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FOR IMMEDIATE RELEASE

NABCA Releases Control States Nine-Liter Spirits Sales for December

Control State results for nine-liter beverage sales for December 2017

END-OF-YEAR RESULTS

During 2017 nine-liter case spirits sales in the control states grew at 2.5%, down from 2016's 2.8% and 2015's 2.7%. Shelf Dollars grew at 4.7%, down from 2016's 5.0% and 2015's 5.3%.

2017's volumetric growth, 2.5%, lags the Control States' eighteen-year CAGR calculated to be 2.8%. During the past five years, volumetric growth has been below average and trending down, suggesting that 2018's growth rate will be comparable to or slightly lower than those reported during recent years. 2017's dollar growth, down slightly from growth rates reported during the past few years, is trending slightly downward, suggesting that 2018's growth will lag rates reported during recent years.

Tequila's 9.5% annual nine-liter case growth rate, compared to 2016's 8.4%, is noteworthy. However, again during 2017 Irish Whiskey outpaced all other categories with an annual growth rate of 14.2%, down from 2016's 14.7%. During 2017, Brandy/Cognac, Canadian Whiskey, Cocktails, Cordials, Domestic Whiskey, Gin, Irish Whiskey, Rum, Scotch, Tequila, and Vodka grew at 4.4%, 2.2%, 4.3%, 0.1%, 4.2%, -0.8%, 14.2%, 0.0%, 0.0%, 9.5%, and 1.9%, respectively.

The NorthWest Control States (Idaho, Montana, Oregon, Utah, and Wyoming) grew volumes at 2.7% during 2017, the NorthEast Control States (Maine, New Hampshire, and Vermont) grew volumes at 2.6%, the Central Control States (Iowa, Montgomery County Maryland, Michigan, Ohio, Pennsylvania, and West Virginia) reported growth of 2.5%, and the Southern Control States (Alabama, Mississippi, North Carolina, and Virginia) reported 2.3%. The four regions (Southern, North West, North East, and Central) grew Shelf Dollars at 4.3%, 4.4%, 5.2%, and 5.0%, respectively.

END-OF-DECEMBER RESULTS

During December, nine-liter control states spirits case sales, under the influence of calendar anomalies in Michigan and Utah, fell 2.9% over same period sales last year. Pennsylvania (6.7%) and Vermont (3.4%) reported monthly growth rates for December that exceeded their twelve-month trends. The growth rates for Alabama (-1.9%), Iowa (-5.4%), Idaho (1.1%), Montgomery County Maryland (-3.5%), Maine (-0.3%), Michigan (-17.0%), Mississippi (-8.4%), Montana (-12.6%), North Carolina (-0.3%), New Hampshire (-0.5%), Ohio (1.9%), Oregon (-0.5%), Utah (-13.1%), Virginia (1.9%), West Virginia (-7.2%), and Wyoming (-4.9%) fell short of matching their twelve month trends. Control state rolling-twelve month volume growth, 2.5%, was down from November's reported 3.1%. Spirits volumes have grown 2.5% year-to-date compared to 2.8% a year ago.

Control state spirits shelf dollars were down 0.3% during December while trending at 4.7% during the past twelve months. Montgomery County Maryland (2.6%) and Pennsylvania (13.8%) reported growth rates

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exceeding their twelve-month trends. Alabama (1.5%), Iowa (-3.6%), Idaho (2.9%), Maine (3.8%), Michigan (-15.6%), Mississippi (-6.7%), Montana (-13.0%), North Carolina (0.4%), New Hampshire (1.5%), Ohio (5.7%), Oregon (1.0%), Utah (-10.1%), Virginia (2.5%), Vermont (5.1%), West Virginia (-6.5%), and Wyoming (-4.0%) grew shelf dollars at rates below their twelve month trends. Shelf dollars in the control states are up 4.7% year-to-date compared to 5.0% last year.

Price/Mix for December is 2.6%, flat with November's reported 2.6%.

December's Control State spirits nine-liter case and shelf dollar growth rates were effected by the Control States' reporting calendars:

- Utah, with 2.6% of Control States' spirits nine-liter case volumes and dollars, reported four weeks of sales this year versus five weeks of sales during December 2016, artificially deflating sales and skewing Control States results. Utah had six fewer selling days during this year's December than during last year's.
- Michigan, with 13.9% of Control States' spirits nine-liter case volumes and 15.4% of Control States' dollars, reported four weeks of sales this year versus five weeks of sales during December 2016, artificially deflating sales and skewing Control States results. Michigan had seven fewer selling days during this year's December than during last year's.
- December 2017 was a month with five Sundays compared to December 2016 which had four. Retail outlets in six Control States (Alabama, Mississippi, Montana, North Carolina, Utah, West Virginia) are closed on Sundays.
- Overall, December 2017 had seventeen fewer selling days, 3.4% fewer, than last year's December.
- After equalizing nine-liter spirits case sales with respect to selling-day variations, December's volumetric growth is 2.0%, and rolling-twelve-month volume is up 2.4%. Likewise, after equalizing shelf dollars, December's control states shelf dollar growth rate is 4.9% with a twelve-month trend of 4.5%.
- December's equalized Price/Mix is 2.9%.

Irish Whiskey, with 1% share of the nine-liter case-control states spirits market, was December's fastest growing category with 4.7% reported and a twelve-month trend of 14.2%. Vodka, with 35% share, grew during the same periods at -3.0% and 1.9%, respectively. All categories--Irish Whiskey (4.7%), Cocktails (4.1%), Domestic Whiskey (0.1%), Vodka(-3.0%), Scotch(-3.9%), Gin(-4.8%), Cordials(-4.9%), Brandy/Cognac(-4.9%), Rum(-5.0%), and Canadian Whiskey(-5.4%)--grew at rates below their twelve month trends.

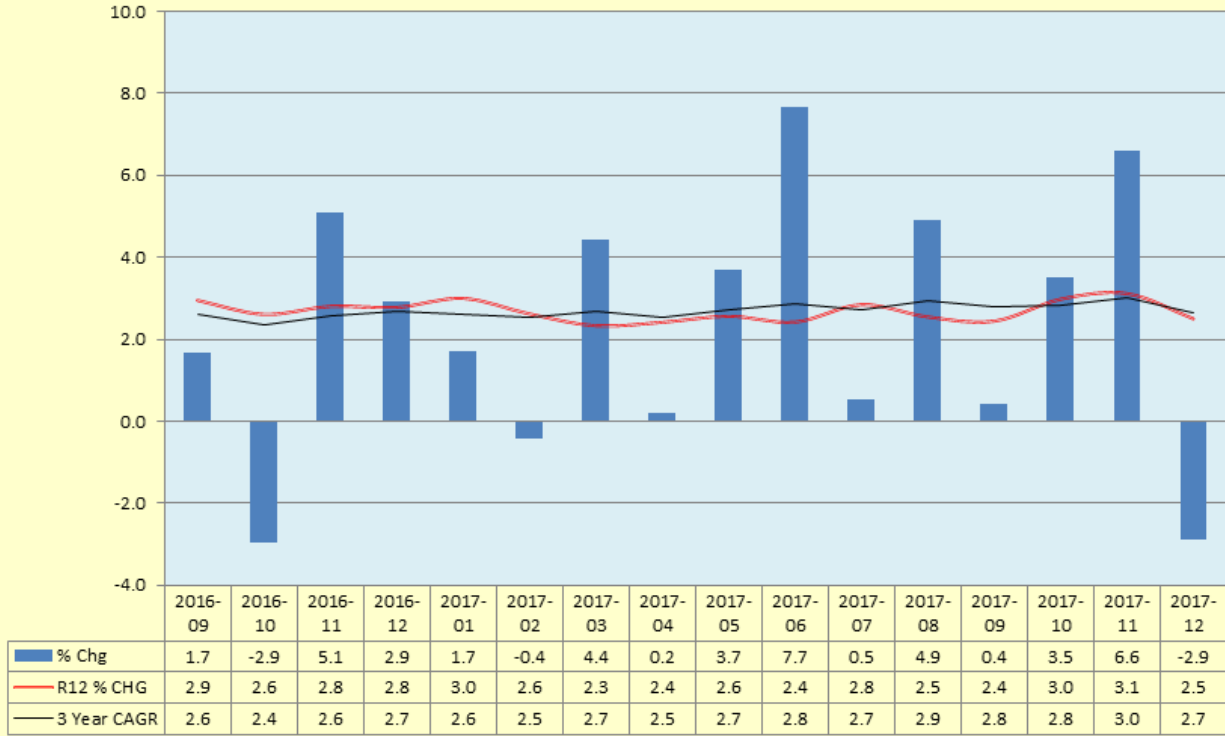
December's nine-liter wine case sales growth rate was -0.1%. Pennsylvania (reporting 3.9% nine-liter case growth for wines), New Hampshire (-0.2%), Utah (-14.5%), Mississippi (-7.1%), Montgomery County Maryland (-4.7%), and Wyoming (-6.3%) are the control states that are the sole wholesalers of wines and spirits within their geographical boundaries. Rolling-twelve month wine volume growth in these six control states was 2.0%, down from November's reported 2.4%.

	9L Cases CM % Chg	Shelf \$ CM % Chg	Price/Mix	Control States
Total Control States	-2.9	-0.3	2.6%	
Central Region	-4.1	-0.6	3.5%	IA, MD, MI, OH, PA, WV
NE Region	0.1	2.7	2.6%	ME, NH, VT
NW Region	-4.4	-2.5	1.9%	ID, MT, OR, UT, WY
Southern Region	-0.8	0.7	1.5%	AL, MS, NC, VA

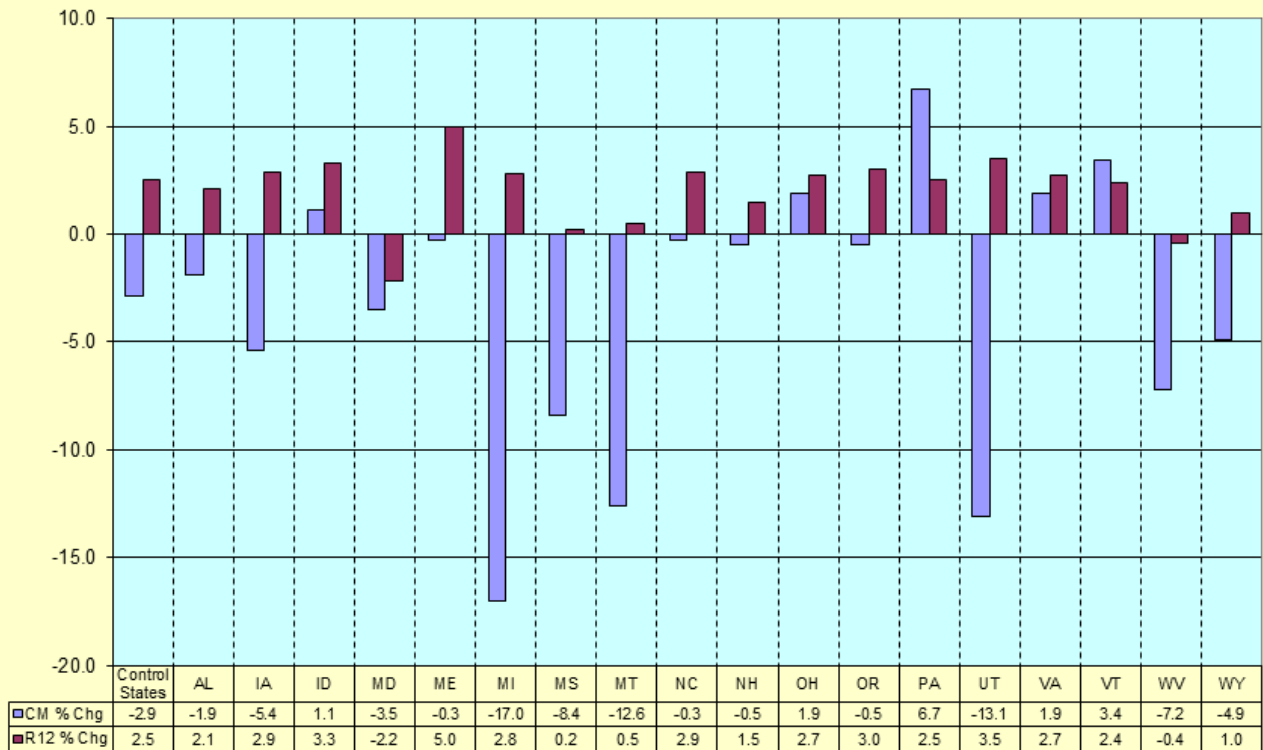
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9 Liter Case Spirits Growth in the Control States as of December, 2017: Month over Same Month Last Year % Change, Rolling-12 Month % Change, and 3 Year CAGR



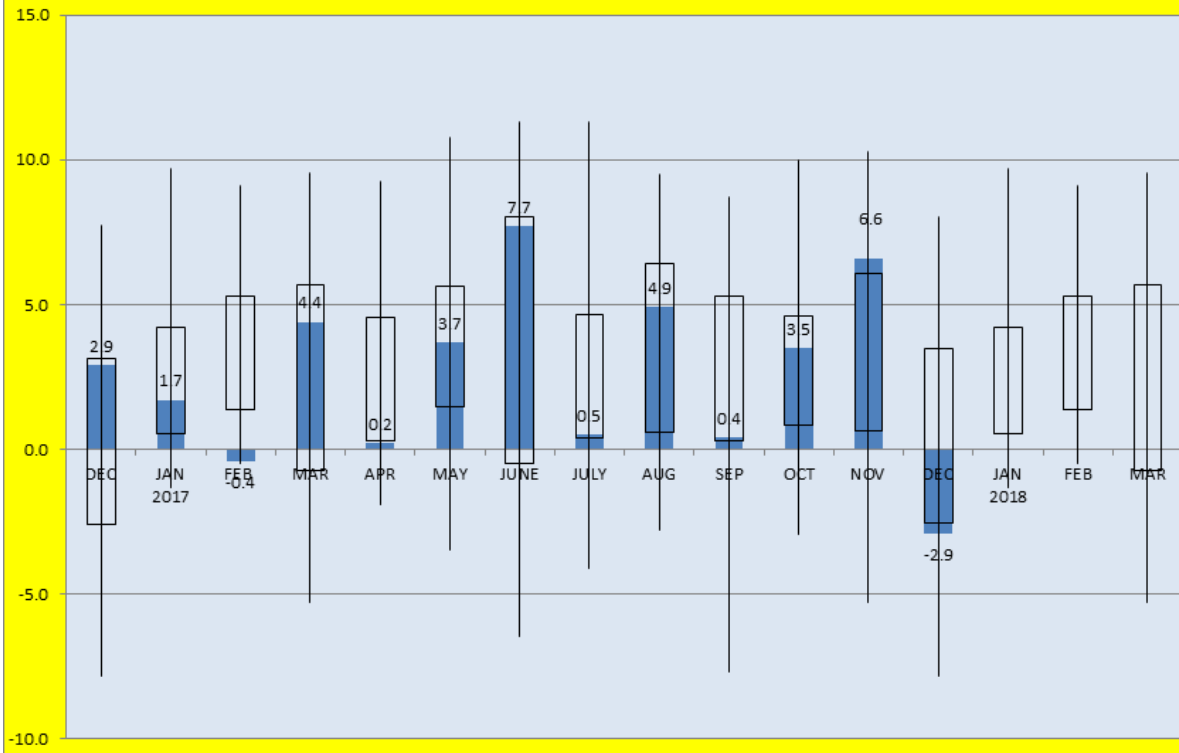
9 Liter Case Spirits Growth in the Control States by State as of December, 2017: Month over Same Month Last Year % Change and Rolling-12 Month % Change



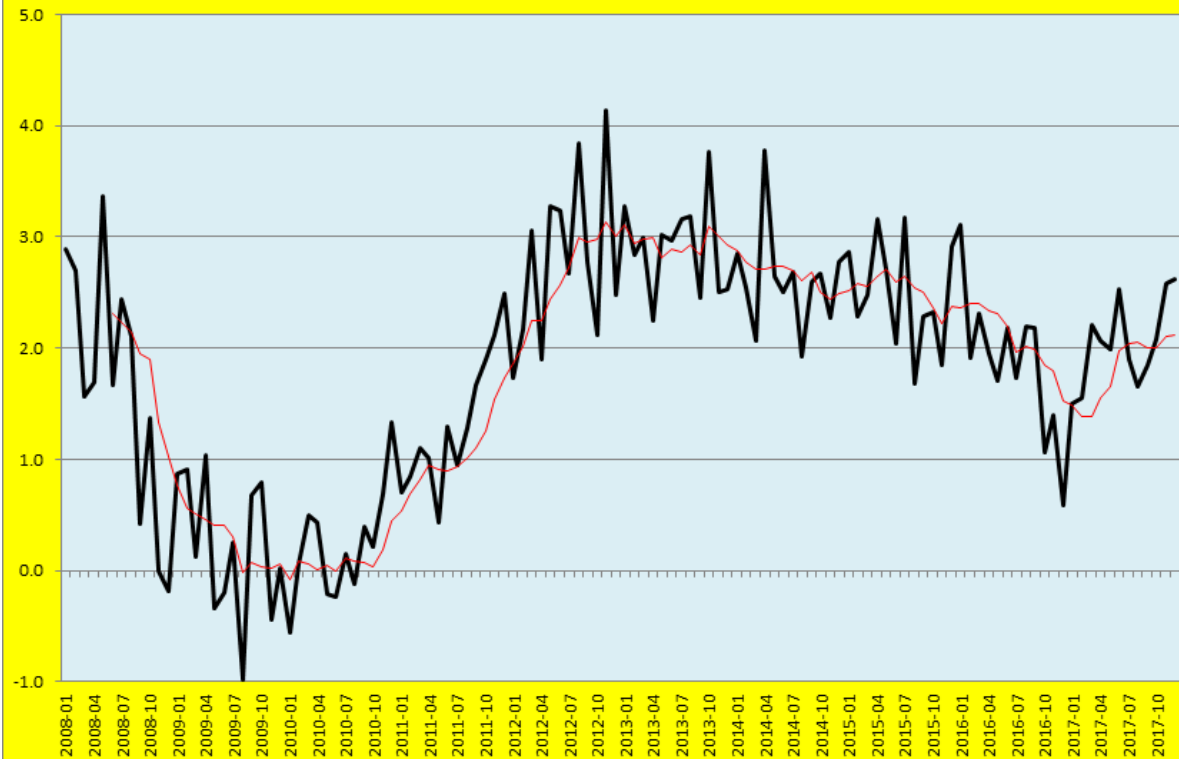
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Control State 9L Cases % Chg over Same Month Last Year Through December, 2017, with Monthly Avg High and Low, as well as All-Time High and Low, Growth Rates

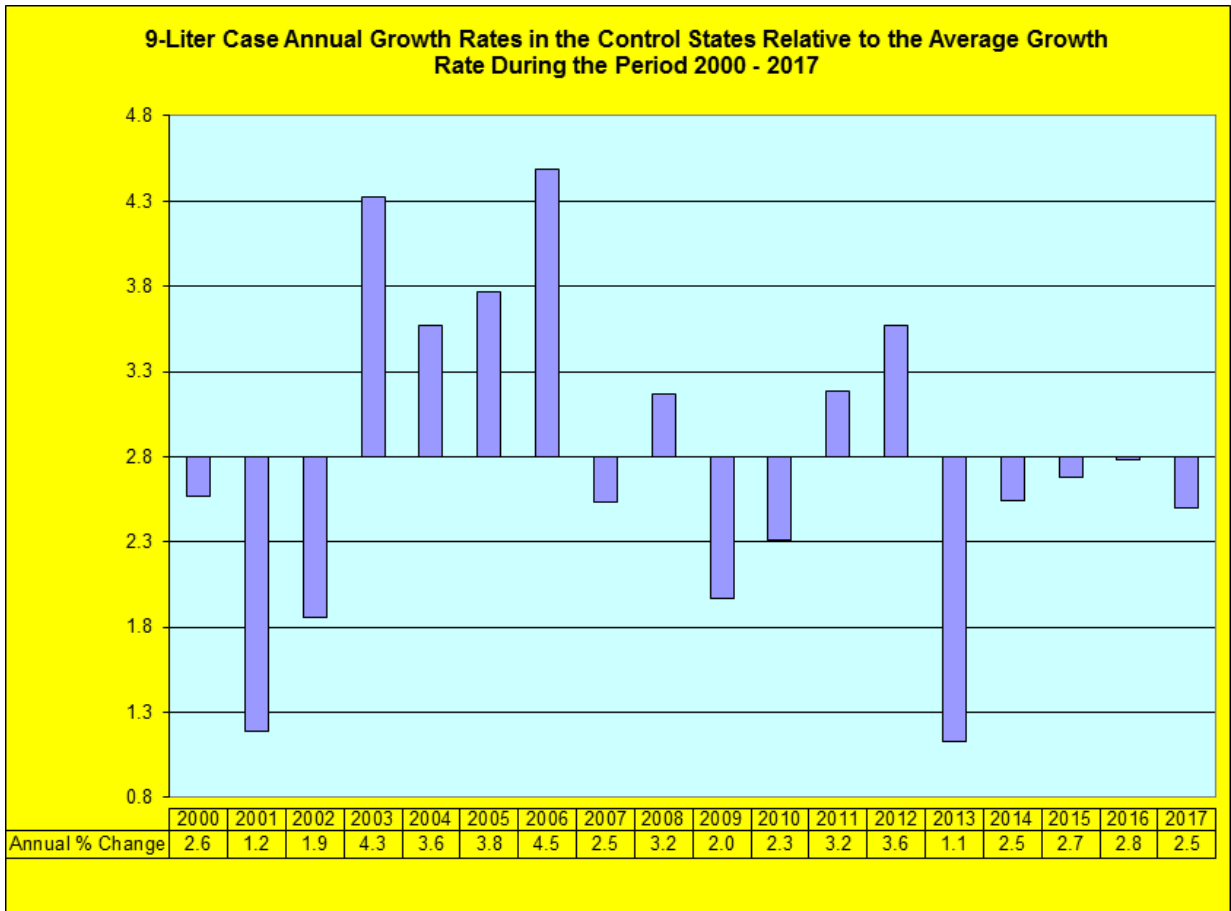


Price/Mix for Spirits in the Control States From January, 2008 Through December, 2017 with a Six Month Moving Average Trend Line



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For more information about the NABCA, visit www.nabca.org.

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ABOUT NABCA:

Established in 1938, NABCA is the national association representing the Control State Systems - those jurisdictions that directly control the distribution and sale of beverage alcohol within their borders. Headquartered in Alexandria, VA, NABCA's mission is to support member jurisdictions in their efforts to protect public health and safety and assure responsible and efficient systems for beverage alcohol distribution and sales.

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