



Press Release, 20th January 2011

COGNAC 2010: WHAT A VERY GOOD YEAR!

2010 saw Cognac break all previous records for the value of its shipments, as it reached an all-time high of 1.86 billion Euros.

The world's most celebrated eau-de-vie has held strong throughout the international economic crisis, only registering a loss in the value of shipments in 2009. 2010, however, saw a massive increase across all markets and categories of just under 30%, representing 12.8 million cases or 153 million bottles and an increase of 17.9 % in volume.

Production volume is also high at 555,000hl, putting Cognac in a strong position to respond to demand from buoyant markets.

All categories showing growth

2010 confirmed the shift in demand for superior quality Cognacs (VSOP, XO and exclusive blends), which now represent the lion's share of the total market at 54.5%. The XO category grew by 36.6 % and VSOP by 27% , with VS showing 6 % growth over the year.

Changes in consumption habits key to growth

If Cognac's unique aromas and flavours, which find their source in the AOC's different terroirs, have seduced consumers around the world, changes in the way Cognac is drunk are at the heart of the current growth. Today, around 70 % of all Cognac is drunk on ice, in cocktails or as a long drink rather than as a digestif.

5 bottles of Cognac sold in the world every second

The 2010 figures clearly show that the global market for Cognac is still spread between three major geographical zones. The Far East, which accounts for 33.2 % of the world market in volume, saw sustained growth at +34.3% over the year. This now makes **Asia** Cognac's biggest market in volume (4.42 million cases), having held first place in value since 2008.

The USA, Canada and Mexico (**Alena**), with 32.2% of the world market, performed well in 2010, particularly the USA, which is still the world's biggest market in terms of consumption (3.89 million cases in 2010). The taste for Cognac among Afro-American and Hispanic consumers plays a major part in Cognac's consistent growth in the USA.

Europe, where shipments reached 30.5% of world volume (3.89 million cases), grew by 11.7 % in 2010. On the home market, where Cognac has been suffering for some time, it seems the French are rediscovering one of their national treasures, with shipments up by 18.3%.

As an iconic French product, almost 97% of Cognac is exported. Today export shipments account for 1.83 billion Euros in the country's balance of trade - equivalent to the sale of 35 Airbus A320s.

On announcing the figures, Bernard GUIONNET, President of the Bureau National Interprofessionnel du Cognac (B.N.I.C.) expressed his delight at the exceptional performance of Cognac in 2010 and his confidence in the future for the AOC.

-ends-

For further press information, please contact:

Janet Burns or Sarah Winstone at the BNIC London Bureau
C/o Accent Communications
020 8661 2061 / info@accent-communications.com