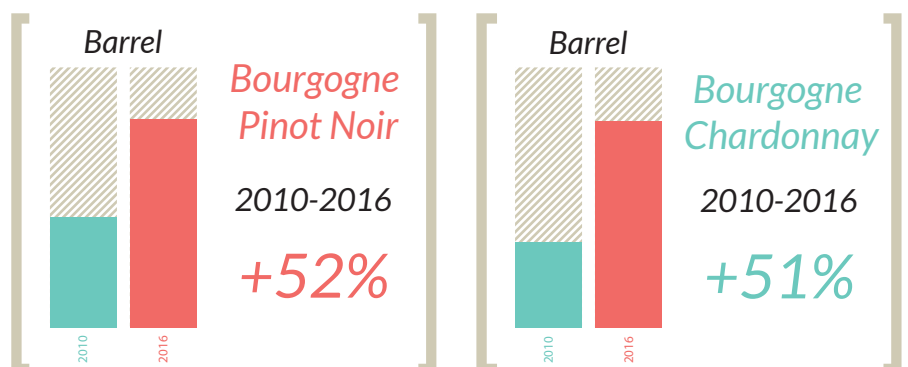
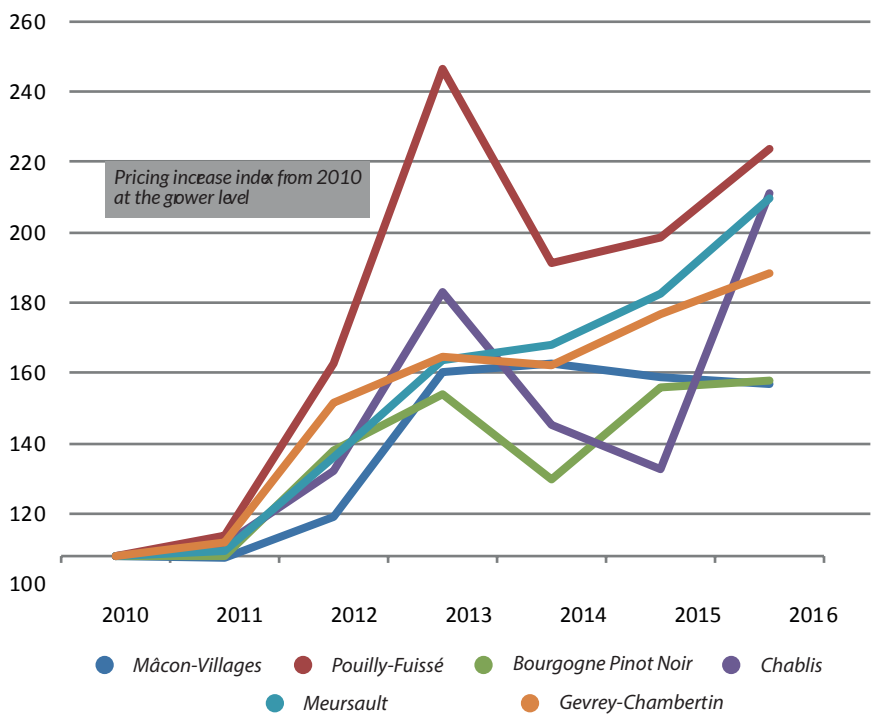
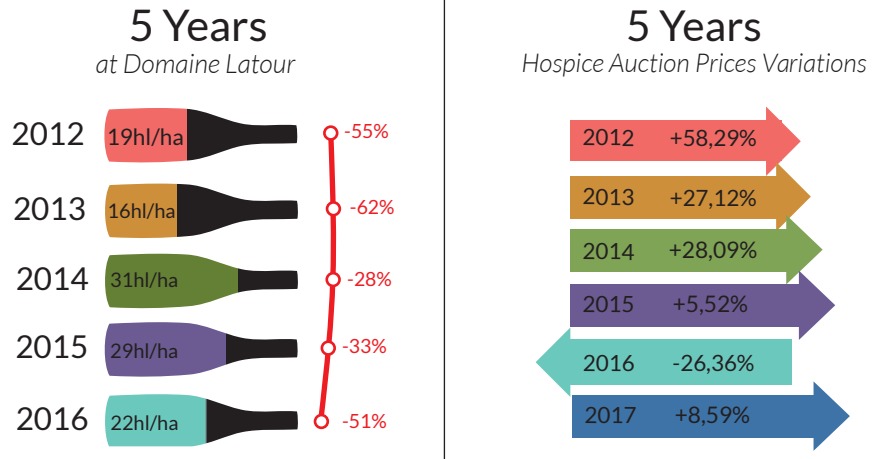
Understand Burgundy

Why are prices going up?

Most of you have followed the latest transactions happening in the Côte d'Or with the sale of Bonneau du Matray followed by the sale of Clos de Tart, reaching prices of dizzy heights! There is no doubt that our region is currently attracting more and more interest from wine enthusiasts and wealthy individuals alike. A succession of great vintages with 2014, 2015 and 2016 and the recognition of our "Climats, Terroirs of Burgundy" in 2015 as a unique universal value and world Heritage site are just two factors confirming Burgundy as one of the world's most desirable wine regions.

The 2017 vintage was a very good and relatively abundant vintage in the Côte d'Or, this is indeed good news following a number of years of scarcity. Unfortunately, Burgundy prices will not soften yet, mostly due to the fact that there is very little stock available from the tiny but excellent 2016 vintage and most of the acclaimed wines from the 2015 vintage have already been shipped. Unlike the Côte d'Or, Chablis in 2017, has once again been seriously hit by frost and availability will be limited over the coming months.

We have tried to limit our own price increases but you just take a look at the correlation between production levels of the vineyards and the average price per barrel of Burgundy and you will see why prices are not about to fall! We will be releasing the 2016's, in the early spring and we encourage you to stake your claim for these great wines, as early as possible due to the limited stocks.



Alternative Wine - Henry Fessy

Gamay Noir



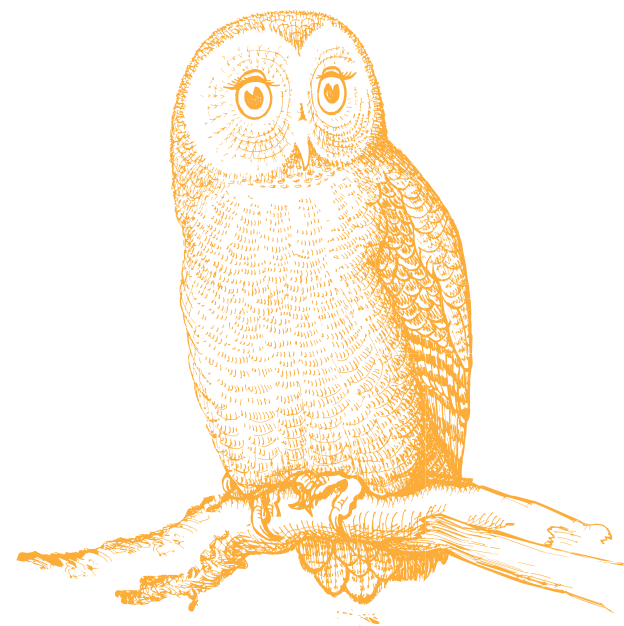
You might have heard about it, we've launched in 2018 a successful new product with Henry Fessy, the Gamay Noir. This new wine emphasizes the Grape Variety of Beaujolais, speciality of Henry Fessy, but out of the Appellation rules. This wine is sold under the «Vin de France» classification. Thanks to its aggressive pricing, we believe this is a good tool to obtain new listing for Fessy and introduce the grape variety at the same time.

A website has been created as well as a short presentation in video, all available on:

www.gamaynoir.com

Gamay Noir, a noble and generous grape variety, offers many surprises. Grown since the Middle Ages, it has not only found a natural home in the welcoming soils of Beaujolais, but has been exported to other growing regions in France and around the world. This black grape with white juice and plump, lush berries, thrives in the temperate climate and poor granitic soils, typical of the volcanic, Beaujolais region. Our vineyards stretch out over this beautiful landscape, its geological complexity evident in the pink and blue granite, shale, white and golden limestone, marl and clay. These soils create an ideal terroir for the Gamay variety.

Through a regimen of sustainable agriculture, our vines are cultivated with great care and respect for place by a small team of passionate vinegrowers. They are aided in their task by an unexpected, local partner – the owl – a natural and effective predator to both rodents and pests of the vine. This noble and elegant animal is the emblematic icon of our world-class Gamay Noir.



Alternative Wine - Simonnet-Febvre

Coteaux de l'Auxois

After experiencing the splendour of the Court of Versailles, this area was over nearly 4,500 hectares in 1830. It was damaged by the phylloxera epidemic and two world wars. Forgotten since the 19th century, the area of the Auxois finally got the certification of Indication Géographique Protégée "Coteaux de l'Auxois" in 1996. With its domaine within this terroir, on the villages of Villaines-les-Prévôtes and Viserny, Maison Simonnet-Febvre shows its vision of both traditional and innovative viticulture in "Greater Burgundy".

Our 25 year-old vines enjoy beautiful southeasterly exposures, are mainly trained in Lyre style and hand-picked. The "Lyre" is a type of oblique vine training with two axis making a V shape. From a single vine stock, two canopies are built which doubles the leaf surface. This practice is very efficient for vineyards with a mild northern climate and naturally provided with water. This pruning offers a better exposure to the light which increases the grapes' sugar content. The resulting fruit reaches optimum ripeness. It also enables a better ventilation of the foliage and grapes which makes it easier to dry and thus reduces the risks of disease.

Following the hand-picked harvest in small cases and a soft pneumatic pressing, the wines are vinified in stainless steel tanks in a traditional way by Jean-Philippe Archambaud. This winemaking enables both the preserving of these wines natural freshness and the expression of the aromatic palette offered by the optimal ripeness of the grapes.

We harvest and vinify three cuvées each with its own distinctive personality: Esprit de Lyre, 100% Auxerrois, Saveurs de Lyre, our blend, Quintessence de Lyre, our 100% Chardonnay and the newly released "Lyrae Lacrimae", 100% Pinot Gris.



Extranet : New Ressources

POS Catalog

Make the difference with original items

Promotional items remain a simple but often one of the most effective way to increase notoriety and offer relevance on the point of sale. Just like our creative supports, we have in recent years, multiplied the number of these objects. It seemed important to us to publish an updated catalog of these objects for our three brands. Recent additions to the classical corkscrew, such as banners, tablecloths or jars of honey, now appear in our renewed POS catalog, available on the extranet.

In 2018, we will release a new Latour "on bottle case" at a very competitive price, to provide a cost and time efficient solution for end of year gifts, duty free displays etc... We will work on an "option" offer to send them as a "ready to use pack" including wine, this case will be in "automatic bottom", meaning that it can also be shipped flat and then mounted at destination. The assembling only takes about 10 seconds.

To be very honest, the most noticed item of the year were the Latour ski...



Valmoissine Pictures

Breathtaking landscapes

Breathtaking landscapes, healthy vines on a sloping and reddish terroir, villages with a so typical charm... You are in the Haut-Var, in the heart of the Louis Latour vineyards. We have redone in summer 2017 a photo report in order to highlight those beautiful places that are dear to us and which sees born every year our Pinot Noir Domaine de Valmoissine. Don't hesitate to use those new images!

Retrospective 1797-2017

A useful support to promote the family history

As previously mentioned, we've created and printed a 12 page booklet that showcases the bold story of the family and its eponymous brand. Illustrated with the reproduction of original documents, it underlines the input of each of the eleven generations at the head of the family business, and the different eras that the house went through. This document is of course available for viewing on the extranet, and you can also have access, on request to the production files if you wish to use part of the design in your communication.



For the year to come, continued >



Maison Simonnet-Febvre

Jean-Philippe Archambaud

2017 vintage in Chablis shows a lot of precision and the typical mineral character enjoyed by Chablis lovers. Nevertheless the situation is quite similar to 2016, it's a qualitative vintage but with very limited quantities! Happily, Maison Simonnet-Febvre will be able to count on its alternative ranges, Crémant de Bourgogne, Grand Auxerrois and our estate in Coteaux de l'Auxois! Those wines have shown their great potential for some years now and it represents a real strenght in time of relative shortage of Chablis wines.

In 2017 we launched our brand's new website. We hope that it will meet your expectations, as well as those of the general public. Its content has been expanded but its organization clarified for a better ease of navigation within pages and ranges. We were inspired by the model introduced on louislatour.com concerning the management of vintage tasting notes, which are then supplemented by the press notes obtained. Information are now much easier to access. With the launch of the site we also created the fanpages of the brand on facebook, instagram, and created an online store for our wines, only available on the French market.

All this is driven by a desire to communicate more, with the goal to develop the reputation and prestige of the brand. We signed a partnership in France with a press agency and the results are very encouraging. This year to come we wish to carry on on this path in order to accelerate the development of the brand. We will film the activity of the house in order to supply a quality video support for our partners and prescribers around the world.



Maison Henry Fessy

Laurent Chevalier

In 2018, Beaujolais will be back with a warm 2017 vintage. After a beautiful summer, we had an early harvest with sun-drenched grapes. This beautiful vintage will get close to the great 2015 or the wonderful 2009 vintage.

We are happy to announce that our latest project, Gamay Noir, internally nicknamed "The Owl", launched at the end of last year, had a very successful start. So we begin 2018 with renewed ambitions for this very competitive product sold under the "Vin de France" category. On the same principle, in order to bring to the market the best wines, but also provide competitive products with fast depletion capacities, we reworked our brands producing high-quality varietal wines. Marketed under "Les Charmeuses" brand, it offers sensational quality for the price ratio, well wrapped up in a new, sober, and elegant labeling.

Regarding our core business, the Crus du Beaujolais, 2018 looks promising, especially with the chinese year of the dog... we are proud to start 2018 with a collaboration with COFCO in China. Besides, our wines greatly appealed Waitrose's expert buyers in the UK, who selected our Fleurie Les Collines as a permanent SKU on their shelves. We are moving on to other countries and the strong efforts of the sales team for several years are starting to bear fruit. The general trend for Beaujolais wines also seems to be reversing, and the dynamism of Maison Fessy is part of a broader movement. Our amazing scores on the 2016 vintage at JamesSuckling.com is another reward of our hard work in the vineyard.

New Frontiers

THE HISTORIC BURGUNDY NÉGOCIANT STRECHES TOWARD ITS FUTURE

Louis-Fabrice Latour hardly seems like a revolutionary. But the young president of Maison Louis Latour, a firm founded in 1797, has decided that the future growth of his family business lies outside the famous Côte d'Or. • Unlike other domaines and négociants in the region, Latour isn't interested in purchasing more vineyards in the prestigious heart of Burgundy. After all, the house already has a strong portfolio of vineyards there, 114 acres of mostly premiers and grands crus sites. So Louis, Fabrice has turned his attention to terroirs nearby that are still relatively overlooked and undervalued. "

Bruce Sanderson - Wine Spectator

"My grandfather once said, 'Never invest in a place you can't [get to] before lunch,' he says with a laugh. "It's so much fun to be in Semur-en-Auxois [in northern Burgundy] and southern Beaujolais."

With his tie askew and a sly grin, the baby-faced 53-year-old looks a little disheveled, more like the college buddy you hung out with than the leader of a major Burgundy house. Yet he is not afraid to think outside the box. In a conservative region like Burgundy, the fact that a powerful, historic house is making such real estate forays has stirred controversy. But taking on projects where vineyards and grape contracts are less expensive has been a pillar of Maison Latour's success over the past 40 years.

Louis-Fabrice's father, Louis, who died last year, looked to the Ardèche region in southern France, then to the Var in Provence, to expand the company's business. Now, Louis-Fabrice is excited about the house's new projects in Côteaux de l'Auxois, which lies between Dijon and Chablis, and Pierres Dorées, an area in southern Beaujolais whose limestone and clay soils are similar to those of the Côte d'Or.

"My father always believed our market should be around France," Louis-Fabrice explains. "Me, I'm a great believer from a strategic point of view. Only 1 percent of [the regions of] Franche-Comté and Burgundy is occupied by vineyards. There is a ton to do in the southern Beaujolais; there is [Auxois, where we are planting every year. Why not Jura? Why not Haute-Saône? So it's true our new



frontier is our backdoor, our backyard."

Since taking control of Maison Louis Latour in 1999, Louis-Fabrice has expanded the business, always pushing the boundaries. Maison Louis Latour now produces an average of 750,000 cases of wine each year. It is one of the two largest négociants in Burgundy (the other being Louis Jadot).

This path of dynamic growth began under the leadership of Louis-Fabrice's father. "When my father started, back in 1958, we were doing 3 to 4 million euros, 25,000 to 30,000 cases, and 90 percent domaine," says Louis-Fabrice.

"When I joined, in 1988, so almost 30 years

ago, we were ranked No. 15 in Burgundy among houses. Jaboulet Vercherre, Moillard, Bouchard Aîné, Drouhin, Bichot, Labouré-Roi, Antonin Roder were all bigger than us."

In 2003, Louis-Fabrice acquired the Chablis house Simonnet-Febvre, and in 2008, bought Henry Fessy in Beaujolais. Between the domaine and négociant activities, Latour controls 15 percent of Burgundy's grands crus whites and is very strong on the villages level.

Today, the domaine and the merchant house are two separate companies, with a combined annual revenue of 70 million euros. Both have the same 80 shareholders, yet they own different portions of shares in each company.

"Even though Maison Latour has been around for a long time, and we were one of the biggest at the end of the 19th century, it's a cycle," notes Louis-Fabrice. Far from becoming a dusty, tired brand, Maison Louis Latour is a dynamic company marketing its wines to millennials around the world.

Throughout its long history, the business has seen expansions and contractions. The Latour family purchased vineyards in the Côte d'Or as early as 1731, but it was in 1797 that Domaine Louis Latour was founded by third generation winegrower Jean Latour, in Aloxe-Corton.

In 1867, the third Louis, representing the sixth generation to lead the family company, purchased the négociant firm Lamarosse Père & Fils, expanding the business into the merchant side and

establishing headquarters at 18 rue des Tonneliers in Beaune, where it remains today.

The final decade of the 19th century solidified the core of Domaine Latour, with the acquisition of Château Corton Grancey in 1891, including 81.5 acres of vineyards, of which 37 acres were grands crus Corton. After phylloxera destroyed the Aligoté vines there, Louis Latour III replanted Corton-Charlemagne with Chardonnay. Romanée-St-Vivant and Chambertin were added in 1899.

Louis Latour IV became chairman of the Côte d'Or Association of Wine Merchants. In 1913, he and Louis Jadot jointly purchased a parcel of Puligny-Montrachet Les Caillerets, adjoining Chevalier-Montrachet. They named it Les Demoiselles and successfully appealed to have it appended to the Chevalier-Montrachet grand cru.

But the house's fortunes were about to change. Of its four major markets, Maison Latour lost Germany and Russia after World War I, and then saw its U.S. markets languish during Prohibition. Only Great Britain remained. The focus of the business contracted to the domaine holdings.

Maison Latour signed with U.S. importer Colonel Wildman in 1946, just after World War II. But there was little wine to sell. "The only wine we were selling was domaine, [plus] Beaujolais and a little bit of Mâcon and Pouilly-Fuissé," recounts Louis-Fabrice. "Wildman was always complaining that we didn't have enough wine."

Louis-Fabrice's father, also called Louis, joined the firm in 1958. Then, in the 1960s, some of the family members left the business, shrinking the vineyard holdings by one-third. During 1974 and 1975, Latour didn't ship a single case to Wildman.

"We were only doing domaine, [mainly] premiers and grands crus," Louis-Fabrice recalls. "And we had just made some big investments. My father decided we were too much domaine." Louis believed that the fortunes of the house depended on growing its négociant arm.

The opportunity to expand the négociant activities presented itself with the disastrous 1977 vintage for white Burgundy, after which many négociants dropped their contracts with growers. The following year, Louis-Fabrice's father approached the growers in Meursault, Puligny and Chassagne. Along with André Gagey of Louis Jadot, he convinced the growers to press the grapes, but rather than make the wine themselves, to sell their must to the two merchant houses. "We and Jadot still have a very strong position [with growers] today,"



says Latour. "Most of our relationships in Meursault, Puligny and Chassagne, which is the heart of Maison Latour, started back in the late 1970s."

It was the beginning of another period of expansion, with Maison Louis Latour becoming one of the major players in the Côte de Beaune, and a year later, making Chardonnay from the Ardèche. Expansion into the Var and Beaujolais followed. In 1986, Louis Latour created a U.S. subsidiary, taking control of its own importation. The company's sales have doubled in value since its bicentennial in 1997.

"In days of recession and harder times, we needed to have a larger portfolio, so [we developed] Ardèche [and] Pouilly-Fuissé," notes Latour. "It helped us in the big recession of 1991, which wiped out most of the négociants. If you don't have the entry-level wines to go through the recession, you are out."

Louis-Fabrice Latour, the 11th generation to run the firm, and the seventh Louis, was born Feb. 29, 1964. Following in his father's footsteps, he studied at Science Po (Paris Institute of Political Studies), an elite school whose many prominent graduates include former president Jacques Chirac. Louis-Fabrice worked in finance in Paris for two years before joining Maison Latour at the age of 24. Today, he and his wife, Patricia, live in Beaune with their four children: Eléonore, 19; Louis, 16; Victor, 13; and Gaspard, 7. Louis-Fabrice also has three siblings: a sister, Virginie, 54, and two brothers, Alexis, 50, and Florent, 46. As the eldest son, Louis-Fabrice was tapped to run the business starting in 1999.

"My father told me, You have to have a style and you have to have a vision," says Louis-Fabrice. "Like [he did with] the Ardèche. You have to do something new. Every generation at Latour should bring something. And it has been good to

give a younger image to Latour, to be innovative. Otherwise, you are the Old World, in an old region."

He took his father's advice to heart. In 2003, Louis-Fabrice acquired Maison Simonnet-Febvre in Chablis. It owned 10 acres, with contracts to buy additional grapes in Chablis and the surrounding Yonne region.

In 2013, Simonnet-Febvre bought 37 acres of Chardonnay, Auxerrois, Pinot Gris and Pinot Noir in the Auxois, and it continues to plant vineyards there. Located between Dijon and Montbard, the Auxois centers on the village of Semur-en-Auxois. It once boasted more than 2,500 acres of vineyards, according to Latour, but production almost disappeared after the phylloxera blight of the late 19th century. With warmer vintages in the past few decades, Latour sees this as an area with potential.

In 2008, Maison Louis Latour expanded into Beaujolais, purchasing Henry Fessy, with 165 acres of vineyards. "Beaujolais and Mâconnais wines, they are more flexible," Latour explains. "When it comes to Maison Latour, I don't want to become too spread out, too much volume. We've lost some volume and we're back to where we were 20 years ago."

Latour can barely contain his excitement about the new project in the south of Beaujolais, Pierres Dorées. Located about 10 miles north of Lyon, there are currently 62 acres of Pinot Noir planted.

"Unlike my father, I have always dreamed of making Pinot Noir outside the Côte d'Or," he says. "I've never liked Mâcon reds; I don't like rusticity in reds. But I have been thinking about this for years and years: Why not plant Pinot Noir in the limestone and clays of southern Beaujolais?"

"Why go south, with global warming, [when] you should go north?" he adds. "But I said,

no, no, we are going to do it, but we are going to climb in the Mont du Beaujolais. We're not going to do it at 250 meters [825 feet], we are going to do it at 280 to 320 meters [925 to 1,055 feet] to keep the freshness, the acidity, and to avoid overripeness. I want to make balanced wine."

The Maison began buying land in 2012 and also has contracts with local growers. The first release in the U.S. will be this fall, under the appellation Côteaux Bourguignons. "I don't want to upset growers from Côte d'Or, from Burgundy," states Latour. "They wish to keep exclusively the word Bourgogne. I don't mind being Coteaux Bourguignons; I want to make a great wine. I'm not going to pretend that we'll make Chambolle-Musigny, but I want to show that we can make Pinot Noir there."

"I want to have a geographical identity," he continues. "We are not in the middle of nowhere we are almost in Lyon. If we don't plant vineyards there, in 10 years' time it's going to be houses, swimming pools and so on. Like I said to all the growers, it's either ourselves or it's done; you will never see vineyards there again. If we are successful, I think many others will follow us."

The Latour style was created by Louis-Fabrice' great-grandfather in the 1920s. The red aimed for finess and elegance, while the white embodied richness, wrapped in toasty oak. But during the past 15 to 20 years, Latour has made some adjustments, seeking greater concentration in the reds without sacrificing purity, and more elegant whites.

"I don't want to be the last one to harvest the hill of Corton," says Latour. "I don't want to make wine at 14.5 to 15 [percent] alcohol. I think what I have done over the years it's a small evolution, and I've done it with [former and present technical director] Boris [Champy] and Christophe [Deola] - I think we have made more balanced wines."

Jean-Charles Thomas, who joined the team in 1995, became winemaker in 2005. After former director Denis Fetzman retired in 2012, Latour hired Boris Champy, who previously made wine at

Dominus in Napa Valley. With Champy tweaking the vineyards, and Thomas in the cellar, Latour has adapted to the recent warmer vintages in Burgundy.

The reds see a bit more extraction than they did 15 to 20 years ago and a longer cuvaision of 16 to 18 days, more new oak and less racking (moving the wine from barrel to barrel), with lower alcohol and higher acidity. "We have been of the school of finess - my father, my grandfather were like that - but I feel we have sometimes been too light, the color was not dark enough, we didn't have the techniques, and the '70s was the worst decade for Burgundy."

One thing that hasn't changed is the flash-pasteurization of the reds just before bottling. This kills bacteria and spoilage yeasts, and as a result, the reds are not fined, only lightly filtered. Critics claim this was the cause of the pale-colored reds of a generation ago and that the wines don't age well. However, a tasting of Corton Château Corton Grancey 1959 and 1990 in February 2016, as well as other samplings of Latour grands crus from older vintages over the years, dispels this notion. Since the wines don't seem to suffer from the practice, Latour sees no reason to change it.

The whites have changed less, aiming in the direction of elegance, finess and more expression of mineral primarily by harvesting slightly earlier to preserve the acidity and by keeping yields lower than the maximums allowed. Thomas revealed last

January that Latour was purchasing more fruit and doing its own vinifications. This allows him to keep more lees in the young wine to protect against oxidation. Buying juice or wine from growers, there is less control.

"My big fight with the growers is, when you give me the must, give me the lees with it," states Latour. "I think the lees give good protection against premox [premature oxidation, but it's not always easy to get the lees]."

Like many others in the region, Latour practices sustainable farming and performs a strict selection of grapes at harvest in order to vinify healthier fruit. "People say Burgundy is back, they improved quality; yes, but we are also spoiled. Global warming has been a good thing. So it's easier to do a longer cuvaision. Now, when we extract, we don't

extract rot or anything bad; everything is healthy," he explains.

"For me, the most important thing is to have a style of wine that [we] and the customers recognize and identify with," he concludes. "So I don't want to make a red of 15 [percent] alcohol, overextracted, and another wine which is lighter in style, with finess, and another only with fruit - I don't like that. I like in a given vintage to have an identifiable style, from Cuvée Latour to Romanée-St-Vivant. Customers criticize us when it's not Maison Latour wine."

In addition to running his family's wine business, Louis-Fabrice represent various Burgundy and French interests through participation in different associations. Currently, he sits as president of the Bureau Interprofessionnel de Vins de Bourgogne (BIVB), a two-year term. His role gives him broad perspective on the business of Burgundy, and he is concerned. First, about an ongoing crisis of production. Old vines, disease pressure and difficult vintages have led to small yields, especially for Pinot Noir. He points out that in the past decade, production of white wines went up 203 percent; red-wine production went down 20 percent.

"It's a crisis for the region," he says. "This is why I don't want to go too far into bio [organic]; we need to produce some decent-sized crops. Otherwise, the economic system will vanish overnight."

The other problem is prices - of both vineyards and wines. "We are becoming so expensive, we are losing the restaurant business," he argues. "So we are only going to private cellars, people who don't always drink the wines. I said to the BIVB, we're going to lose the bulk of our business, which is the restaurant. And when a recession comes, once we have done that, we are done."

"To have a diversified market worldwide in terms of countries, prices expensive or not so expensive, to survive we have to spread out the risks."

Louis-Fabrice, like his father, has been successful in spreading the risks for Maison Louis Latour. The Auxois wines, like the Ardèche wines before them, are finding a new generation of branchés ("hipster") wine-drinkers in France. If he can achieve similar results from Pierres Dorées, the future of the house looks even brighter. A traditional domaine allied with an innovative négociant business has given Latour a winning combination.





Louis Latour

MAISON FONDÉE EN 1797

Owner of
Château Corton Grancey
Domaine vineyards in the Grands Crus of
Chambertin,
Romanée-Saint-Vivant,
Corton-Charlemagne,
Corton Clos de la Vigne au Saint,
Chevalier-Montrachet
and the Premiers Crus of
Beaune,
Pommard,
Volnay,
Aloxe-Corton,
Pernand-Vergelesses

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