C&C GROUP PLC
FINANCIAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2013

Dublin, London, 15 May 2013: C&C Group plc ('C&C' or the 'Group'), a leading manufacturer, marketer and distributor of branded cider and beer today announces results for year ended 28 February 2013.

Financial Highlights

- Operating profit before exceptional items increased 2.4% to €113.9m
- Group operating margin[(i)] of 23.9%, up 0.8ppts on prior year
- Net revenue declined 0.8% to €476.9m
- Net debt[(ii)] of €123.4m at the year end giving a leverage ratio to EBITDA[(iii)] of 0.9x
- Adjusted diluted Earnings Per Share[(iv)] (EPS) for continuing operations increased 0.4% to 27.7 cent
- Proposed final dividend increase of 5.6% to 4.75 cent per share, delivering 7.1% growth in full year dividend to 8.75 cent per share

Operating Highlights

- Resilient performance of Group despite difficult trading environment in United Kingdom (UK) and Republic of Ireland (ROI)
- Strong Tennent's performance helping to offset challenging core cider markets
- Caledonia Best is now the fastest growing beer brand in the Scottish on-trade; over the last year it has reached No.2 position in the smooth draught ale category according to CGA
- Stable trading in the second half of the year in ROI
- International volume growth of 55.2%, including acquisitions, representing 9.6% of total branded volumes
- Tennent's demonstrating meaningful international potential in first full year of trading
- Robust cost control and operational efficiency improvements helping to protect margins

Strategic Highlights

- Announced and completed the acquisition of Vermont Hard Cider Company, LLC (VHCC), the leading US craft cider company, for a gross consideration of US$305.0m (€230.9m). The new business contributed €1.8m of operating profit since completion on 21 December 2012
- Completion of an accelerated integration of the Magners USA commercial infrastructure into the VHCC business
- Announced the acquisition of the Gleeson Group, a leading supplier and distributor of beverages in Ireland, for an enterprise value of €58.0m. The deal successfully completed on 7 March 2013
- Creation of the Shepton Mallet Cider Mill trading division after the year end to support the development of regional, craft and specialist cider brands such as Addlestones, Blackthorn and Olde English
- Significant on-trade loan activity (€16.7m incremental investment) in core markets in response to growing customer demand

(i) Before exceptional items
(ii) Net debt comprises cash and borrowings, net of issue costs (€2.2m). See note 10 to condensed financial statements.
(iii) EBITDA is earnings before exceptional items, interest, tax, depreciation and amortisation charges. A reconciliation of EBITDA to operating profit is provided on page 12.
(iv) See Note 8 to condensed financial statements.

PERFORMANCE REVIEW & OUTLOOK

Stephen Glancey, C&C Group CEO, commented

"Our results are in line with stated guidance and while it has not been an easy year for our core cider brands, with poor weather and increased competition, particularly in the UK, the second half did bring some trading stability in Ireland. We have had an excellent contribution from the Tennent's brand both in domestic and international markets providing some balance to the increased competition within UK cider.

Our International business delivered strong growth with volumes increasing by over 55% in the year.

The period was defined by two significant investments. In the USA we acquired the Vermont Hard Cider Company, increasing the Group's exposure to an emerging category in a major potential market. Then in Ireland, just after the year end, we acquired the leading wholesaler Gleesons. This demonstrates our long term belief in Ireland as a place to invest and gives C&C a platform for domestic growth for the first time in many years.

Our operating model remains decentralised with local management sharply focused on local consumers and customers. In the US we are pleased to have retained the services of Bret Williams and Dan Rowell and have re-established a local board structure comprising management and non-executives with deep industry experience to provide oversight and governance.

In our domestic markets we continue to develop multi-beverage capability investing in customers and providing support through a trade lending model, advancing €16.7m in the year. The creation of the Shepton Mallet Cider Mill trading division is a positive step towards capitalising on the latent potential of the Gaymers portfolio and will be an important feature in the next phase of cider growth.

À fundamental tenet of C&C is to completely align the interests of our employees with shareholders, and senior management are incentivised mainly through equity based reward. While no bonus was paid to Directors this year, 43% of our employees at local level were rewarded for performance with an average payment of €2,700. We are also proud of the fact that over 50% of our employees are participating in our partnership share scheme. To support further equity, Executive Directors are waiving their FY2014 share incentive awards for re-distribution to operating management within the business. We believe this to be in the long term interests of all shareholders.

C&C has a resilient business model focused on value creation through strong brand market combinations. We have made significant investment this year aimed at strengthening our business in both new and existing markets.

FY2014 will inevitably be a transition period as we integrate our recently acquired businesses. C&C will continue to deliver earnings growth to sustain long term growth objectives."

About C&C Group plc

C&C Group plc is a leading manufacturer, marketer and distributor of branded long alcoholic drinks. The Group manufactures Bulmers, the leading Irish cider brand, Magners, the premium international cider brand, the Gaymers cider range of branded and private label ciders and the Tennent's beer brand. C&C Group also owns Woodchuck and Hornsby's, two of the leading craft cider brands in the United States. The Group also distributes a number of beer brands in the Scottish, Irish and Northern Irish markets, primarily for Anheuser-Busch InBev.

Note regarding forward-looking statements

This announcement includes forward-looking statements, including statements concerning current expectations about future financial performance and economic and market conditions which C&C believe are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including those factors discussed on pages 15 to 16 that could cause actual results to differ materially from those anticipated.

Conference Call Details - Analysts & Institutional Investors

C&C Group Plc will host a presentation for analysts and institutional investors, today, **15 May**, at **08.30am BST (03.30am ET)** at Davy, Level 13, Dashwood House, 69 Old Broad Street, London EC2M 1NA

Live presentation and Q&A session also available via conference call on:

Ireland	**+353 1 436 4265**
UK & Europe	**+44 208 817 9301**
USA	**+1 718 354 1226**

Management will host a second conference call today, for analysts and institutional investors, at 14.30pm BST (09.30am ET) which you can also access using the dial-in details below.

Ireland	**+353 1 436 4265**
UK & Europe	**+44 208 817 9301**
USA	**+1 718 354 1226**

Conference Call Details - Media

Management will host a newswire conference call today at 07.15 BST which can be accessed using the dial-in details below.

Ireland	**+353 1 436 4265**
UK & Europe	**+44 208 817 9301**

Management will also host a conference call for media today at 10.45 BST which can also be accessed using the dial-in details below.

Ireland	**+353 1 436 4265**
UK & Europe	**+44 208 817 9301**

For all conference call replay numbers, please contact FTI Consulting.

Contacts

- **C&C Group plc:** Alan Daly | Head of IR | Tel: +353 1 654 6239, Email: alan.daly@candcgroup.ie
- **Investors & Analysts:** Mark Kenny/Jonathan Neilan | FTI Consulting | Tel: +353 1 663 3686, Email: CandCGroup.SC@fticonsulting.com
- **Media Dublin:** Paddy Hughes | Drury | Tel: +353 1 260 5000 | Email: paddy.hughes@drury.ie
- **Media London:** Robert Ballantyne/Shanshan Willenbrock | Cardew Group | Tel: +44 20 7930 0777, Email: robert.ballantyne@cardewgroup.com

KEY FINANCIALS

CONTINUING OPERATIONS (before exceptional items)	**FY2013**	**FY2012**			
Volumes	**Volume kHL**	**Volume kHL**	**% change**		
- *ROI*	615	622	(1.1%)		
- *Cider – UK*	1,216	1,430	(15.0%)		
- *Tennent's UK*	1,294	1,375	(5.9%)		
- *International*	326	210	55.2%		
- *Third Party Brands UK*	871	896	(2.8%)		
TOTAL Volumes	**4,322**	**4,533**	**(4.7%)**		
TOTAL Volumes (ex VHCC)	***4,279***	***4,533***	***(5.6%)***		
TOTAL Volumes BRANDED	***3,406***	***3,591***	***(5.2%)***		
	FY2013	**FY 2012 Reported**		**Constant currency [i]**	
Including VHCC	**€m**	**€m**	**% change**	**€m**	**% change**
Net Revenue	476.9	480.8	(0.8%)	504.6	(5.5%)
EBITDA [iii]	135.6	131.5	3.1%		
Operating profit[ii]	113.9	111.2	2.4%	113.4	0.4%
Operating margin[ii]	*23.9%*	*23.1%*	0.8ppts	*22.5%*	1.4ppts
Excluding VHCC					
Net Revenue	470.5	480.8	(2.1%)	504.6	(6.8%)
Operating profit [ii]	112.1	111.2	0.8%	113.4	(1.1%)
Operating margin[ii]	*23.8%*	*23.1%*	0.7ppts	*22.5%*	1.3ppts
	Cent	**Cent**			
Basic Earnings per Share[iv]	27.0	29.4			
Adjusted Basic Earnings per Share[iv]	28.3	28.3			
Adjusted Diluted Earnings per Share[iv]	27.7	27.6			
Dividend per Share	8.75	8.17	7.1%		

C&C is reporting net revenue of €476.9m, operating profit[ii] of €113.9m and adjusted diluted EPS[iv] of 27.7 cent. On a reported basis this represented a year-on-year net revenue decline of 0.8% but an operating profit[ii] increase of 2.4%. Operating margins improved 0.8ppts to 23.9%. The reported numbers benefited from a strengthening of sterling that improved the effective exchange from €1:£0.87 to €1:£0.81. On a constant currency[i] basis, net revenue declined by 5.5% and operating profit improved by 0.4%. The reported numbers incorporated two months' trading contribution from VHCC, acquired in December 2012. VHCC contributed €6.4m of net revenue and €1.8m of operating profit in the period since completion to 28 February 2013.

Total branded volume for beer and cider was down 5.2% year-on-year (6.3% excluding VHCC). Following a poor first half in Ireland, the second half of the year was relatively stable for the Bulmers business with cider volume growth of 1.1% over the last six months. In the UK, the increased intensity of competition within the category has shown little sign of easing and Magners' volume for the year was disappointing. The Tennent's brand continued to impress with domestic market share growth in high margin channels and an encouraging contribution from international. International ciders, including the recently acquired Woodchuck brand, were up 42.0% year-on-year. On a constant currency basis[i], the net revenue decline of 6.8% (excluding VHCC) was broadly in line with the decline in volume. Price/mix effect on revenue was relatively neutral. Ongoing domestic pricing pressure on the core cider brands of Bulmers and Magners was offset by a 12.7% improvement in achieved pricing for Tennent's in the UK.

The improvement in operating margin was largely attributable to overhead cost control and the decision to hold back on brand investment behind Magners in the UK. The weak consumer market for cider combined with increased competition in the category suggested that heavy above-the-line-consumer marketing investment in Magners would not have been effective. Despite the reduced marketing investment, all core brands in our portfolio remain in good health. The €16.7m investment in trade lending highlights our belief that a distribution push model can be a valid alternative to the traditional consumer pull advertising model in the right climate, albeit growth in the loan book does require a short term reduction in cash conversion. The balance sheet remains in robust health with a net debt to EBITDA ratio of less than 1x at the year end. The Group ended the year with net debt[v] of €123.4m.

(i) On a constant currency basis, constant currency calculation is set out on page 14
(ii) Before exceptional items
(iii) EBITDA is earnings before exceptional items, interest, tax, depreciation and amortisation charges. A reconciliation of EBITDA to operating profit is provided on page 12
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DIVISIONAL REVIEW

Republic of Ireland (ROI)

Constant Currency[i]	**ROI**		
	FY2013	**FY2012**	**Change**
	€m	**€m**	%
Revenue	133.8	142.5	(6.1%)
Net revenue	92.2	101.4	(9.1%)
- Price /mix impact			*(8.0%)*
- Volume impact			*(1.1%)*
Operating profit	38.5	43.7	(11.9%)
Operating margin (Net revenue)	*41.8%*	*43.1%*	*(1.3ppts)*
Volume – (kHL)	615	622	(1.1%)

LAD category[ii]: Retail sales volume of Long Alcohol Drinks (LAD) in ROI declined by 2% in the 12 month period to the end of February 2013. The trend in overall consumption remains reasonably predictable, within the range of level to minus 2% over the last few years. However, there has been a notable slowing of volume shift from the on-trade to the off-trade. In the 12 months to the end of February 2013, LAD volume in the on-trade declined by 3% whilst the off-trade declined by 1%. The 2ppt differential represents a significant narrowing of the gap in channel performance. In the three months to April, the on-trade outperformed the off-trade when measured by sales trend, despite on-trade wholesale price increases on the market leading brands for the first time in several years.

Over the 12 months to January 2013, the growth in cider total volume sales outperformed the growth in beer total volume sales, with growth of 1% achieved. The channel of trade differential is more marked for cider with a strong performance in off-trade (volume +6%) in part attributable to expansion of the value category.

Total ROI: Following on from first half financials dominated by poor summer weather and its impact on cider consumption, trading stabilised in the second half of the financial year. LAD volume in ROI for the Group was up 1.5% in the second half compared with a decline of 3.2% in the first half. At the same time, rate of price/mix deflation improved from 9.1% in the first half to 6.2% in the second. In a market down 2% in the 12 months to January 2013, the Group picked up some modest volume share growth.

Net revenue for the full year declined 9.1%. The relative growth of beer within the portfolio has had a small impact on average revenues. However the price mix deflation of 8.0% is split fairly evenly between the effects of channel weighting of cider volume sales and price promotional activity to support the portfolio in the off-trade.

Operating profit[i] declined 11.9% to €38.5 m with margin down 1.3ppts to 41.8%. In the second half, operating profit was stable year-on-year.

Cider ROI: Net revenue was down 10.8% in the year with volume accounting for 3.2% of the decline and price/mix a further 7.6%. Over half of the price mix deflation was attributable to channel weighting with Bulmers enjoying good market share growth in the off-trade. Pricing in the on-trade was level for Bulmers. In the off-trade, promotional activity and the growth of our value cider brands reduced average pricing, albeit by a lower amount than in previous years.

The brand health of Bulmers remains strong. Effective advertising campaigns and sponsorship events during the year helped keep the brand vibrant and front of mind for consumers. In FY2014, a fresh TV campaign has just been launched for Bulmers.

Beer ROI: The Group's beer portfolio continued to perform well in ROI with volume growing 11.1% in a beer market[ii] that declined by 2% in the same period. Volume of C&C 'owned' brands, Tennent's Lager and Caledonia Smooth, grew 25.6%. Beer now represents 16.3% of the portfolio volume in ROI.

(i) On a constant currency basis, constant currency calculation is set out on page 14
(ii) Per Nielsen data

Cider – United Kingdom (UK)
Operations Review

Constant Currency[i]	Cider UK FY2013	FY2012	Change
	€m	€m	%
Revenue	195.8	232.8	(15.9%)
Net revenue	137.8	172.6	(20.2%)
- Price /mix impact			*(5.2%)*
- Volume impact			*(15.0%)*
Operating profit	30.9	36.6	(15.6%)
Operating margin (Net revenue)	*22.4%*	*21.2%*	1.2ppts
Volume – (kHL)	1,216	1,430	(15.0%)

Cider category[ii]: The GB cider category experienced its first volume decline in almost a decade, falling by 2% as poor weather depressed home consumption in the key summer months. Despite the heavy promotion of the category by retailers and brand owners, off-trade volume declined 4% in the year to March, in line with beer. There were positives, however, in the value growth of cider in the off-trade and in the on-trade category trend. Value grew by 2% in the off-trade, outstripping LAD by over 2ppts and illustrating the continued premiumisation of the category from a retailer/consumer perspective. In the on-trade, cider volume growth remained in positive territory, up 1% year-on-year and 5ppts ahead of LAD. Packaged variants in the fridge enjoyed a good year with flavoured ciders delivering much of the growth at the expense of standard draught.

The health of the category was further validated by a number of new entrants during the course of the year. There was a significant level of investment behind brand launches and range extensions and there is no doubt that competition in the space intensified as a consequence.

Cider UK: There was little improvement in the second half, following a challenging first six months. The rate of volume decline improved from 18.6% at the end of August to 15.0% for the full year but the price/mix effect still left net revenues down 20.2%. Operating profit[i] declined by 15.6% to €30.9m. Operating margin[i] improved by 1.2ppts, reflecting the decision taken earlier in the year to hold back on marketing investment given the dynamics of the trading environment for the category.

Magners UK: The Magners brand underperformed the market with volume declining 13.9%. Key summer events, such as the European Football Championships and Olympic Games, failed to deliver any volume uplift. In contrast to last year, Magners saw a significant reduction of share across Grocery promotional deals, impacting volume negatively through the year. While trading began to stabilise toward the end of the financial year as the new retailer trading plan cycle kicked in and comparatives eased, we expect that increased competition will bring another challenging year of trading.

The Magners brand remains in good health, supported by a brand investment level in FY2013 equating to a very competitive double-digit % of net sales revenue. As with Bulmers in Ireland, it is the intention to invest behind a fresh advertising campaign for the brand in FY2014.

Gaymers Branded Portfolio: The Gaymers branded portfolio, including Gaymers Original, Blackthorn and Olde English declined by 16.4% in the period, as standard cider lost ground to premium cider and fruit flavoured variants. The launch of Gaymers fruits enjoyed some success and slowed the overall decline but the brand is a relatively small component part of the 'non Magners' portfolio. Post the end of the the financial year, the Shepton Mallet Cider Mill trading division was created, as a separate business division within the Group, with its own dedicated sales and marketing infrastructure, the new division will focus on the development of regional, craft and specialist cider brands within the UK cider portfolio. It is anticipated that authenticity and craft heritage will become key features of the cider category development over the next few years.

(i) On a constant currency basis, constant currency calculation is set out on page 14
(ii) Per CGA/Nielsen data

Tennent's UK
Operations Review

Constant Currency[i]	Tennent's UK FY2013	FY2012	Change
	€m	**€m**	%
Revenue	229.3	223.5	2.6%
Net revenue	108.9	102.0	6.8%
- Price /mix impact			*12.7%*
- Volume impact			*(5.9%)*
Operating profit	30.3	22.5	34.7%
Operating margin (Net revenue)	27.8%	22.1%	5.7ppts
Volume – (kHL)	1,294	1,375	(5.9%)

UK beer[ii]: Market data to end of February suggested a decline of 4% in beer volumes in Scotland. Volume held up better in the on-trade with a decline of 2% comparing favourably to an off-trade that was down 6% year-on-year. Value was up 1% for the market in the period. Robust market data are not available for the market in Northern Ireland.

Tennent's UK: Tennent's, including Caledonia Best, delivered a very robust set of financials in a challenging environment. Volume decline of 5.9% was broadly in line with the market but the substitution of low margin volumes with more profitable channels deals contributed to net revenue[i] growth of 6.8% for the year. There were a number of features behind the 12.7% positive price mix impact including reduced promotional activity in the off-trade, some moderate premiumisation of the portfolio and the re-negotiation of low margin legacy contracts. Operating margin[i] continued to expand with improved pricing and robust cost control growing margin by 5.7ppts. Marketing investment behind the brands remained highly competitive and double digit as a percentage of net sales revenue. The Tennent's brand is in good health in all of its territories.

Tennent's Scotland: Tennent's Lager volume sold to the Independent Free Trade (IFT) and Local Multiple segments of the on-trade grew by 3.3% in the year, delivering market share growth. Distribution improved for the brand in these segments, supported by a net £11.5m incremental investment in trade lending, good brand support and a sensible approach to pricing in a tough environment for retailers and consumers.

The Group invested to sustain growth in Caledonia Best during the year. Distribution now stands at around 1,400 outlets with a solid presence in the IFT. Above the line support for the brand was introduced via a TV campaign in the second half of the financial year and further support is planned for FY2014. The brand is enjoying some momentum. Share of Ale in the IFT reached 4.5% for the year and data for the last 13 weeks of the year suggest share has grown to 7.6%.

Caledonia Best is now the fastest growing beer brand in the Scottish on-trade; over the last year it has reached No.2 position in the smooth draught ale category according to CGA. The success of Caledonia Best, and the relative outperformance of Magners in Scotland compared with England & Wales, serves to highlight the attractivness of further diversification into multi-beverage in Scotland.

Tennent's NI: In Northern Ireland Tennent's remains competitive within a weak on-trade market. The C&C portfolio, including third-party brands, was down 8.0% for the period in a market believed to have declined by over 10%. Net investment in trade lending increased by €0.3m in the year. The low level of churn in pub ownership serves to highlight the difficulties facing the on-trade.

(i) On a constant currency basis, constant currency calculation is set out on page 14
(ii) Per CGA/Nielsen data

International
Operations Review

Constant Currency[i]	International FY2013	FY2012	Change
Including VHCC	**€m**	**€m**	%
Revenue	48.5	31.9	52.0%
Net revenue	47.8	31.8	50.3%
- Price /mix impact			*(4.9%)*
- Volume impact			*55.2%*
Operating profit	9.1	6.8	33.8%
Operating margin (Net revenue)	19.0%	*21.4%*	*(2.4ppts)*
Volume – (kHL)	326	210	55.2%
Excluding VHCC	**€m**	**€m**	%
Net Revenue	41.4	31.8	30.2%
Operating profit	7.3	6.8	7.4%
Operating margin (Net revenue)	17.6%	21.4%	*(3.8ppts)*
Volume – (kHL)	283	210	34.8%

International: Strategically, FY2013 should prove to be a significant year for the development of an international business within C&C. The acquisition of the Vermont Hard Cider Company (VHCC) in December was an exciting move. VHCC owns a leading US cider brand in Woodchuck, a well-invested cidery in Vermont and has a national distribution network. The US cider category is currently enjoying strong growth and VHCC provides a great platform to tap into the longer term potential of this emerging market. In doing so, it reduces the exposure of C&C to the more challenging cider category in the UK. FY2014 should also prove to be a significant year for the export of Tennent's. A number of new markets for the brand were opened during the year, including Italy, and the potential opportunity is reasonable in scale.

Operationally, the international business unit enjoyed good volume growth of 55.2% in the period as Hornsby's, Tennent's and Woodchuck contributed alongside Magners. Excluding the two months worth of contribution from Woodchuck, volume was up 34.8% and revenue[i] increased 30.2%. International volume accounted for 9.6% of total C&C branded volume and 14.5% of cider. A full year contribution from Woodchuck in FY2014 will, for the first time, give the International LAD business unit meaningful scale within C&C.

Excluding VHCC, operating margin reduced 3.8 ppts in the year. We expect this margin to expand as we progress through FY2014 for a number of reasons. First, the sourcing of Hornsby's for the US market is expensive but the arrangements are temporary in nature. Secondly, the FY2013 investment in US sales infrastructure to support the Magners brand was made in anticipation of future growth, temporarily increasing fixed cost ratios in FY2013. Planned capacity expansion in Vermont will provide a permanent lower cost solution, once completed. Operating margin on Tennent's export volume is in line with cider exports and the addition of Woodchuck to the portfolio should further improve margin in FY2014.

Cider: Magners volume in FY2013 was up 3.9% on the prior year. This was some way below the trend line of the previous few years, albeit there were specific issues affecting the performance of the brand in the US and Australia. In the US, the extraction of the Hornsby's brand from the E&J Gallo business and integration into the Magners infrastructure and distribution network proved to be a resource hungry project. For much of the year, this served as a considerable distraction to the focus of the front line sales team. Following the acquisition of VHCC in December, an accelerated integration of commercial resource is now complete and the enlarged business will be better placed to capitalise on the opportunity presented by a stronger sales team with a broader cider portfolio in FY2014.

(i) On a constant currency basis, constant currency calculation is set out on page 14

In Australia, the brand suffered owing to issues with its route to market in FY2013. The cider category remains in good growth and the Magners brand continues to enjoy good consumer appeal but volume dropped 24% in the year. Work continues on resolving the route to market issue and the performance of the brand has improved in recent weeks with a return to more stable volume year-on-year. Excluding Australia, the volume of Magners sold outside of Ireland and the UK grew 10% in FY2013. In North America, growth of Magners was 10%.

Other international markets enjoyed solid growth with some European markets, including France and Spain, benefitting from new distribution arrangements. Volumes were up 13% and 11% in each market respectively.

Tennent's: The launch of premium variants of the Tennent's brand into a number of different markets is proving to be an attractive 'support act' sitting alongside the development of cider. In year one, 20 kHL of Tennent's Lager was shipped into Italy and the growth of the brand in Canada impressed. There are also encouraging signs from some states in the US. International volume of Tennent's is around 32 kHL, some 10% of total international volume. The Scottish heritage and authenticity of the brand is a marketable attribute that resonates in a range of international markets, suggesting that there could be reasonable growth potential for the next few years.

Third Party Brands UK
Operations Review

Constant Currency[(i)]	**Third Party Brands UK**		
	FY2013	**FY2012**	**Change**
	€m	**€m**	%
Revenue	116.7	122.4	(4.7%)
Net revenue	90.2	96.8	(6.8%)
- Price /mix impact			*(4.0%)*
- Volume impact			*(2.8%)*
Operating profit	5.1	3.8	34.2%
Operating margin (Net revenue)	5.7%	3.9%	*1.8ppts*
Volume – (kHL)	871	896	(2.8%)

Third Party Brands UK: This segment relates to the distribution of third party products and the production and distribution of private label brands in the UK. Private label accounted for 68% of the total third party volume in FY2013, up from 63% in FY2012.

Net revenue was down 6.8% in the year. Overall volume was down 2.8%, with a decrease in third party brands partly offset by an increase in volume in private label. This was mitigated in part by improvement in average pricing achieved for both private label and third party products.

Agency: Volume declined 15.2% in the period. Route to market changes in commercial arrangements to service one significant national account in the Scottish market resulted in lower margin factored brands no longer being distributed by C&C. Likewise, route to market amendments in Northern Ireland reduced duty in suspense volume by a reasonably significant amount during the year. In both Scotland and Northern Ireland, the agency brands continue to perform well in the core Independent Free Trade segment of the on-trade.

The reduction in lower value activity improved average pricing by 3.8%, contributing to the overall 1.8ppt improvement in third party brand operating margin.

Private Label: A number of new contracts for cider and beer helped push volume up 4.2% in FY2013. The nature of the new contracts was higher in quality, a point well illustrated by a 2.3% improvement in average pricing achieved and a healthier operating margin.

(i) On a constant currency basis, constant currency calculation is set out on page 14

FINANCE REVIEW

	Year ended 28 February 2013 €m	Year ended 29 February 2012 €m	CC[(i)] Year ended 28 February 2012 €m	Change %	CC - Change %
Net revenue	**476.9**	480.8	504.6	*(0.8%)*	*(5.5%)*
Operating profit[(ii)]	**113.9**	111.2	113.4	*2.4%*	*0.4%*
Net finance costs	**(4.9)**	(5.1)		*(3.9%)*	
Profit before tax[(ii)]	**109.0**	106.1		*2.7%*	
Income tax expense[(ii)]	**(16.0)**	(13.8)		*15.9%*	
Effective tax rate	***14.7%***	*13.0%*			
Profit from continuing operations before exceptional items	**93.0**	92.3		*0.8%*	
Adjusted diluted EPS[(iii)]	**27.7 cent**	27.6 cent			
Adjusted diluted EPS[(iii)] -continuing operations	**27.7 cent**	27.6 cent			
Dividend per Share	**8.75 cent**	8.17 cent		*7.1%*	
Dividend payout ratio[(iv)]	***31.6%***	*29.6%*			

C&C is reporting net revenue of €476.9m, operating profit[(ii)] of €113.9m and adjusted diluted EPS[(iii)] of 27.7 cent.

This represents a moderate decline of 0.8% in net revenue (decline of 5.5% on a constant currency[(i)] basis) but an operating profit[(ii)] increase of 2.4% (up 0.4% on a constant currency basis[(i)]) equating to an operating margin of 23.9%, an increase of 0.8 percentage points on the prior year (up 1.4 percentage points on a constant currency basis[(i)]). In challenging domestic markets, the results achieved highlight both the resilience and adaptability of the C&C business model and the importance of growth from international markets.

FINANCE COSTS, INCOME TAX AND SHAREHOLDER RETURNS

Net finance costs reduced to €4.9m (FY2012: €5.1m) reflecting a reduction in average drawn debt during the period and the benefit of no fixed interest contracts in the current year.

The income tax charge in the year excluding exceptional items amounted to €16.0m giving an effective tax rate of 14.7%, an increase of 1.7 percentage points on the prior year. The increase is primarily due to the increased proportion of profits arising in the UK. The effective tax rate of 14.7% reflects the fact that, currently, the majority of the Group's profits are earned in either Ireland or the UK, both of whom have competitive tax rates relative to European averages.

Subject to shareholder approval, the proposed final dividend of 4.75 cent per share will be paid on 12 July 2013 to ordinary shareholders registered at the close of business on 24 May 2013. The Group's full year dividend will therefore amount to 8.75 cent per share, a 7.1% increase on the previous year. The proposed full year dividend per share will represent a payout of 31.6% (FY2012: 29.6%) of the full year reported adjusted diluted earnings per share. A scrip dividend alternative will be available. Total dividends paid to ordinary shareholders in the current financial year amounted to €28.4m of which €21.2m was paid in cash, €0.1m was accrued with respect to LTIP (Part I) dividend entitlements while €7.1m or 25% (FY2012:19%) was settled by the issue of new shares.

(i) On a constant currency basis, constant currency calculation is set out on page 14.
(ii) Before exceptional items
(iii) See Note 8 to condensed set of financial statements
(iv) Dividend per share as a percentage of adjusted diluted EPS

CASHFLOW GENERATION AND DEBT MANAGEMENT

The Group generated free cash flow[(i)] in the period of €54.8m, reflecting an EBITDA[(ii)] to Free Cash Flow conversion ratio of 40.4%, the Group ended the year with net debt[(iii)] of €123.4m. A summary cash flow statement is set out below.

Cash flow summary

	2013 €m	2012 €m
Operating profit [(iv)]	**113.9**	111.1
Amortisation/depreciation	**21.7**	20.3
EBITDA [(ii)]	**135.6**	131.4
Working capital	**(21.8)**	13.5
Advances to customers	**(16.7)**	(5.5)
Net capital expenditure	**(24.1)**	(17.7)
Net finance costs	**(1.9)**	(3.9)
Tax paid	**(8.5)**	(4.4)
Exceptional items paid[(v)]	**(4.9)**	(8.7)
Other *	**(2.9)**	(2.1)
Free cash flow[(i)]	**54.8**	102.6
Free cash flow conversion ratio	***40.4%***	*78.1%*

*other relates to the share options add back, pensions charged to operating profit before exceptional items less contributions paid and in the prior year profit on disposal of plant & equipment.

The current year cash flow performance reflects a number of factors. Working capital was negative, primarily as a consequence of adding VHCC to the Group and exiting transitional service arrangements for the Hornsby's brand during the year. FY2012 working capital movement had enjoyed the benefit of some slow recovery of credit due to customers. The sustained challenges of the trading environment appear to have sharpened cash recovery across the board, negatively impacting our working capital movement in FY2013 as a consequence. The Group increased advances to customers in the period, primarily in Scotland. Capital expenditure also increased in the current year. FY2013 capital expenditure includes the purchase of land in Vermont that was purchased by the Group post the acquisition of VHCC. Net finance costs of the Group reduced due to the reduction in average drawn debt for the period and the benefit of no fixed interest contracts in the current year. Taxation payments increased in line with an increased proportion of UK taxable profits.

	2013 €m	2012 €m
Free cash flow[(i)]	**54.8**	102.6
Proceeds on disposal of businesses	**-**	4.7
Proceeds from exercise of share options	**3.5**	1.5
Proceeds with respect to Joint Share Ownership Plan	**-**	0.1
Proceeds from sale of shares held by Employee Trust	**6.6**	-
Proceeds from issue of new shares following acquisition of subsidiary	**5.3**	-
Acquisition of brand & business/deferred consideration paid	**(233.5)**	(16.6)
Acquisition of equity accounted investees	**(2.9)**	-
Dividends paid in cash	**(21.2)**	(18.5)
(Outflow)/Inflow	**(187.4)**	73.8
Net cash/(debt)[(iii)] at beginning of year	**68.3**	(6.3)
Translation adjustment	**(3.7)**	1.1
Non cash movement	**(0.6)**	(0.3)
Net (debt)/cash[(iii)] at end of year	**(123.4)**	68.3

(i) Free Cash Flow is a non-GAAP measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. Free Cash Flow highlights the underlying cash generating performance of the ongoing business.
(ii) EBITDA is earnings before exceptional items, interest, tax, depreciation and amortisation charges.
(iii) Net debt comprises cash and borrowings, net of issue costs (€2.2m).
(iv) Before exceptional items.
(v) Exceptional payments include severance and other pay related costs arising as a result of the restructuring programme of €2.6 m (2012 : €4.7m), acquisition related costs of €1.2m (2012: nil) and costs associated with integrating acquired businesses/brands and IT systems implementation of €1.1 million (2012: €4.0m).

The Group funded the acquisition of the VHCC from its 2012 multi-currency debt facility. The Group returned €21.2m to shareholders in the form of a cash dividend during the year and finished the year in a net debt(i) position of €123.4m.

It is Group policy to ensure that a structure of medium/long term debt funding is in place to provide it with the financial capacity to promote the future development of the business and to achieve its strategic objectives. The Group manages its borrowing ability by entering into committed loan facility agreements. Currently the Group has a multi-currency five year syndicated revolving loan facility, entered into in February 2012 with seven banks. The principal agreement provided the Group with debt capacity of up to €250.0m and in addition provided for a further €100.0m in the form of an uncommitted facility, which the Group successfully negotiated as committed in December 2012. The total drawn funds under this facility at 28 February 2013 was €246.6m (29 February 2012: €nil, 2007 facility €60.0m drawn).

The strength of the balance sheet coupled with the capability to generate strong cash flow provides the Group with the financial flexibility to invest for future growth and/or return cash to shareholders.

RETIREMENT BENEFIT OBLIGATIONS

In FY 2012 the Group worked with the Pension Scheme Trustees to implement pension reform in order to manage the Group's funding risk. The process concluded with the Pensions Board issuing a Section 50 directive to remove the mandatory pension increase rule guaranteeing 3% per annum increase to certain pensions in payment and replaced it with guaranteed pension increases of 2% per annum for each of the 3 years 2012, 2013 and 2014, with future pension increases to be awarded on a discretionary basis.

A Funding Proposal was also approved by the Pensions Board committing the Group to: contributions of 14% of Pensionable Salaries to fund future pension accrual of benefits; a deficit contribution of €3.4m; and an additional supplementary deficit contribution of €1.9m which the Company reserves the right to reduce or terminate on consultation with the Trustees and on advice from the Scheme Actuary that it is no longer required due to a correction in market conditions. The level of future funding commitment is in line with current funding levels. The Directors believe that the agreed plan will enable the schemes to meet the Minimum Funding Standard by 31 December 2016.

FOREIGN CURRENCY AND COMPARATIVE REPORTING

	FY2013 Euro:Stg£	FY2012 Euro:Stg£
Translation Exposure	**0.81**	0.87
Transaction Exposure	**0.86**	0.85

As shown above, the effective rate for the translation of results from sterling currency operations was €1:£0.81 (FY2012: €1:£0.87) and the effective rate for the translation of sterling currency revenue/net revenue transactions by euro functional currency operations resulted in an effective rate of €1:£0.86 (FY2012: €1:£0.85) at operating profit level.

The Group policy is to hedge an appropriate portion of its foreign currency transaction exposure for a period of up to two years ahead. The principal foreign currency forward contracts in place at 28 February 2013 are:

		FY2014	
		Stg£	US$
Local currency amount	(m)	20.0	1.0
Average forward rate	(Euro:FX)	0.81	1.24

Comparisons for revenue, net revenue and operating profit for each of the Group's operating segments are shown at constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's sterling denominated subsidiaries by restating the prior year at FY2013 effective rates. Applying the realised FY2013 foreign currency rates to the reported FY2012 revenue, net revenue and operating profit rebases the comparatives as follows:

(i) Net debt comprises cash and borrowings, net of issue costs (€2.2m).

CONSTANT CURRENCY CALCULATION FOR YEAR ENDED 29 FEBRUARY 2012

	Year ended 29 February 2012 €m	FX Transaction €m	FX Translation €m	Year ended 29 February 2012 Constant currency comparative €m
Revenue				
ROI	142.5	-	-	**142.5**
Cider UK	218.6	-	14.2	**232.8**
Tennent's UK	209.9	-	13.6	**223.5**
International	30.7	0.8	0.4	**31.9**
Third party brands UK	115.0	-	7.4	**122.4**
Total	**716.7**	**0.8**	**35.6**	**753.1**
Net revenue				
ROI	101.4	-	-	**101.4**
Cider UK	162.1	-	10.5	**172.6**
Tennent's UK	95.8	-	6.2	**102.0**
International	30.6	0.8	0.4	**31.8**
Third party brands UK	90.9	**-**	5.9	**96.8**
Total	**480.8**	**0.8**	**23.0**	**504.6**
Operating profit				
ROI	44.4	(0.7)	-	**43.7**
Cider UK	35.2	0.6	0.8	**36.6**
Tennent's UK	21.2	-	1.3	**22.5**
International	6.8	(0.2)	0.2	**6.8**
Third party brands UK	3.6	-	0.2	**3.8**
Total	**111.2**	**(0.3)**	**2.5**	**113.4**

PRINCIPAL RISKS AND UNCERTAINTIES

Under Irish company law (Statutory Instrument 116/2005 European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005), the Group is required to give a description of the principal risks and uncertainties which it faces.

The principal risks and uncertainties faced by the Group's businesses are set out below. The Group considers that currently the most significant risks to its results and operations over the short term are (a) strategic failures, (b) economic conditions affecting consumer spending and confidence and (c) failure to attract and retain high-performing employees.

Risks and uncertainties relating to strategic goals

- The Group's strategy is to focus upon earnings growth through organic growth, acquisitions, joint ventures and entry into new markets. These opportunities may not materialise or deliver the benefits or synergies expected and may present new social and compliance risks. The Group seeks to mitigate these risks through due diligence, careful investment and continuing monitoring post-acquisition.

Risks and uncertainties relating to revenue and profits

- The majority of the Group's revenue derives from Ireland and the UK, where economic growth is slow. The Group seeks to mitigate this risk through changes to its business model, geographical diversification into higher growth markets and through acquisitions and joint ventures offering costs synergies.

- Economic conditions in the Group's principal markets may affect consumer spending and confidence. The Group seeks to mitigate these risks through careful forecasting and regular monitoring of market conditions and by maximising operating efficiency.

- Customers, particularly in the on-trade where the Group has exposure through cash advances to customers, may experience financial difficulties. The Group monitors the level of its exposure carefully.

- Consumer preference may change, new competing brands may be launched and competitors may increase their marketing or change their pricing policies. The Group has a programme of brand investment and innovation to maintain and enhance the market position of its products.

- Seasonal fluctuations in demand, especially an unseasonably bad summer in Ireland or the UK, could materially affect demand for the Group's cider products. Geographical diversification is helping to mitigate this risk.

Risks and uncertainties relating to costs and production

- Input costs may be subject to volatility and inflation and the continuity of supply of raw materials may be affected by the weather and other factors. The Group seeks to mitigate some of these risks through long term or fixed price supply agreements. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.

- Circumstances such as the loss of a production or storage facility or disruptions to its supply chains or critical IT systems may interrupt the supply of the Group's products. The Group seeks to mitigate the operational impact of such an event by the availability of multiple production facilities, fire safety standards and disaster recovery protocols, and the financial impact of such an event through business interruption and other insurances.

Financial risks and uncertainties

- There is continued concern surrounding the euro currency. The Group's operations involve the sale and purchase of goods denominated in currencies other than the euro, principally pounds sterling and the US dollar. Fluctuations in value between the euro and these currencies may affect the Group's revenues and costs. The Group seeks to mitigate currency and interest rate risks through hedging and structured financial contracts to hedge a portion of its foreign currency transaction exposure and to fix a portion of its variable rate interest exposure, where appropriate. The Group has not entered into structured financial contracts to hedge its translation exposure on its foreign acquisitions.

- The Group's shares have a primary listing on the Irish Stock Exchange and are denominated in euro and the continued economic crisis may affect liquidity. The Group keeps its listings under review.

- The solvency of the Group's defined benefit pension schemes may be affected by a fall in the value of their investments, market and interest rate volatility and other economic and demographic factors. Each of these factors may require the Group to increase its contribution levels. The Group seeks to mitigate this risk by continuous monitoring, taking professional advice on the optimisation of asset returns within agreed

acceptable risk tolerances and implementing liability management initiatives such as the reduction in member contractual benefits approved by the Pensions Board in February 2012.

Fiscal, regulatory and liability-related risks and uncertainties

- The Group may be adversely affected by changes in excise duty or taxation on cider and beer in Ireland, the UK, the US and other territories.

- The Group may be adversely affected by changes in government regulations affecting alcohol pricing, sponsorship or advertising. Within the context of supporting responsible drinking initiatives, the Group supports the work of its trade associations to present the industry's case to government.

- The Group's operations are subject to extensive regulation, including stringent environmental, health and safety and food safety laws and regulations and competition law. Legislative non-compliance or adverse ethical practices could lead to prosecutions and damage to the reputation of the Group and its brands. The Group has in place a permanent legal and compliance monitoring and training function and an extensive programme of corporate responsibility.

- The Group is vulnerable to contamination of its products or base raw materials, whether accidental, natural or malicious. Contamination could result in a recall of the Group's products, damage to brand image and civil or criminal liability. The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover.

- Fraud, corruption and theft against the Group whether by employees, business partners or third parties are risks, particularly as the Group develops internationally. The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management.

Employment-related risks and uncertainties

- The Group's continued success is dependent on the skills and experience of its executive Directors and other high-performing personnel, including in newly acquired businesses, and could be affected by their loss or the inability to recruit or retain them. The Group seeks to mitigate this risk through appropriate remuneration policies and succession planning.

- Whilst relations with employees are generally good, work stoppages or other industrial action could have a material adverse effect on the Group. The Group seeks to ensure good employee relations through engagement and dialogue.

GROUP CONDENSED INCOME STATEMENT
For the year ended 28 February 2013

	Notes	Year ended 28 February 2013			Year ended 29 February 2012		
		Before exceptional items €m	Exceptional items (note 6) €m	Total €m	Before exceptional items €m	Exceptional items (note 6) €m	Total €m
Revenue	4	**724.1**	**-**	**724.1**	716.7	-	716.7
Excise duties		**(247.2)**	**-**	**(247.2)**	(235.9)	-	(235.9)
Net revenue	4	**476.9**	**-**	**476.9**	480.8	-	480.8
Operating costs		**(363.0)**	**(4.6)**	**(367.6)**	(369.6)	4.8	(364.8)
Operating profit	4	**113.9**	**(4.6)**	**109.3**	111.2	4.8	116.0
Finance income		**0.1**	**-**	**0.1**	0.7	-	0.7
Finance expense		**(5.0)**	**-**	**(5.0)**	(5.8)	-	(5.8)
Profit/(loss) before tax		**109.0**	**(4.6)**	**104.4**	106.1	4.8	110.9
Income tax (expense)/credit		**(16.0)**	**0.3**	**(15.7)**	(13.8)	0.4	(13.4)
Profit/(loss) from continuing operations		**93.0**	**(4.3)**	**88.7**	92.3	5.2	97.5
Discontinued operations							
Loss from discontinued operations		-	-	-	(0.1)	(1.7)	(1.8)
Profit for the year attributable to equity shareholders		**93.0**	**(4.3)**	**88.7**	92.2	3.5	95.7
Basic earnings per share (cent)	8			**27.0c**			29.4c
Diluted earnings per share (cent)	8			**26.4c**			28.7c
Continuing operations							
Basic earnings per share (cent)	8			**27.0c**			30.0c
Diluted earnings per share (cent)	8			**26.4c**			29.2c

GROUP CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 28 February 2013

	Notes	2013 €m	2012 €m
Other comprehensive income and expense:			
Foreign currency translation differences arising on foreign currency borrowings designated as net investment hedges		**(3.2)**	1.7
Foreign currency translation differences arising on the net investment in foreign operations		**(8.1)**	3.6
Foreign currency reserve recycled on disposal of Northern Ireland wholesale business		**-**	0.7
Net loss on revaluation of land and buildings		**-**	(1.7)
Net movement in cash flow hedging reserve		**2.0**	1.4
Deferred tax on cash flow hedges		**(0.3)**	(0.1)
Actuarial loss on retirement benefit obligations	11	**(12.3)**	(19.0)
Deferred tax on actuarial loss on retirement benefit obligations		**1.6**	2.4
Net loss recognised directly within other comprehensive income		**(20.3)**	(11.0)
Profit for the year attributable to equity shareholders		**88.7**	95.7
Comprehensive income for the year attributable to equity shareholders		**68.4**	84.7

GROUP CONDENSED BALANCE SHEET

As at 28 February 2013

	Notes	2013 €m	2012 €m
ASSETS			
Non-current assets			
Property, plant & equipment		**183.6**	181.8
Goodwill & intangible assets		**707.2**	484.9
Equity-accounted investees		**2.4**	-
Retirement benefit obligations	11	**0.5**	0.2
Deferred tax assets		**6.2**	6.5
Derivative financial instruments		**1.4**	-
Trade & other receivables		**31.3**	19.5
		932.6	692.9
Current assets			
Inventories		**48.9**	46.1
Trade & other receivables		**96.1**	93.4
Derivative financial assets		**1.7**	0.1
Cash & cash equivalents		**121.0**	128.3
		267.7	267.9
TOTAL ASSETS		**1,200.3**	960.8
EQUITY			
Equity share capital		**3.4**	3.4
Share premium		**107.9**	92.0
Other reserves		**48.6**	57.8
Treasury shares		**(12.5)**	(16.8)
Retained income		**632.3**	577.8
Total equity		**779.7**	714.2
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings		**244.4**	-
Derivative financial liabilities		**1.2**	-
Retirement benefit obligations	11	**22.0**	15.3
Provisions		**9.4**	11.5
Deferred tax liabilities		**7.8**	7.2
		284.8	34.0
Current liabilities			
Interest bearing loans & borrowings		**-**	60.0
Derivative financial liabilities		**-**	0.9
Trade & other payables		**124.1**	141.9
Provisions		**2.8**	5.8
Current tax liabilities		**8.9**	4.0
		135.8	212.6
Total liabilities		**420.6**	246.6
TOTAL EQUITY & LIABILITIES		**1,200.3**	960.8

GROUP CONDENSED CASH FLOW STATEMENT

For the year ended 28 February 2013

	2013 €m	2012 €m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year attributable to equity shareholders	**88.7**	95.7
Finance income	**(0.1)**	(0.7)
Finance expense	**5.0**	5.8
Income tax expense	**15.7**	13.4
Depreciation of property, plant & equipment	**21.6**	20.2
Amortisation of intangible assets	**0.1**	0.1
Profit on disposal of property, plant & equipment	**-**	(0.3)
Revaluation loss on property, plant & equipment	**-**	2.0
Loss on disposal of businesses	**-**	1.8
Exceptional retirement benefit obligations gain - discontinued operations	**-**	(0.1)
Charge for share-based employee benefits	**3.0**	2.6
Pension contributions paid less amount charged to income statement	**(5.9)**	(19.1)
	128.1	121.4
Increase in inventories	**(0.7)**	(4.5)
(Increase)/decrease in trade & other receivables	**(14.8)**	10.6
(Decrease)/increase in trade & other payables	**(18.4)**	1.2
Decrease in provisions	**(4.9)**	(0.1)
	89.3	128.6
Interest received	**0.1**	0.7
Interest and similar costs paid	**(2.0)**	(4.6)
Income taxes paid	**(8.5)**	(4.4)
Net cash inflow from operating activities	**78.9**	120.3
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	**(24.1)**	(18.9)
Net proceeds on disposal of property, plant & equipment	**-**	1.2
Acquisition of brand/deferred consideration paid on acquisition of brand	**(3.7)**	(16.6)
Acquisition of business	**(229.8)**	-
Acquisition of equity accounted investee	**(2.9)**	-
Proceeds on disposal of businesses	**-**	4.7
Net cash outflow from investing activities	**(260.5)**	(29.6)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	**3.5**	1.5
Proceeds from issue of new shares following acquisition of subsidiary	**5.3**	-
Proceeds from sale of shares held by Employee Benefit Trust	**6.6**	-
Proceeds from exercise of Interests under Joint Share Ownership Plan	**-**	0.1
Drawdown of debt	**251.2**	-
Repayment of debt	**(65.2)**	(73.6)
Payment of issue costs	**(2.8)**	-
Dividends paid	**(21.2)**	(18.5)
Net cash inflow/(outflow) from financing activities	**177.4**	(90.5)
Net (decrease)/increase in cash & cash equivalents	**(4.2)**	0.2
Cash & cash equivalents at beginning of year	**128.3**	128.7
Translation adjustment	**(3.1)**	(0.6)
Cash & cash equivalents at end of year	**121.0**	128.3

A reconciliation of cash & cash equivalents to net debt is presented in note 10.

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2013

	Equity share capital €m	Share premium €m	Capital redemption reserve €m	Capital reserve €m	Cash flow hedging reserve €m	Share-based payments reserve €m	Currency translation reserve €m	Revaluation reserve €m	Treasury shares €m	Retained income €m	Total €m
At 28 February 2011	3.4	86.3	0.5	24.9	(1.8)	7.5	15.9	5.9	(17.4)	518.5	643.7
Profit for the year attributed to equity shareholders	-	-	-	-	-	-	-	-	-	95.7	95.7
Other comprehensive expense	-	-	-	-	1.3	-	6.0	(1.7)	-	(16.6)	(11.0)
Total	3.4	86.3	0.5	24.9	(0.5)	7.5	21.9	4.2	(17.4)	597.6	728.4
Dividend on ordinary shares	-	4.2	-	-	-	-	-	-	-	(22.7)	(18.5)
Exercised share options	-	1.5	-	-	-	-	-	-	-	-	1.5
Reclassification of share-based payments reserve	-	-	-	-	-	(2.5)	-	-	-	2.5	-
Reclassification of revaluation reserve on disposal	-	-	-	-	-	-	-	(0.4)	-	0.4	-
Joint Share Ownership Plan	-	-	-	-	-	(0.4)	-	-	0.6	-	0.2
Equity settled share-based payments	-	-	-	-	-	2.6	-	-	-	-	2.6
At 29 February 2012	3.4	92.0	0.5	24.9	(0.5)	7.2	21.9	3.8	(16.8)	577.8	714.2
Profit for the year attributed to equity shareholders	-	-	-	-	-	-	-	-	-	88.7	**88.7**
Other comprehensive expense	-	-	-	-	1.7	-	(11.3)	-	-	(10.7)	**(20.3)**
Total	3.4	92.0	0.5	24.9	1.2	7.2	10.6	3.8	(16.8)	655.8	**782.6**
Dividend on ordinary shares	-	7.1	-	-	-	-	-	-	-	(28.4)	**(21.3)**
Exercised share options	-	3.5	-	-	-	-	-	-	-	-	**3.5**
Issue of shares following acquisition of subsidiary	-	5.3	-	-	-	-	-	-	-	-	**5.3**
Reclassification of share-based payments reserve	-	-	-	-	-	(2.2)	-	-	-	2.2	**-**
Joint Share Ownership Plan	-	-	-	-	-	(0.4)	-	-	0.4	-	**-**
Sale of shares held by Employee Trust	-	-	-	-	-	-	-	-	3.9	2.7	**6.6**
Equity settled share-based payments	-	-	-	-	-	3.0	-	-	-	-	**3.0**
At 28 February 2013	**3.4**	**107.9**	**0.5**	**24.9**	**1.2**	**7.6**	**10.6**	**3.8**	**(12.5)**	**632.3**	**779.7**

NOTES TO THE PRELIMINARY ANNOUNCEMENT

1. BASIS OF PREPARATION

The financial information presented in this report has been prepared in accordance with the Listing Rules of the Irish Stock Exchange and the accounting policies that the Group has adopted under International Financial Reporting Standards (IFRS) as approved by the European Union and issued by the International Accounting Standards Board (IASB) for the financial year ended 28 February 2013.

2. STATUTORY ACCOUNTS

The financial information prepared in accordance with IFRSs as adopted by the European Union included in this report does not comprise "full group accounts" within the meaning of Regulation 40(1) of the European Communities (Companies: Group Accounts) Regulations, 1992 of Ireland insofar as such group accounts would have to comply with the disclosure and other requirements of those Regulations. Full statutory accounts for the year ended 28 February 2013 prepared in accordance with IFRS, upon which the auditors have given an unqualified report, have not yet been filed with the Registrar of Companies. Full accounts for the year ended 29 February 2012, prepared in accordance with IFRS and containing an unqualified audit report have been delivered to the Registrar of Companies.

The information included has been extracted from the Group's financial statements, which have been approved by the Board of Directors on 15 May 2013.

3. REPORTING CURRENCY

The Group's financial statements are presented in euro millions to one decimal place. The results of the Group's subsidiaries with non-euro functional currencies have been translated into euro at average exchange rates for the year with the related balance sheets consolidated using the closing rate at the balance sheet date. Foreign currency movements arising on restatement of the results and opening net assets of non-euro functional currency companies at closing rates are recognised in the Currency Translation Reserve via the Statement of Comprehensive Income, together with currency movements arising on foreign currency borrowings designated as net investment hedges and currency movements arising on retranslation of the Group's long term sterling and US dollar intra group loans which are considered quasi equity in nature and part of the Group's net investment in its foreign operations.

The exchange rates used in translating sterling and US dollar balance sheet and income statement amounts were as follows:-

		2013	2012
Balance Sheet (closing rate):	Euro:Stg£	**0.867**	0.837
Income Statement (average rate):	Euro:Stg£	**0.813**	0.866
Balance Sheet (closing rate):	Euro:US$	**1.315**	1.338
Income Statement (average rate):	Euro:US$	**1.290**	1.385

4. SEGMENTAL REPORTING

The Group's business activity is the manufacturing, marketing and distribution of alcoholic drinks and five reporting segments have been identified in the current period; Republic of Ireland ('ROI'), Cider United Kingdom ('Cider UK'), Tennent's United Kingdom ('Tennent's UK'), International, and Third Party Brands United Kingdom ('Third Party Brands UK').

The Group continually reviews and updates the manner in which it monitors and controls its financial operations resulting in changes in the manner in which information is classified and reported to the Chief Operating Decision Maker ('CODM'). As a result, the basis of segmentation differs from that presented in the prior year however it corresponds with the current year nature of reporting lines to the CODM (as defined in IFRS 8 Operating Segments), and the Group's internal reporting for the purpose of managing the business, assessing performance and allocating resources.

The CODM, identified as the executive directors comprising Stephen Glancey, Kenny Neison and, from 23 October 2012, Joris Brams, assesses and monitors the operating results of segments separately via internal management reports in order to effectively manage the business and allocate resources.

During the current financial year, the CODM reviewed the basis on which they received financial information to manage the business and concluded that it was no longer wholly appropriate and consequently implemented a number of changes as outlined in the paragraphs below. In all instances the changes were deemed necessary to better enable the CODM to evaluate the results of the business and the economic environment in which the business operates. The operating segments that have been aggregated all have similar economic characteristics and are similar in terms of product, production and distribution processes, and customers. All comparative amounts have been restated to reflect the new basis of segmentation. The reclassification has no impact on the Revenue, Net Revenue or Operating profit reported by the Group.

The identified reporting segments are as follows:-

(i) ROI

This segment includes the financial results from sale of all products in the Republic of Ireland ('ROI'), principally Bulmers, Tennent's, Caledonia Smooth and third party brands as permitted under the terms of a distribution agreement with AB InBev.

The continued challenging economic climate within which the ROI business operates changed the focus of the CODM from the financial performance of cider in ROI to that of the total financial performance of the portfolio derived from the ROI market. Previously the financial results from the sale of Tennent's and third party brands in ROI were reported within the Tennent's and Third Party Brands segments.

(ii) Cider UK

This segment includes the results from sale of the Group's cider products in the UK, with Magners, Gaymers and Blackthorn the principal brands. Previously the results from the sale of the Group's cider products in the UK were shown within two segments, Cider GB (cider sales in Great Britain ('GB')) and Cider NI (cider sales in Northern Ireland ('NI')).

As permitted under IFRS 8 Operating Segments, the Group has aggregated the Cider NI operating segment with the Cider GB operating segment as the nature of the products are identical, profit margins are aligned, both operating segments are managed by the same segment manager, the strategic objectives and the type of customers in both jurisdictions are similar as is the method of distribution, the market in which they operate, and the regulatory environment.

In addition, in updating the manner in which the CODM wished to monitor and assess financial performance of the Group, a decision was taken that the financial performance of the element of the Group's business concerned with the production and sale of 'private-label' cider products in the UK was better managed and controlled as part of the operating segment Third Party Brands UK. This decision was taken on the basis that the operating margins of this business component are similar to those earned from other third party brands; the strategic objectives are more aligned with those of the Group's third party distribution business and the inclusion of this business within the operating segment Cider UK distorts the financial information which the CODM uses to decide on the allocation of resources.

(iii) Tennent's UK

This segment includes the results from sale of the Group's 'owned' beer brand – Tennent's in the UK and sales of Caledonian Best in the UK. This differs from that previously presented where the financial results from sale of Tennent's across all territories was disclosed within the Tennent's segment.

(iv) International

This segment includes the results from sale of the Group's cider and beer products, principally Magners, Blackthorn, Hornsby's, Woodchuck and Tennent's in all territories outside of the ROI and the UK. This differs from that previously presented where the financial results from sale of Tennent's across all territories was previously disclosed within the Tennent's segment. Accordingly, the Group renamed the segment 'International' from 'Cider Export', this aligns with the internal structure where a segment manager was appointed during the year with responsibility for the new International segment.

(v) Third Party Brands UK

This segment relates to the distribution of third party brands and the production and distribution of private label products in the UK. Previously, results from the sale of third party brands in ROI were included within the operating segment Third Party Brands but for reasons outlined above are now included in the ROI segment.

Information regarding the results of each `reportable segment is disclosed below for the Group's continuing business. The analysis by segment includes both items directly attributable to a segment and those, including central overheads, which are allocated on a reasonable basis in presenting information to the CODM.

Inter-segmental revenue is not material and thus not subject to separate disclosure.

Segment capital expenditure is the total amount incurred during the year to acquire segment assets, excluding those assets acquired in business combinations that are expected to be used for more than one accounting period.

(a) Reporting segment disclosures

		2013			**2012 (restated)**	
	Revenue €m	**Net revenue €m**	**Operating profit €m**	**Revenue €m**	**Net revenue €m**	**Operating profit €m**
ROI	**133.8**	**92.2**	**38.5**	142.5	101.4	44.4
Cider UK	**195.8**	**137.8**	**30.9**	218.6	162.1	35.2
Tennent's UK	**229.3**	**108.9**	**30.3**	209.9	95.8	21.2
International	**48.5**	**47.8**	**9.1**	30.7	30.6	6.8
Third party brands UK	**116.7**	**90.2**	**5.1**	115.0	90.9	3.6
Continuing operations	**724.1**	**476.9**	**113.9**	716.7	480.8	111.2
Discontinued operations	-	-	-	5.2	5.2	(0.1)
Total before unallocated items	**724.1**	**476.9**	**113.9**	721.9	486.0	111.1
Unallocated items:						
Exceptional items	**-**	**-**	**(4.6)***	-	-	4.9**
Total	**724.1**	**476.9**	**109.3**	721.9	486.0	116.0

* Of the exceptional loss in the current year, €1.3m gain relates to ROI, €0.8m loss to Cider UK, €2.6m loss to International, €0.5m loss to Tennent's UK, and €2.0m loss remains unallocated.

** Of the exceptional items in the prior year, €4.8m gain relates to ROI, €1.4m gain to Cider UK, €1.3m gain to International, a €2.7m loss to Tennent's and a €0.1m gain to discontinued operations.

The impact of the reclassification of the FY2012 financial results as described above is outlined below. This reclassification has no impact on the Revenue, Net revenue or Operating profit reported by the Group:-

	Revenue €m	Net revenue €m	Operating profit €m
ROI			
Previously reported - Cider ROI	126.8	91.5	42.2
Impact of change	15.7	9.9	2.2
Current classification	**142.5**	**101.4**	**44.4**
Cider UK			
Previously reported - Cider GB	249.8	172.8	29.5
Impact of change	(31.2)	(10.7)	5.7
Current classification	**218.6**	**162.1**	**35.2**
Tennent's UK			
Previously reported - Tennent's	216.8	100.1	22.3
Impact of change	(6.9)	(4.3)	(1.1)
Current classification	**209.9**	**95.8**	**21.2**
International			
Previously reported - Cider Export	30.3	30.2	6.6
Impact of change	0.4	0.4	0.2
Current classification	**30.7**	**30.6**	**6.8**
Third party brands UK			
Previously reported - Third party brands	77.9	74.0	7.1
Impact of change	37.1	16.9	(3.5)
Current classification	**115.0**	**90.9**	**3.6**
Cider NI			
Previously reported	15.1	12.2	3.5
Impact of change	(15.1)	(12.2)	(3.5)
Current classification	**-**	**-**	**-**

(b) Other operating segment information

	2013		2012 (restated)	
	Capital expenditure €m	Depreciation €m	Capital expenditure €m	Depreciation €m
ROI	**2.2**	**3.3**	1.4	3.8
Cider UK	**10.3**	**8.6**	8.8	8.3
Tennent's UK	**8.7**	**8.3**	7.4	7.2
International	**3.1**	**1.2**	0.6	0.6
Third party brands UK	**-**	**0.2**	0.4	0.3
Total	**24.3**	**21.6**	18.6	20.2

(c) Geographical analysis of revenue and net revenue (continuing operations)

	Revenue		Net revenue	
	2013	**2012**	**2013**	**2012**
	€m	**€m**	**€m**	**€m**
Republic of Ireland	**133.8**	142.5	**92.2**	101.4
United Kingdom	**541.8**	543.5	**336.9**	348.8
Rest of Europe	**14.2**	10.4	**14.2**	10.4
North America	**29.9**	14.5	**29.2**	14.4
Rest of World	**4.4**	5.8	**4.4**	5.8
Total	**724.1**	716.7	**476.9**	480.8

The geographical analysis of revenue and net revenue is based on the location of the third party customers.

(d) Geographical analysis of non-current assets

	ROI	**UK**	**Rest of Europe**	**North America**	**Rest of World**	**Total**
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
28 February 2013						
Property, plant & equipment	**54.1**	**123.9**	**-**	**5.6**	**-**	**183.6**
Goodwill & intangible assets	**120.3**	**322.8**	**7.1**	**251.4**	**5.6**	**707.2**
Equity-accounted investees	**-**	**2.4**	**-**	**-**	**-**	**2.4**
Retirement benefit obligations	**-**	**0.5**	**-**	**-**	**-**	**0.5**
Deferred tax assets	**5.2**	**-**	**-**	**1.0**	**-**	**6.2**
Derivative financial instruments	**-**	**1.4**	**-**	**-**	**-**	**1.4**
Trade & other receivables	**0.5**	**30.8**	**-**	**-**	**-**	**31.3**
Total	**180.1**	**481.8**	**7.1**	**258.0**	**5.6**	**932.6**

	ROI	**UK**	**Rest of Europe**	**North America**	**Rest of World**	**Total**
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
29 February 2012						
Property, plant & equipment	56.6	124.6	-	0.6	-	181.8
Goodwill & intangible assets	120.3	325.8	7.1	26.1	5.6	484.9
Retirement benefit obligations	-	0.2	-	-	-	0.2
Deferred tax assets	6.5	-	-	-	-	6.5
Trade & other receivables	-	19.5	-	-	-	19.5
Total	183.4	470.1	7.1	26.7	5.6	692.9

The geographical analysis of non-current assets, with the exception of Goodwill & intangible assets, is based on the geographical location of the assets. The geographical analysis of Goodwill & intangible assets is allocated based on the country of destination of sales at date of application of IFRS 8 Operating Segments or date of acquisition, if later.

5. CYCLICALITY OF OPERATIONS

Operating profit performance in the drinks industry is not characterised by significant cyclicality. Operating profit before exceptional items for the financial year ended 28 February 2013 was split H1: 58% and H2: 42%.

6. EXCEPTIONAL ITEMS

	2013			2012		
	Continuing operations €m	Discontinued operations €m	Total €m	Continuing operations €m	Discontinued operations €m	Total €m
Restructuring costs	**1.2**	**-**	**1.2**	4.6	-	4.6
Acquisition costs	**3.3**	**-**	**3.3**	-	-	-
Recovery of previously impaired inventory	**(1.0)**	**-**	**(1.0)**	(0.7)	-	(0.7)
IT systems implementation and integration costs	**1.1**	**-**	**1.1**	4.0	-	4.0
Retirement benefit obligations	**-**	**-**	**-**	(14.7)	(0.1)	(14.8)
Revaluation of property, plant & equipment	**-**	**-**	**-**	2.0	-	2.0
Loss from discontinued operations	**-**	**-**	**-**	-	1.1	1.1
Foreign currency reserve recycled to the income statement on disposal	**-**	**-**	**-**	-	0.7	0.7
Total loss/(profit) before tax	**4.6**	**-**	**4.6**	(4.8)	1.7	(3.1)
Income tax credit	**(0.3)**	**-**	**(0.3)**	(0.4)	-	(0.4)
Total loss/(profit) after tax	**4.3**	**-**	**4.3**	(5.2)	1.7	(3.5)

(a) Restructuring costs

Restructuring costs, comprising severance and other initiatives arising from cost cutting initiatives and the consolidation of the Group's offices in the UK and the US, resulted in an exceptional charge before taxation of €1.2m (2012: €4.6m).

(b) Acquisition costs

During the current financial year, the Group completed the acquisition of the Vermont Hard Cider Company, LLC (VHCC) in the US and had entered into a contractual arrangement to acquire M&J Gleeson Investments Limited and its subsidiaries (the Gleeson Group), which had not completed at year end. Costs directly attributable to these acquisitions of €3.3m were charged to the Income Statement in the period.

(c) Recovery of previously impaired inventory

During the financial year ended 28 February 2009, the Group’s stock holding of apple juice at circa 36 months of forecasted future sales was deemed excessive in light of anticipated future needs, forward purchase commitments and useful life of the stock on hand. Accordingly the Group recorded an impairment charge in relation to excess apple juice stocks. During the current and previous financial year, some of the previously impaired juice stocks were recovered and used by the Group. As a result this stock was written back to operating profit at its recoverable value resulting in a gain of €1.0m (2012: €0.7m). The Group has recovered total juice inventory of €1.9m for which an impairment charge was recognised in FY2009.

(d) IT systems implementation and integration costs

During the current financial year, the Group incurred external consultant fees and other costs associated with the integration of the previously acquired Hornsby's brand with the Group's existing business.

In the prior year the Group had commenced the process of integrating the acquired Hornsby's brand and also had incurred costs associated with the completion of the second phase of the IT systems implementation project with respect to the migration of the Gaymers cider business onto a new IT system, allowing the business to fully integrate with the existing Magners business. These costs primarily related to external consultant fees and other costs associated with the implementation of the new IT systems platform and which, in accordance with IAS 16 Property, Plant and Equipment, were not appropriate for capitalisation within Property, plant & equipment in the balance sheet.

(e) Retirement benefit obligations

In the prior financial year the Group recognised an exceptional gain of €14.8m relating to:

- the recognition of a past service gain, net of expenses, of €14.7m following the conclusion of the Group's pension reform programme and the receipt of a Pensions Board direction under Section 50 of the Pensions Act 1990, removing guaranteed pension increases and replacing them with a reduced level of guaranteed increase for three years commencing 2012 and thereafter for all future pension increases to be on a discretionary basis, resulting in a positive impact on the valuation of the Group's retirement benefit obligations; and,
- a curtailment gain of €0.1m arising from the Group's disposal of the Northern Ireland wholesale business and the reclassification of these employees from active to deferred members.

The past service gain referred to above represents the difference between liabilities valued using a pension increase assumption of 3% per annum versus 2.25% per annum, assumed to be the average discretionary increase rate.

(f) Revaluation of property, plant & machinery

Property (comprising land and buildings) and plant & machinery are valued at fair value on the balance sheet and reviewed for impairment on an annual basis. During the prior financial year, the Group engaged external valuers Ronan Diamond BSc (Hons) MSCSI MRICS and Brian Gilson, BSc (Surv) MSCSI MRICS MCI Arb - Lisney to value its freehold properties in the Republic of Ireland; David Fawcett, FRICS RICS Registered Valuer - Sanderson Weatherall to value its plant & machinery in the Republic of Ireland, and, Timothy Smith BSc MRICS RICS Registered Valuer and Joseph ML Funtek BSc MRICS RICS Registered Valuer - Gerald Eve to value both its freehold properties and plant & machinery in the United Kingdom. This resulted in a net revaluation loss of €2.0m accounted for in the income statement and a further net loss of €1.7m accounted for within other comprehensive income on the basis that it reduced a revaluation surplus previously recognised in respect of an asset in Clonmel and created a revaluation surplus in respect of the Group's Scottish buildings. The current year valuations, carried out by management, did not result in a material variation to the valuation at 29 February 2012.

(g) Loss from discontinued operations, net of tax/Recycling of Foreign Currency Reserve on disposal

The loss on discontinued operations in the prior financial year of €1.1m relates to a €0.1m profit arising on the disposal of the Group's Northern Ireland wholesaling business (Quinns of Cookstown) to Britvic Northern Ireland Limited on 30 June 2011 for a gross consideration of €4.8m (£4.3m) and a loss of €1.2m in relation to a working capital settlement to reflect 'normalised working capital' as set out in the Sale and Purchase Agreement following the FY2011 disposal of the Group's Spirits & Liqueurs business. The Group also recognised a loss of €0.7m on the recycling of a foreign currency reserve to the income statement following the disposal of the Group's NI wholesaling business.

7. DIVIDENDS

	2013 €m	2012 €m
Dividends paid:		
Final: paid 4.5c per ordinary share in July 2012 (2012: 3.3c paid in July 2011)	**15.0**	10.7
Interim: paid 4.0c per ordinary share in December 2012 (2012: 3.67c paid in December 2011)	**13.4**	12.0
Total equity dividends	**28.4**	22.7
Settled as follows:		
Paid in cash	**21.2**	18.5
Accrued with respect to LTIP (Part I) dividend entitlements	**0.1**	-
Scrip dividend	**7.1**	4.2
	28.4	22.7

The Directors have proposed a final dividend of 4.75 cent per share (2012: 4.5 cent), to ordinary shareholders registered at the close of business on 24 May 2013, which is subject to shareholder approval at the Annual General Meeting, giving a proposed total dividend for the year of 8.75 cent per share (2012: 8.17 cent). Using the number of shares in issue at 28 February 2013 and excluding those shares for which it is assumed that the right to dividend will be waived, this would equate to a distribution of €16.2m.

Dividends of 8.5 cent per ordinary share were recognised as a deduction from the retained income reserve in the year ended 28 February 2013 (2012: 6.97 cent).

Dividends declared after the balance sheet date are not recognised as a liability at the balance sheet date.

8. EARNINGS PER ORDINARY SHARE

Denominator computations	Number '000	Number '000
Number of shares at beginning of year	**339,275**	337,196
Shares issued in lieu of dividend	**1,934**	1,370
Issue of new shares following acquisition of subsidiary	**1,422**	-
Shares issued in respect of options exercised	**1,701**	709
Number of shares at end of year	**344,332**	339,275
Weighted average number of ordinary shares (basic)*	**329,067**	325,509
Adjustment for the effect of conversion of options	**7,135**	8,294
Weighted average number of ordinary shares, including options (diluted)	**336,202**	333,803

* excludes 8.3m treasury shares (2012: 12.4m)

Profit attributable to ordinary shareholders	2013 €m	2012 €m
Earnings as reported	**88.7**	95.7
Adjustment for exceptional items, net of tax	**4.3**	(3.5)
Earnings as adjusted for exceptional items, net of tax	**93.0**	92.2

Basic earnings per share	**Cent**	**Cent**
Basic earnings per share	**27.0**	29.4
Adjusted basic earnings per share	**28.3**	28.3
Diluted earnings per share		
Diluted earnings per share	**26.4**	28.7
Adjusted diluted earnings per share	**27.7**	27.6
Continuing operations	**€m**	**€m**
Earnings from continuing operations as reported	**88.7**	97.5
Adjustment for exceptional items, net of tax	**4.3**	(5.2)
Earnings from continuing operations as adjusted for exceptional items, net of tax	**93.0**	92.3
Basic earnings per share	**Cent**	**Cent**
Basic earnings per share	**27.0**	30.0
Adjusted basic earnings per share	**28.3**	28.3
Diluted earnings per share		
Diluted earnings per share	**26.4**	29.2
Adjusted diluted earnings per share	**27.7**	27.6
Discontinued operations	**€m**	**€m**
Earnings from discontinued operations as reported	**-**	(1.8)
Adjustment for exceptional items, net of tax	**-**	1.7
Earnings from discontinued operations as adjusted for exceptional items, net of tax	**-**	(0.1)
Basic earnings per share	**Cent**	**Cent**
Basic earnings per share	**-**	(0.6)
Adjusted basic earnings per share	**-**	-
Diluted earnings per share		
Diluted earnings per share	**-**	(0.5)
Adjusted diluted earnings per share	**-**	-

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and held as treasury shares (at 28 February 2013: 8.3m shares; at 29 February 2012: 12.4m shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period of the year that the options were outstanding.

Employee share options, which are performance-based, are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. In accordance with IAS 33 Earnings per Share, these contingently issuable shares (totalling 1,927,156 at 28 February 2013 and 53,643 at 29 February 2012) are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the reporting period. Vesting of certain Interests awarded under the Joint Share Ownership Plan (totalling nil at 28 February 2013 and 375,000 at 29 February 2012) are also contingent upon satisfaction of specified performance conditions and these have also been excluded from the computation of diluted earnings per share.

9. BUSINESS COMBINATIONS

Vermont Hard Cider Company LLC
The Group completed the acquisition of the Vermont Hard Cider Company, LLC (VHCC) in the United States for a consideration of €230.9m ($305.0m). The transaction was completed on 21 December 2012.

VHCC owns and operates the trademarks for the Vermont portfolio of brands including the Woodchuck and Wyder's cider brands. It also owns a 400,000 hectolitre cidery and warehouse facilities in Vermont and a new freehold site on which the Group plans to expand the cidery and to build a visitor centre. After the transaction completed, a total of 1,422,099 ordinary shares were issued, at fair value, to two former stakeholders and existing members of the VHCC management team for a consideration of €5.3m ($7.0m).

The assets and liabilities acquired as a result of this acquisition, together with the fair value adjustments made to those carrying values, were as follows:-

	Initial fair value assigned €m	Adjustment to initial fair value €m	Revised fair value €m
Property, plant & equipment	3.0	0.7	**3.7**
Brands & other intangible assets	1.2	157.8	**159.0**
Financial asset	0.2	(0.2)	-
Inventories	2.8	-	**2.8**
Trade & other receivables – current	3.0	-	**3.0**
Cash and cash equivalents	3.4	-	**3.4**
Trade & other payables	(2.6)	-	**(2.6)**
Deferred tax liability	-	(0.2)	**(0.2)**
Net identifiable assets and liabilities acquired	11.0	158.1	**169.1**
Goodwill arising on acquisition			**64.6**
			233.7
Consideration transferred/transferable:			
Cash consideration paid			**230.9**
Working capital - initial payment			**2.3**
Working capital settlement accrued			**0.5**
Total consideration			**233.7**

Net cash outflow arising on acquisition	
Cash consideration paid and working capital settlement paid	**233.2**
Less: cash and cash equivalents acquired	**(3.4)**
Total	**229.8**

The working capital settlement of $3.7m (€2.8m at date of transaction) reflects an amount payable over and above the contractual purchase price, reflecting 'normalised working capital' as set out in the purchase agreement.

All the goodwill arising on acquisition is tax deductible.

The Five Lamps Dublin Beer Company Limited

The Group acquired a 92.5% equity holding in The Five Lamps Dublin Beer Company Limited, an Irish craft brewer. The initial investment and the profit earned since acquisition were all less than €0.1m. The transaction was completed on 4 September 2012.

Acquisition costs

Acquisition costs of €3.3m have been shown in exceptional operating costs in the Income Statement. These costs relate to the acquisition of VHCC in the US and the contractual arrangement to acquire M&J Gleeson Investment Limited and its subsidiaries, which had not completed at the year end.

The post-acquisition impact of acquisitions completed during the year on Group profit for the financial year was as follows:

	2013 €m
Revenue	**6.7**
Excise duties	**(0.3)**
Net revenue	**6.4**
Operating costs	**(4.6)**
Operating profit	**1.8**
Income tax expense	**-**
Results from acquired businesses	**1.8**

The net revenue and operating profit of the Group for the financial year determined in accordance with IFRS as though the acquisitions effected during the year had been at the beginning of the year would have been as follows:

	Pro Forma 2013 €m
Net revenue	**512.9**
Group operating profit for the financial year	**118.3**

10. ANALYSIS OF NET DEBT

	1 March 2012 €m	Translation adjustment €m	Cash flow €m	Non-cash changes €m	28 February 2013 €m
Group					
Interest bearing loans & borrowings	**60.0**	**0.6**	**183.2**	**0.6**	**244.4**
Cash & cash equivalents	**(128.3)**	**3.1**	**4.2**	**-**	**(121.0)**
	(68.3)	**3.7**	**187.4**	**0.6**	**123.4**

	1 March 2011 €m	Translation adjustment €m	Cash flow €m	Non-cash changes €m	29 February 2012 €m
Group					
Interest bearing loans & borrowings	135.0	(1.7)	(73.6)	0.3	60.0
Cash & cash equivalents	(128.7)	0.6	(0.2)	-	(128.3)
	6.3	(1.1)	(73.8)	0.3	(68.3)
Interest rate swaps	2.0	-	(2.4)	0.4	-
	8.3	(1.1)	(76.2)	0.7	(68.3)

Interest bearing loans & borrowings at 28 February 2013 are net of unamortised issue costs of €2.2m (2012: nil). The non-cash change to the Group's interest bearing loans and borrowings relate to the amortisation of issue costs in the year.

Borrowing facilities

The Group manages its borrowing ability by entering into committed loan facility agreements.

In February 2012, the Group entered into a committed €250.0m multi-currency five year syndicated revolving loan facility with seven banks, including Bank of Ireland, Bank of Scotland, Barclays Bank, Danske Bank, HSBC, Rabobank, and Ulster Bank, repayable in a single instalment on 28 February 2017. The facility agreement provided for a further €100.0m in the form of an uncommitted accordion facility, which the Group successfully negotiated with the banks as committed in December 2012. The facility agreement permits the Group to avail of further financial indebtedness to a maximum value of €150.0m, excluding working capital and guarantee facilities, subject to agreeing the terms and conditions with the lenders. Consequently, the Group is permitted, under the terms of the agreement, to have debt capacity of €500.0m of which €246.6m was drawn at 28 February 2013 (2012: no drawn funds under this facility; €60.0m drawn under the 2007 euro facility).

Under the terms of the agreement, the Group must pay a commitment fee based on 40% of the applicable margin on undrawn committed amounts and variable interest on drawn amounts based on variable Euribor/Libor interest rates plus a margin, the level of which is dependent on the net debt:EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, two, three or six months.

In the prior year there were no drawn funds under the 2012 multi-currency facility, however there were outstanding funds of €60.0m under the Group's 2007 euro facility. During the current financial year the Group, using surplus cash resources, repaid and cancelled all funds (€60.0m) drawn under its maturing 2007 euro facility.

All bank loans are guaranteed by a number of the Group's subsidiary undertakings. The loan facility agreements allow the early repayment of debt without incurring additional charges or penalties. All bank loans are repayable in full on change of control of the Group.

The Group's debt facilities incorporate two financial covenants:

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half year date will not be less than 3.5:1
- Net debt/EBITDA: The ratio of net debt on each half year date to EBITDA for a period of 12 months ending on a half year date will not exceed 3.5:1

Net debt of €123.4m at the year end giving a leverage ratio to EBITDA of 0.9x.

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11. RETIREMENT BENEFIT OBLIGATIONS

The Group operates a number of defined benefit pension schemes for employees in ROI and in Northern Ireland, all of which provide pension benefits based on final salary and the assets of which are held in separate trustee administered funds. The Group provides permanent health insurance cover for the benefit of its employees and separately charges this to the income statement.

The pension scheme assets are held in separate trustee administered funds to meet long-term pension liabilities to past and present employees. The trustees of the funds are required to act in the best interest of the funds' beneficiaries. The appointment of trustees to the funds is determined by the schemes' trust documentation. The Group has a policy in relation to its principal staff pension fund that members of the fund should nominate half of all fund trustees.

All schemes are closed to new members since April 2007. There are now no active members remaining in the Executive defined benefit pension scheme (2012: no active members) while active members of the ROI Staff defined benefit pension scheme represent less than 10% of total membership. There are 8 active members of the UK scheme (2012: 9 active members).

The Group's ROI defined benefit pension reform programme concluded during the financial year ended 29 February 2012 with the Pensions Board issuing a directive under Section 50 of the Pensions Act 1990 to remove the mandatory pension increase rule, which guaranteed 3% per annum increase to certain pensions in payment, and to replace it with guaranteed pension increases of 2% per annum for each year 2012 to 2014 and thereafter for all future pension increases to be awarded on a discretionary basis.

Actuarial valuations – funding requirements
Independent actuarial valuations of the defined benefit schemes are carried out on a triennial basis using the attained age method. The funding requirements in relation to the Group's ROI defined benefit schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. Arising from the formal actuarial valuations of the main schemes on 1 January 2009, the actuary, Mercer (Ireland) Limited, submitted Actuarial Funding Certificates to the Pensions Board confirming that the Schemes did not satisfy the Minimum Funding Standard at that date. Given that the removal of guaranteed pension increases would not correct this situation, Funding Proposals were submitted to, and approved by the Pensions Board on 23 February 2012, which the Directors believe will enable the schemes to meet the Minimum Funding Standard by 31 December 2016. The most recent actuarial valuation of the ROI scheme was carried out with an effective date of 1 January 2012 while the most recent actuarial valuation of the UK scheme was 20 December 2012. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

The Trustees were required to update the actuarial valuations and funding requirements of both ROI pension schemes for the Funding Proposal submissions. The Funding Proposals commit the Group to contributions of 14% of Pensionable Salaries to fund future pension accrual of benefits (previously 38.1% of Pensionable Salaries), a deficit contribution of €3.4m and an additional supplementary deficit contribution of €1.9m for which the Group reserves the right to reduce or terminate if on consultation with the Trustees, and if the Scheme Actuary advises that it is no longer required due to a correction in market conditions. Funding Proposals cover the period to 31 December 2016. However, they will cease at an earlier date if the scheme funding target is met before then.

Independent actuaries, Mercer (Ireland) Limited, have employed the projected unit credit method to determine the present value of the defined benefit obligations arising and the related current service cost. At 28 February 2013, the retirement benefit obligations computed in accordance with IAS19 *Employee Benefits* amounted to a net deficit of €21.5m gross (€22.0m deficit with respect to the ROI schemes and a €0.5m surplus with respect to the UK scheme) and €18.8m net of deferred tax (2012: €15.1m gross and €13.2m net of deferred tax).

The movement in the deficit is as follows:-

	€m
Deficit at 1 March 2012	15.1
Employer contributions paid	(7.2)
Actuarial loss	12.3
Charge to the Income Statement	1.3
Net deficit at 28 February 2013	**21.5**
comprising:	
ROI Scheme retirement benefit deficit	**22.0**
UK Scheme retirement benefit surplus	**(0.5)**

The retirement benefit deficit computed in accordance with IAS 19 was impacted by a number of factors, namely:-

- actuarial loss: €12.3m recognised as a result of a reduction in the discount rate applied to liabilities: ROI schemes reduced from 4.7% - 4.9% at 29 February 2012 to 3.8% - 4.25% at 28 February 2013. For the UK scheme the discount rate reduced from 4.75% at 29 February 2012 to 4.4% at 28 February 2013,
- Employer contributions: €7.2m

All other significant assumptions applied in the measurement of the Group's pension obligations at 28 February 2013 are broadly consistent with those as applied at 29 February 2012.

12. RELATED PARTY TRANSACTIONS

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group under IAS 24 Related Party Disclosures pertain to the existence of subsidiary undertakings and equity accounted investees, transactions entered into by the Group with these subsidiary undertakings and equity accounted investees and the identification and compensation of key management personnel.

Group Transactions
Transactions between the Group and its related parties are made on terms equivalent to those that prevail in arm's length transactions.

Equity accounted investees
On 21 March, 2012, the Group acquired a 25% equity investment in Maclay Group plc, a leading independent Scottish operator of managed public houses. The business primarily includes operating 15 wholly owned managed houses and 11 managed houses owned by two separate Enterprise Investment Schemes. The total cost of the investment was £2.1m (€2.5m at date of payment). The investment secures Tennent Caledonian Breweries UK Limited (a 100% subsidiary of the Group) as the main beer supplier to the pub estate. Details of transactions with Maclay Group during the year and resulting balance at the year end are as follows;

	Net Revenue		Balance outstanding	
	2013 €m	2012 €m	2013 €m	2012 €m
Sale of Goods to associate:				
Maclay Group	**0.8**	-	**0.1**	-
	0.8	-	**0.1**	-

All outstanding balances with the associate, which arose from arm's length transactions, are to be settled in cash within one month of the reporting date.

On 28 November 2012, the Group invested £0.3m (€0.4m at date of payment) in Thistle Pub Company Limited, a joint venture with Maclay Group plc. During the period, the Group earned total net revenue from Thistle Pub Company Limited of less than €0.1m. The balance outstanding with Thistle Pub Company Limited at the year end was €nil.

Key management personnel
For the purposes of the disclosure requirements of IAS 24 Related Party Disclosures, the Group has defined the term 'key management personnel', as its executive and non-executive Directors. Executive Directors participate in the Group's share option and share ownership programmes. No other non-cash benefits are provided. Non-executive Directors do not receive share-based payments or post employment benefits.

Details of key management remuneration are as follows:-

	2013 Number	2012 Number
Number of individuals	**9**	10
	€m	€m
Salaries and other short term employee benefits	**2.2**	3.6
Post employment benefits	**0.3**	0.4
Equity settled share-based payments	**1.0**	0.3
Total	**3.5**	4.3

John Dunsmore, who resigned from the Board on 29 February 2012, has been included in the prior year headcount numbers and in the disclosure of remuneration charged to the income statement in the prior year. Joris Brams was included in the headcount numbers from the date of his appointment to the Board, 23 October 2012.

The relevant disclosure of Directors remuneration as required under the Companies Act, 1963 is as outlined above.

When an award is granted to an executive under the Group's Joint Share Ownership Plan, its value is assessed for tax purposes with the resulting value being deemed to fall due for payment on the date of grant. Under the terms of the Plan, the executive must pay the Entry Price at the date of grant and, if the tax value exceeds the Entry Price, he must pay a further amount, equating to the amount of such excess, before a sale of the awarded

Interests. The deferral of the payment of the further amount is considered to be an interest-free loan by the Company to the executive and a taxable benefit-in-kind arises, charged at the Revenue stipulated rates (Ireland 12.5% to 31 December 2012 and 13.5% from 1 January 2013, UK 4%). The balances of the loans outstanding to the executive Directors in the context of the above as at 28 February 2013 and 29 February 2012 are as follows:

	28 February 2013 €'000	**29 February 2012 €'000**
Stephen Glancey	**111**	111
Kenny Neison	**83**	83
Total	**194**	194

The loans fall due for repayment on the exercise by the Directors of their awarded Interests.

13. POST BALANCE SHEET EVENTS

Acquisition of Gleesons

The Group announced on 22 November 2012 that it had conditionally agreed to acquire M. & J. Gleeson (Investments) Limited ("Gleesons") and its subsidiaries, a supplier and distributor of beverages in Ireland. The consideration for the acquisition was €12.4m payable in cash, of which €4.4m is deferred for one year. Existing debt of €45.6m implies an enterprise value of €58.0m. The acquisition was conditional upon clearance by the Irish Competition Authority, which was given on 27 February 2013. The acquisition was completed on 7 March 2013, whereupon the Group obtained control of the acquired group of companies. There were a number of significant substantive pre-completion steps which had to be undertaken upon which the ultimate completion was contingent, including the disposal of certain companies, the refinancing of external debt and the reorganising of inter-company indebtedness and shareholdings. Accordingly, C&C did not obtain control of the acquired group of companies until after the end of the financial year ended 28 February 2013 and consequently Gleesons has been excluded from the consolidated financial statements of the Group for the financial year ended 28 February 2013.

The initial accounting for the acquisition of Gleesons is currently in progress; the accounting for the carve-out of the elements of the previous Gleeson Group that were not acquired by the C&C Group is ongoing. The Group has appointed external valuers who have yet to report on the valuation of all property, plant and equipment acquired. The Group has commenced a detailed review of the accounting policies to ensure consistency with the Group policies and procedures. Given the ongoing status of the accounting for this acquisition, the Directors are not in a position to make all of the disclosures required under *IFRS 3 (2008) Business Combinations* at this point.

Acquisition of 50% interest in Wallaces Express Limited

The Group announced on 22 March 2013 that it had acquired 50% of the equity share capital of Wallaces Express Limited, a wines and spirits wholesaler in Scotland, for an undisclosed consideration.