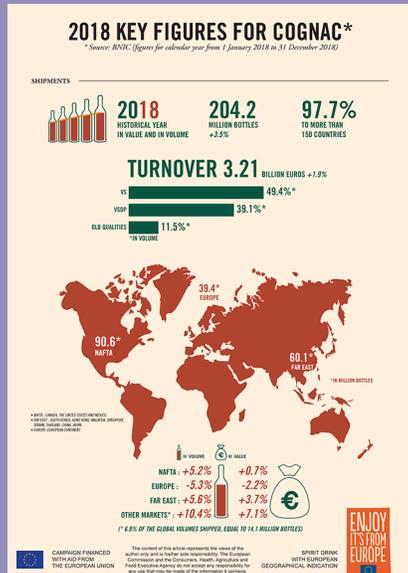




Cognac Shipments Up Again in 2018

From the Bureau National Interprofessionnel du Cognac (BNIC):

For the fourth consecutive year, exports of Cognac have increased, reaching record numbers in both volume and value.



With nearly 98% of total production exported, the Cognac appellation continued to grow its export markets in 2018 with growth of more than 3% in volume and 2% in value. 204.2 million bottles of Cognac were shipped in 2018, resulting in ~\$3.6 billion dollars in revenue.

Growth in All Major Markets

Cognac exports to the NAFTA Zone1 (representing 44.4% of all exports) continue to make progress with 90.6 million bottles shipped in 2018 for an increase of 5.2% in volume and 0.7% in value. The U.S. continues to be Cognac's largest market with 87.4 million bottles shipped in 2018.

The East Asian market continues to grow with 60.1 million bottles (an increase of 5.6% in volume and 3.7% in value). Exports to China continue to drive growth in the zone despite a slight decrease during the second semester.

Continental Europe exports have declined (-5.3% in volume and -2.2% in value) for a total of nearly 39.4 million bottles shipped. This decline can be attributed to the difficult economic and political times in some of its markets.

Continued Potential for Development in the Rest of the World

Increased exports also continue in other areas with high potential for Cognac in countries such as South Africa, Vietnam and the Caribbean. Exports to these markets rose by 10.4% in volume and 7.1% in value. Additionally, these new areas of opportunity represent more than 6.9% of total exports or nearly 14.1 million bottles.

Exports increase for V.S., V.S.O.P. & Older Categories

The export of V.S. (50% of total volume) and V.S.O.P. (almost 40% of total volume) continue to grow in volume and are up by 2.6 and 3.5% respectively. Value for both remained stable (only down by 0.3%).

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Americans Drank 3.345 Billion Cases of Alcohol in 2018

Special to Modern Distillery Age by IWSR, www.theiwsr.com

American consumers drank more distilled spirits and wine in 2018, but total beverage alcohol consumption in the U.S. declined for the third consecutive year as a result of continued weakening beer volume.

In preliminary figures released by the IWSR, total alcohol volume in the U.S. declined -0.8% last year to 3.345 billion nine-liter cases, which is slightly worse than the -0.7% slip the year prior. Distilled spirits were up +1.9%, and wine grew slightly by +0.4%. Innovations in the cider and mixed drinks categories helped reverse their decline from 2017 to post increases of +4.1% and +6.1%, respectively. Beer, which at 2.62 billion nine-liter cases has long dominated the alcohol market in the U.S., was down -1.5%.

These initial 2018 category results for the U.S. market are part of the IWSR U.S. Beverage Alcohol Review (US BAR) database, available to IWSR's global customers.

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ADSA Responds to TWSRA v. Byrd Hearing at SCOTUS

Matt Dogali, President and CEO of the American Distilled Spirits Association (ADSA), released the following statement in advance of the TWSRA v. Byrd hearing at the U.S. Supreme Court this week, saying:

"The America Distilled Spirits Association is a trade association made up of 28-member companies that are producers and suppliers of distilled spirits. Our members represent over 50% of all distilled spirits sales in the United States.

"As a trade association that represents suppliers' interests, we want to make sure other trade groups in the beverage alcohol industry know our thoughts on the pending TWSRA v. Byrd Supreme Court case.

"ADSA firmly supports the right of a state to craft its own laws to regulate the sale and distribution of alcohol as envisioned by the 21st Amendment. ADSA also unequivocally supports the American alcohol sales model and resulting three-tier distribution system. Whether the Supreme Court agrees with Tennessee or not, ADSA believes the court should very

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