

EDITORIAL

With the holidays well and truly over and autumn upon us, its back to the old routines. Personally, I am delighted to be back behind my desk.

Not that life is one big bowl of cherries; current market conditions are difficult, competition is tough and customers are demanding. But, there is such a strong feeling of optimism and achievement within the Group, this rentrée has been a real pleasure.

Reasons to be cheerful are numerous. I am particularly proud of our recent ISO 9002 certification and have every confidence in the quality of our range of wines. We have recruited 5 new members of staff and work will soon begin on our new bottling and storage plant. Last but not least, if the superb weather conditions we have had right through September continue, the first vintage of the new Millennium will be truly outstanding.

Before you think the summer has turned me into a smug introvert, let me also point out that there are currently many positive signs from the Bordeaux wine trade in general.

Bordeaux has undertaken much in the past year to revitalise its image and improve standards. Yield control, downstream quality checks, improved internal communication, better targeted PR are now in place and ready to be taken forward under Eric Dulong's new Presidency of the CIVB.

It is my firm belief that all of this general willingness to progress and the support of everyone in the sector will enable Bordeaux wines to maintain and improve their position in an ever more competitive market.



Allan Sichel

THE MILLENIUM VINTAGE

BORDEAUX

The first timid signs of budburst came in the last week of March but it was only towards the 10th April that the first leaves began to appear in the earliest ripening plots.

The vines benefited from little sunshine at the beginning of this year's cycle: only 122 hours of sun in April compared with a normal 200 hours. Rainfall, however, was heavier than usual with 153mm compared with a 30-year average of 80mm. This explained the serious outbreaks of mildew that followed in May and the difficulty in keeping it under control. The first signs of the disease were apparent from the beginning of the month but bad weather hampered attempts to treat the vines efficiently. Consequently, the spread of mildew was more rapid and had affected all areas of the region by the end of flowering period, around June 10th.

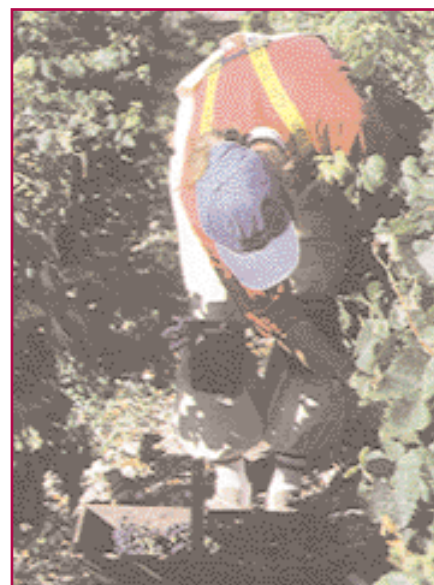
June and July saw periods of rain and wide fluctuations in temperature.

On August 1st the veraison began in some areas of the vineyard and had reached its mid-phase by August 8th. Thanks to warm, sunny weather throughout the entire month, the veraison finished in excellent conditions.

By September 8th, maturation was well advanced, although the sugar levels were surprisingly low, given the good weather in August.

At Château d'Angludet, ripening in certain plots was delayed due to over severe water stress. However, as the leaf canopy was in excellent condition and the weather was good, the vines were nevertheless reaching optimum maturity. Harvesting of the red varieties began generally on Monday 25th September and the good weather Bordeaux had enjoyed since the beginning of August continued with only brief showers on September 19th.

At this stage of the harvest, the quality potential of the 2000 vintage is exceptionally high. Even though it is still early days, the Merlots are very similar to those in 1995, while the Cabernets are close in style to the 96s. The Merlot berries are



large but with firm, compact pulp, so that size is not indicative of dilution. The skins are often thick and the pips are fully ripe. The Cabernet Sauvignon grapes are somewhat smaller than the Merlots, all the signs are of good concentration and ripe tannins. We can fully expect to get good this year.

CORBIÈRES

As in Bordeaux, harvesting in the Corbières began late this year. Picking of the Syrah grapes started on the 3rd or 4th October. The climate was similar to that of Bordeaux.

As Trillol is at some 400m above sea level, altitude accentuated the low temperatures. As a result, the Grenache suffered some coulure and the vine's growth cycle was delayed. It is not unusual to pick until the end of October in the Corbières but this year harvesting may go on into early November.

At the time of writing, however, the signs are good. We have excellent levels of maturity, with ripe skins and pips promising excellent concentration and extraction.

Benjamin SICHEL

CONTENTS

Domaine de Pellehaut	Page 2
SIRIUS 98 : new label	Page 2
SICHEL-COSTE : on the web	Page 3
Maison COSTE : 125th anniversary	Page 3
SICHEL-COSTE gets ISO 9002	Page 4

DOMAINE DU TRILLOL : A STRATEGIC EXPERIMENTATION

Domaine du Trillol has been a hive of activity for the past few years as we seek to make longterm improvements. One of the most important changes taking place is the restructuring of the vineyard. This year we have grubbed up and re-planted 4.5ha with 1ha Syrah, 0.7ha Grenache and 2.8ha Carignan. The total area of production is now 21ha and from 2001 this should increase at the rate of 3ha per year, bringing the surface area to roughly 30ha by 2003-2004.

In an attempt to bring volumes to a level where the supply of wine is sufficient for the market, we are currently looking at ways to double the planting density per hectare on certain experimental plots. The reasoning behind the project is that, with our present 4,000 vines per hectare, yields are rarely above 30hls. At this density, if we were to push the vines to produce 40 or 50 hl/ha we would simply increase the growth of each vine and lengthen the growing period. The result would be grapes which are too large, lacking in concentration and unevenly ripe. If, on the other hand we succeed in doubling the number of vines per hectare by planting an extra row between the existing rows, we should be in a position to increase the yield to 50hl/ha and still produce small, ripe concentrated berries. If nature proves us right (and there are many growers in the region who are convinced she will not!), the planting density at Trillol will be no less than 8,000 vines per hectare. Time will tell. Or should that be "watch this space"!

Benjamin SICHEL

NEW PRODUCTS



ALTER EGO DE PALMER 1998

Château Palmer has released a brand new wine this year. Alter Ego de Palmer 1998 is the first vintage of the wine, whose evocative name and distinctive packaging have been chosen to reflect its pedigree and quality.

The grapes for Alter Ego de Palmer come from younger vines and are meticulously sorted before vinification. Winemaking and maturation are designed to produce a wine ready for drinking between 2 and 15 years after the vintage.

In terms of style, Alter Ego de Palmer has all the balance, elegance, suppleness and terroir character of a great Margaux and an authentic Palmer.

Allan Sichel

SIRIUS

SIRIUS SHINES BRIGHTER

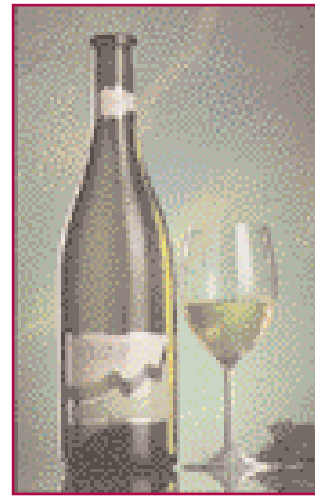
Sirius was named after the brightest star in the universe and judging from the medals won by our flagship brand year on year, we certainly have a star performing wine. The latest accolade for Sirius 1998 red, was a Gold Medal from this year's prestigious Macon Wine Competition. As benefits the star of the show, the packaging design for the newly released 198 vintage has a complete new look. The re-designed bottle has wider shoulders and has changed colour to harmonise better with the overall colour code, while the label is now easier to read and lighter in style. We would like to take this opportunity to thank all our Sirius customers. It is because of your continued support that the star continues to shine.

David SICHEL



PELLEHAUT, THE SECRETS OF SUCCESS

Domaine de Pellehaut is no ordinary wine. A blend of no fewer than five grape



varieties - Colombar, Sauvignon Blanc, Chardonnay, Ugni Blanc and Gros Manseng - with a modern, eye-catching packaging that has seduced trade and consumers alike, Domaine de Pellehaut has one ambition : to become a benchmark for

quality Vin de Pays des Côtes de Gascogne - fresh, young and vibrant. The wine was created a year ago by Maison Sichel and Mathieu and Martin Béraut, two young brothers at the head of the remarkably well-equipped 145ha estate at Montréal in the heart of the Gers. The partnership between the two family companies was born out of a shared love of innovative winemaking and a desire to "get things right".

If the first reactions of our customers are anything to go by, Pellehaut is certainly headed for success. With distribution already in place in Belgium, Germany, France, Norway and the UK, sales of Pellehaut 1999 are expected to top 100,000 bottles.

The 2000 vintage will be available early next year.

Yvan MEYER

COMMERCIALISATION

ANGLUDET TAKES TO THE SKIES

For the first time in its history, Château d'Angludet is being served by a major airline.

Angludet 1997 is now available to Business Class passengers flying with US carrier, Delta Airlines.

In addition to the international showcase which airlines provide for our wines, we have been delighted to see that Delta passengers have been keen to contact us via the Château d'Angludet website : www.chateau-angludet.fr.

James SICHEL

1997's "USER FRIENDLY"

The success of Maison Coste's consumer tasting programme at its Langon cellars is going from strength to strength.

The latest tasting in May - on the theme of the much decried 1997 vintage - attracted over 40 wine enthusiasts and was a good opportunity to judge the quality of Coste wines from this difficult year. The conclusion?

Certainly a vintage not destined for long ageing but nevertheless one that is drinking beautifully now and that will go on giving pleasure for several years to come.

Philippe LADRECH

MAISON COSTE: 125 YEARS OF WINEMAKING

Charles Coste's family came from the Auvergne rather than Bordeaux.

His talents at the time lay in art and design and it was thanks to his skills and tenacity, that he joined the team of decorators employed by the celebrated architect Viollet le Duc to restore Château Roquetaillade at Mazères near Langon. At the age of 25, the young artist, having been seduced as much by the region and the quality of its wines, set up a firm of négociants in 1875.

Working alongside his brother Jules, (my grandfather) it was not long before the company had become one of the most successful in the region. From 1900 my father, Edmond Coste became Charles's closest associate and by the outbreak of the Great War in 1914, Maison Coste Frères had developed its business throughout France, Belgium and Denmark. The fabric of the company was almost entirely destroyed by the war.

Returning to civilian life, my father once again took up the reins of the company. Within 20 years the company was flourishing and Edmond Coste had established a strong clientele for his own favourite wines, the Grand Crus of the Médoc and the sweet wines of Sauternes.

The upheaval during the Second World War meant that much of the distribution had to be rebuild after 1945. After completing my classical studies I joined him in 1950. In the post war years, it was not easy to sell Bordeaux wine either in France or on export markets; the price of Grands Crus Classés was ridiculously low and generic Bordeaux Rouge sold for barely more than table wine. However, after the disastrous frosts of 1956, the situation did begin to improve and the Bordeaux vineyards began their reconstruction. It was at this time that I started to put in place technical and commercial policies, which although they had different ends, were parallel in outlook.

- In terms of the Grands Crus from the Médoc, Graves and Right Bank, my policy was to seek out consistently top-performing producers and make these my special recommendations to my customers.
- My policy towards producers of AOC Bordeaux and Bordeaux Supérieur red was to give as much technical advice as possible on vinification in order to achieve soft, ripe, fruity wines with good balance and certain ageing potential.
- As for the market for dry white Bordeaux and white Graves, consumer confidence needed winning back both in France and abroad. My view was that Bordeaux dry white wines had to be balanced and fruity with good weight but never heavy nor green.
- Last but not least were my own favourites, the red Graves wines. In 1950 the Graves Rouge appellation was completely unknown and I was determined to alter the situation. Consequently, I decided to put an end to the system whereby Coste sold finished wines. Instead, from 1972 we bought grapes from small, seriously minded (but often badly equipped) growers in the Langon area and vinified them ourselves to the highest possible standard. It was the beginning of our signature wine: Graves Pierre Coste.

Fortunately, this approach to winemaking and the philosophy behind it was shared by Maison Sichel and was the reason that our two companies merged 30 years later in 1992.

Pierre COSTE



www.sichel.fr or

www.pierre-coste.com

A website for the SICHEL-COSTE Group. What could be simpler, we thought. That was back in the spring of 1999, before we were bombarded with web speak and phrases like POP3 count, HTML language, CGI script, not to mention the nuances of a .fr, .com, .org or .net. A year and half later we are all wiser about the intricacies of the Internet and proud to have gone live with our own site.

The success of the project is largely due to the professionalism and patience of a small company of web builders who undertook the project.

One of the most important pages on the site is the full listing of product sheets on all our wines. Visitors will also find a short history of the company, details of our properties and wineries, a photo library and a news and views page looking at what's new in the Group and industry issues. This section is updated regularly. Last but not least, is the much-respected Vintage and Market Report, which will be edited in French for the first time next year.

As well as being a source of information, the site is a true dot com tool for French users, who can trade with us direct. The site completes our mail order service for the French market.

So, over to you. Log-on and let us know what you think!

James SICHEL

ISO 9002

After two and a half year's hard work, evaluation, and re-evaluation, the Sichel/Coste Group was awarded ISO 9002 certification on July 28th 2000.



The award reflects the high level of staff motivation for the project, since it covers, "All processes and all services related to the ageing, bottling, packaging, storage, sale and dispatch of wine in bulk or in bottle." Sichel's approach to obtaining ISO 9002 certification was unusual in that it involved all three companies in the Group - sales and marketing within Maison Coste and Maison Sichel and storage and bottling activity at SICSOE.

From the bottling line manager to the department chief, from courier to accountant (and not forgetting the Directors), every member of staff was involved in evaluating and improving working practices, giving thought to aspects such as safety, accountability, respect for the environment and better customer relations.

The task, however, is far from completion and we have no intention of resting on our laurels. We shall continue to work towards improving customer service.

Louis de BAILLIENCOURT

NEW BOTTLING PLANT ON THE HORIZON



Work is due to begin on the construction of our new bottling and storage plant in November 2000.

The new 12,500 sq. m SICSOE site represents an investment of 25 million francs and will meet the increasing need for faster, more flexible bottling lines and more rational storage facilities.

The site should be operational for the 2001 harvest and will be one of the most modern in the Bordeaux region, equipped with a large water purification plant, capable of treating 7,000 hl of waste water a year, its own laboratory, easy access for trailers and lorries and the latest bottling line technology. In short, it will be perfectly adapted to meet the needs of our customers in today's competitive market. Our current site at Floirac has been in use for 15 years and has proved vital in our success over that period and in our recent obtention of ISO 9002 certification.

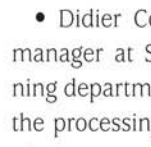
We are certain that the new SICSOE site will attain if not surpass the same quality norms.

Louis de BAILLIENCOURT

APPOINTMENTS



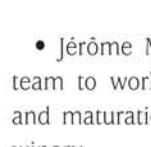
• Séverine Bechet is a newcomer to our sales team. As Export Sales Assistant, she will be working on the Latin American, North American and Belgian markets.



• Didier Couret, formerly production line manager at SICSOE, has moved to our planning department. Didier will be responsible for the processing of orders and production planning.



• Valérie Frestel has taken over responsibility for Marketing and Communications. After several year's Agency experience, Valérie's new task is to streamline external communications for the Sichel/Coste Group.



• Jérôme Mothes has joined our technical team to work principally on the vinification and maturation of wines at our Cave Bel-Air winery



• Caroline Mothes is our new Sales Assistant for the French market. Caroline's energy and tenacity have already made her the French Junior Tennis Champion (1992) and Under 18 Champion (1994).

DANIEL GUEIDON RETIRES

After 16 successful years with the Group, Daniel Gueidon has announced his retirement. From his arrival in 1984, Daniel worked on all our export markets and has concentrated solely on developing our sales in France since 1992. His immense loyalty, professionalism and total commitment to the company have been an example for us all.

May I take this opportunity to thank him on behalf of everyone in the Group and wish him many happy and relaxing hours on board his sailing boat, Tadjira.

Allan SICHEL

