

NABCA CONTROL STATE RESULTS

End of Year 2018 Results

Control State Results

January 31, 2019

END-OF-YEAR 2018 RESULTS

During 2018 nine-liter case spirits sales in the control states grew at 2.8%, up from 2017's 2.5% and mirroring 2016's 2.8%. Shelf Dollars grew at 5.8%, improving upon 2017's 4.8% and 2016's 5.0%.

2018's volumetric growth, 2.8%, duplicates the Control States' long-term trend of 2.8%. 2018's growth rate was the first during the past six years that didn't lag its long-term trend. 2018's growth is consistent with a short-term cycle that suggests 2019's volumetric growth may be comparable to, or slightly better than, those reported during recent years, and 2019's dollar growth may be influenced by the same cycle.

Tequila's 9.0% annual nine-liter case growth rate, following 2017's 9.5% and 2017's 8.4%, is noteworthy. However, again during 2018, Irish Whiskey's 13.8% growth, down from 2017's 14.2%, outpaced all other categories. The Control States reported the following growth rates for the spirits categories: Brandy/Cognac 0.9% (vs 4.4% for 2017), Canadian Whiskey 2.0% (vs 2.2% for 2017), Cocktails 6.1% (vs 4.3% for 2017), Cordials 1.1% (vs 0.1% for 2017), Domestic Whiskey 5.2% (vs 4.3% for 2017), Gin -0.4% (vs -0.8% for 2017), Irish Whiskey 13.8% (vs 14.2% for 2017), Rum 0.3% (vs 0.0% for 2017), Scotch -0.2% (vs 0.0% for 2017), Tequila 9.0% (vs 9.5% for 2017), and Vodka 2.5% (vs 1.9% for 2017).

During 2018 the NorthWest Control States (Idaho, Montana, Oregon, Utah, Wyoming) grew volumes at 3.9% (vs 2.7% during 2017), the Southern Control States (Alabama, Mississippi, North Carolina, Virginia) reported 3.9% (vs 2.3% during 2017), the NorthEast Control States (Maine, New Hampshire, Vermont) reported 2.4% (vs 2.6% during 2017), and the Central Control States (Iowa, Montgomery County Maryland, Michigan, Ohio, Pennsylvania, West Virginia) reported growth of 1.9% (vs 2.5% during 2017). The four regions grew shelf dollars at the following rates: NorthWest at 6.3% (vs 4.4% during 2017), Southern at 6.7% (vs 4.3% during 2017), NorthEast at 5.2% (vs 5.2% during 2017), and Central at 5.1% (vs 5.1% during 2017).

2018's nine-liter wine case sales growth rate was -1.9% (vs 2.0% during 2017). Pennsylvania, reporting -3.2% nine-liter case growth for wines (vs 4.2% during 2017); New Hampshire, reporting -0.1% (vs -2.4% during 2017); Utah reporting 0.8% (vs 1.8% during 2017); Mississippi reporting 2.3% (vs 1.0% during 2017); Montgomery County Maryland reporting -2.7% (vs -2.8% during 2017); and Wyoming reporting 0.4% (vs -1.3% during 2017) are the control states that are the sole wholesalers of wines and spirits within their geographical boundaries. The annual growth rates for wines in these states have been -1.9%, 2.0%, and 2.1% for 2018, 2017, and 2016, respectively.

END-OF-DECEMBER RESULTS

During December nine-liter control states spirits case sales grew 3.2% over same period sales last year. Alabama(4.7%), Iowa(8.9%), Idaho(5.0%), Michigan(3.5%), Montana(6.9%), North Carolina(6.8%), New Hampshire(6.7%), Oregon(3.9%), Pennsylvania(-1.4%), and Wyoming(9.2%) reported monthly growth rates for December exceeding their twelve-month trends. The growth rates for Montgomery County Maryland(-3.8%), Maine(0.6%), Mississippi(-0.9%), Ohio(4.4%), Utah(0.4%), Virginia(2.6%), Vermont(-0.4%), and West Virginia(-5.5%) fell short of matching their twelve-month trends. Control state rolling-twelve-month volume growth, 2.8%, was up smartly from November's reported 2.1%. Spirits volumes have grown 2.8% year-to-date compared to 2.5% a year ago.

Control state spirits shelf dollars were up 6.2% during December while trending at 5.8% during the past twelve months. Iowa(12.1%), Idaho(7.5%), Michigan(6.6%), Montana(9.9%), North Carolina(10.7%), New Hampshire(13.6%), Ohio(8.5%), Oregon(6.4%), Virginia(5.9%), and Wyoming (12.9%) reported growth rates exceeding their twelve-month trends. Alabama(6.2%), Montgomery County Maryland(-4.6%), Maine(2.9%), Mississippi(-0.2%), Pennsylvania(0.3%), Utah(1.9%), Vermont(1.3%), and West Virginia(-1.4%) grew shelf dollars at rates below their twelve-month trends. Shelf dollars in the control states are up 5.8% year-to-date compared to 4.8% last year.

December's shelf dollar total for spirits is noteworthy: monthly shelf dollars in the control states exceeded \$1 billion for the first time. The total came close during 2017's December, within \$5 million, before that milestone was eclipsed this past December by nearly \$60 million.

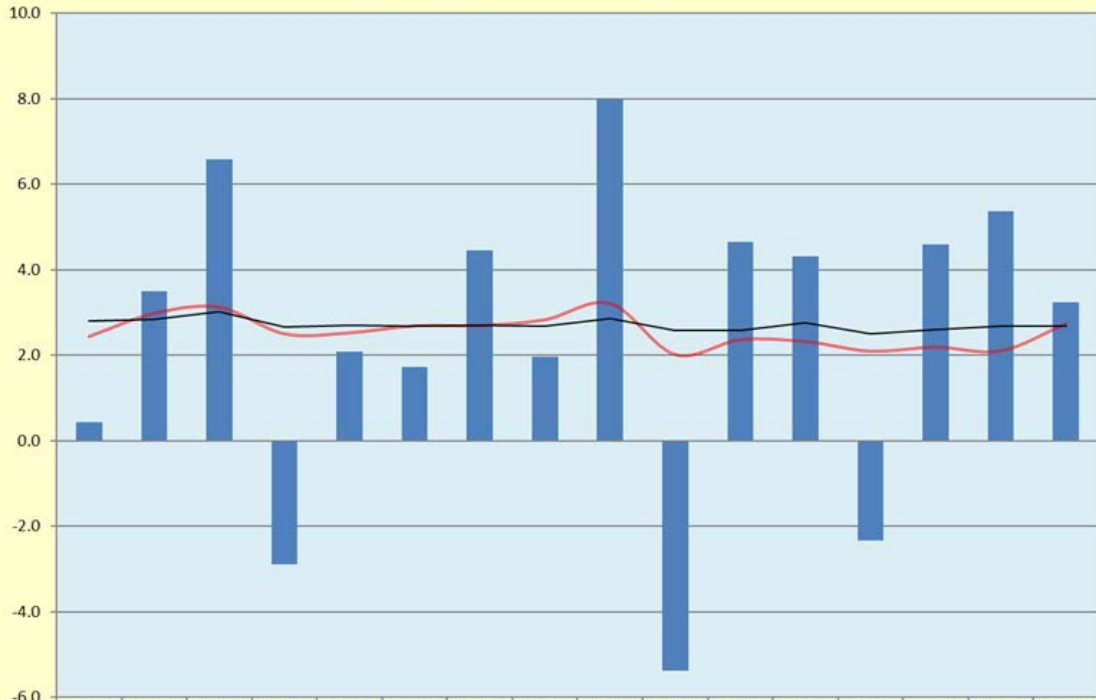
Price/Mix for December is 3.0%, lagging November's 3.6%.

Irish Whiskey, with 1% share of the nine-liter case control states spirits market, was December's fastest growing category with 12.9% reported and a twelve-month trend of 13.8%. Vodka, with 35% share, grew during the same periods at 2.8% and 2.5%, respectively. Brandy/Cognac(3.6%), Canadian Whiskey(2.4%), Cordials(1.3%), Domestic Whiskey(5.3%), Scotch(0.4%), Tequila(12.1%), and Vodka(2.8%) grew at rates above their twelve-month trends, while Cocktails(3.6%), Gin(-0.5%), Irish Whiskey(12.9%), and Rum(0.1%) grew at rates below theirs.

December's nine-liter wine case sales growth rate was -2.7%. Pennsylvania (reporting -3.0% nine-liter case growth for wines), New Hampshire (-2.2%), Utah (-1.9%), Mississippi (-2.4%), Montgomery County Maryland (-5.3%), and Wyoming (3.6%) 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 -1.9%, down from November's reported -1.6%.

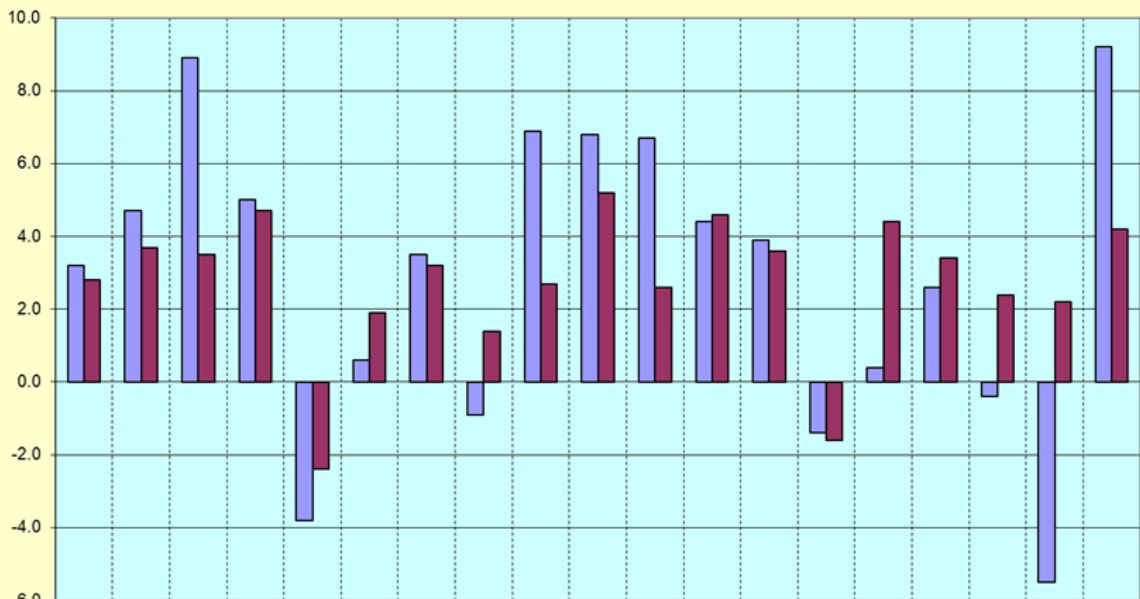
	9L Cases CM % Chg	Shelf \$ CM % Chg	Price/Mix	Control States
Total Control States	3.2	6.2	3.0%	
Central Region	2.2	5.1	2.9%	IA, MD, MI, OH, PA, WV
NE Region	3.9	8.7	4.8%	ME, NH, VT
NW Region	4.1	6.4	2.3%	ID, MT, OR, UT, WY
Southern Region	4.2	7.3	3.1%	AL, MS, NC, VA

9 Liter Case Spirits Growth in the Control States as of December, 2018: Month over Same Month Last Year % Change, Rolling-12 Month % Change, and 3 Year CAGR



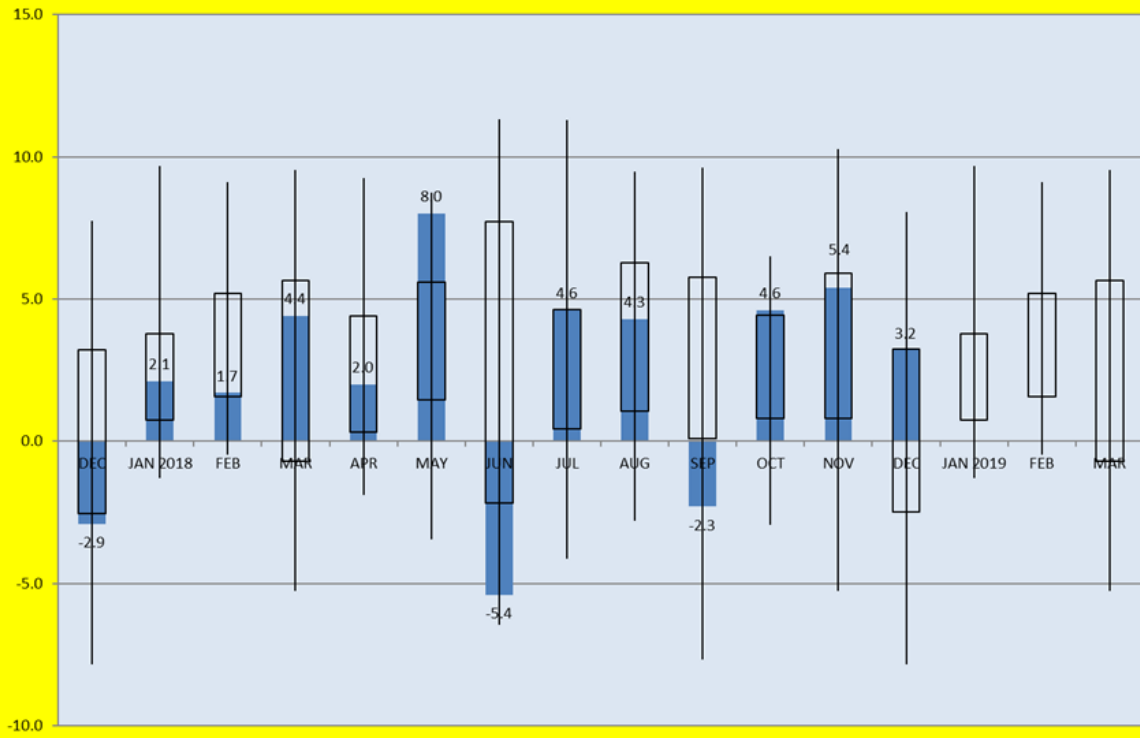
% Chg	0.4	3.5	6.6	-2.9	2.1	1.7	4.4	2.0	8.0	-5.4	4.6	4.3	-2.3	4.6	5.4	3.2
R12 % CHG	2.4	3.0	3.1	2.5	2.5	2.7	2.7	2.8	3.2	2.0	2.4	2.3	2.1	2.2	2.1	2.7
3 Year CAGR	2.8	2.8	3.0	2.7	2.7	2.7	2.7	2.7	2.9	2.6	2.6	2.8	2.5	2.6	2.7	2.7

Nine Liter Case Spirits Growth in the Control States by State for December, 2018: Month over Same Month Last Year % Change and Rolling-12-Month % Change

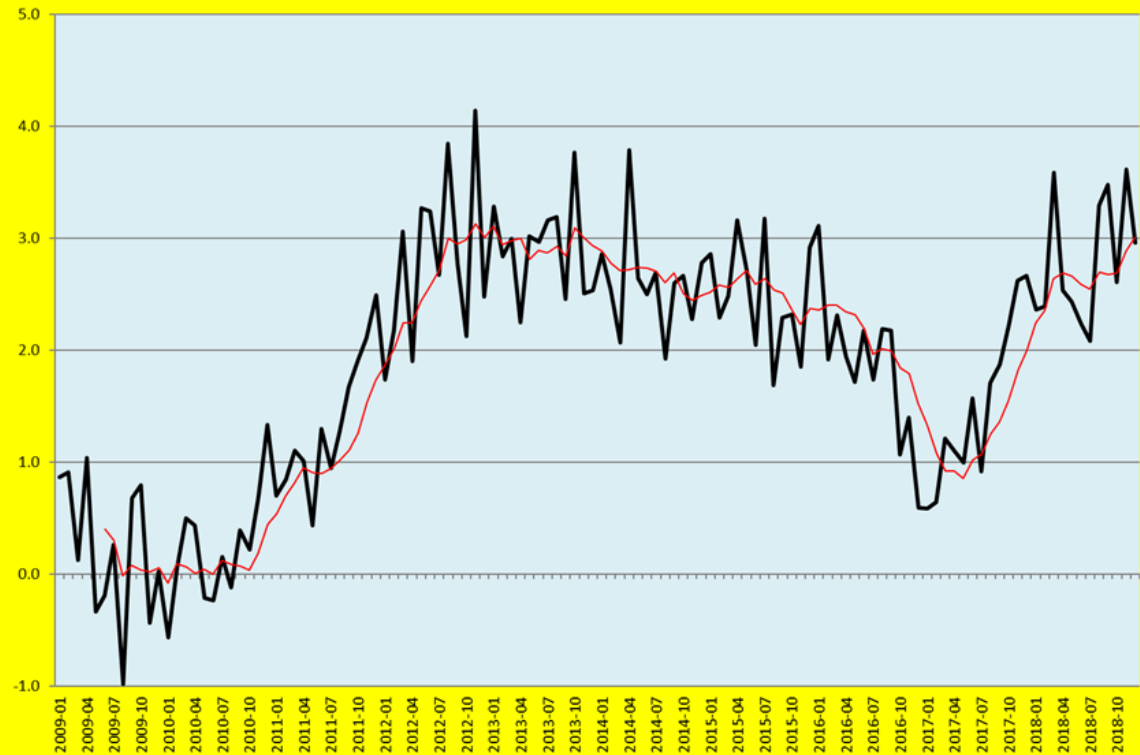


CM % Chg	3.2	4.7	8.9	-3.8	0.6	3.5	-0.9	6.9	6.8	6.7	4.4	3.9	-1.4	0.4	2.6	-0.4	-5.5	9.2
R12 % Chg	2.8	3.7	3.5	-2.4	1.9	3.2	1.4	2.7	5.2	2.6	4.6	3.6	-1.6	4.4	3.4	2.4	2.2	4.2

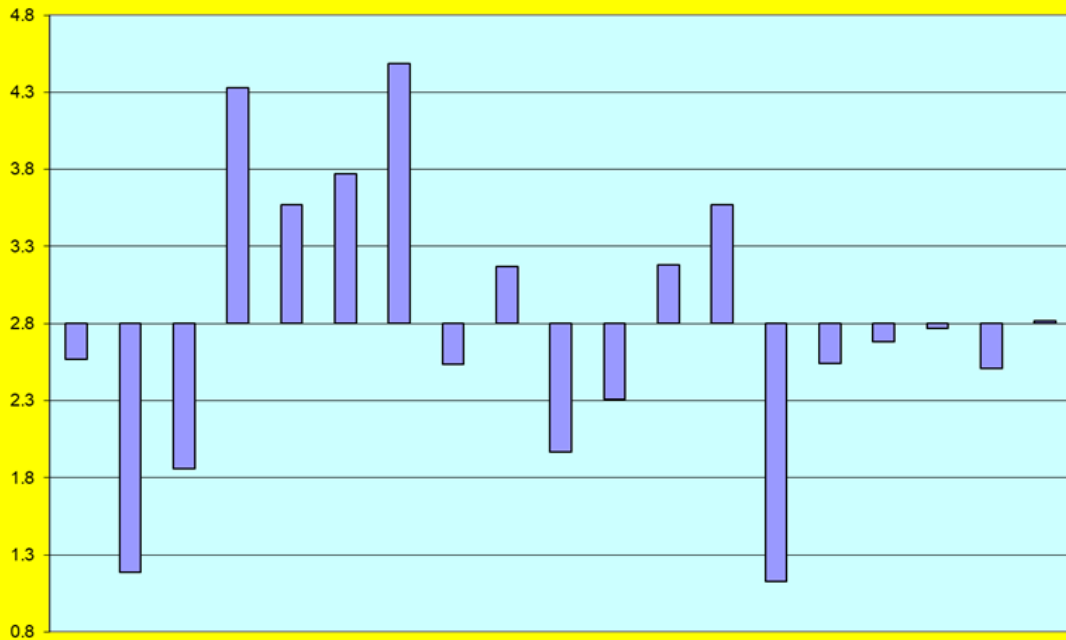
**Control State 9L Cases % Chg over Same Month Last Year Through December, 2018
with Monthly Avg High and Low, as well as All-Time High and Low, Growth Rates**



**Price/Mix for Spirits in the Control States From January, 2009 Through December, 2018 with a
Six Month Moving Average Trend Line**



**9-Liter Case Annual Growth Rates in the Control States Relative to the Average Growth Rate
During the Period 2000 - 2018**



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Annual % Change	2.6	1.2	1.9	4.3	3.6	3.8	4.5	2.5	3.2	2.0	2.3	3.2	3.6	1.1	2.5	2.7	2.8	2.5	2.8