

## Trading Update

CCR.I

CCR.L

**Dublin, London | 7 July, 2016:** C&C Group plc (“C&C” or the “Group”), a manufacturer, marketer and distributor of branded cider, beer, wine and soft drinks today issues a trading update covering the period from 1 March 2016 to the date of this statement.

### Three Months to 31 May, 2016

The Group made a solid start to the year across core markets. Volume shipped by brand in the first quarter represents a considerable improvement on the trends of last year:

- Bulmers +9%
- Tennent’s (Ireland) +4%
- Tennent’s (GB) +5%
- Magners (GB) +24%
- Export +24%

In Ireland, some decent weather in March and May gave the cider category an early boost and the Bulmers brand enjoyed the benefit. There is momentum in the Corona brand and our wine portfolio and boutique beer range are beginning to perform. Heverlee and Clonmel 1650 were up 67% and 65% respectively in the on-trade in Northern Ireland. The strength of the portfolio in the North, backed by a willingness to invest in the on-trade through loan finance, delivered a number of good account wins in the quarter.

After a very challenging year in 2015, the licensed on-trade in Scotland is experiencing a more stable start to 2016. Tennent’s began to recover some lost share in the Independent Free Trade in the first quarter. Volumes in the Heverlee and Menabrea brands in the on-trade in Scotland were up 31% and 123% respectively. For the Scottish business, a key area of focus for the remainder of the year is recovering some lost ground in wholesale.

The recovery of the Magners brand in GB, evident in the second half of FY2016, continued in the first part of FY2017. The latest retail data in the off-trade shows the brand volume MAT to be +5% in a cider category that is down 2%. The significant up-weighting of investment through the ‘Hold True’ above the line campaign and the recently completed repackaging of the brand, should ensure that the momentum continues into the second half of the year. At the boutique premium end of the portfolio, Menabrea enjoyed growth of 88% in the on-trade in England and Wales.

Export is on track to deliver +20% volume for the year through a combination of organic growth and the impact of new distribution deals. The core export markets of Spain and Italy look set for a decent year. Tourism is up in Spain and Italy should benefit from the launch of a new format for Tennent’s premium range.

In the US, the cider category remains in negative territory. Pabst have made good progress in integrating, consolidating and rebranding our business. We await to see whether the changes made will be successful in recovering some market share in the second half and into FY2018.

On the supply side of the business, the consolidation of all cider and Irish production into our Clonmel site is well advanced. We remain on track to deliver the cost savings targeted for this year.

## Outlook

The European Championships in France has been good for trade across Ireland in June and we anticipate a decent month for our brands.

Despite the solid start, we remain cautious on our outlook for the year. The result of the referendum in the UK brings with it uncertainty, volatility and a lack of visibility. Our Bulmers, Magners and Tennent's brands are strong and connect with local customers and consumers in our core markets. We have a growing export business which is entirely unaffected by the UK decision to leave the EU and our conservative approach to currency risk covers most of our transaction exposure through natural hedging. However, with almost 50% of profits denominated in Sterling and reported in Euros, C&C is exposed to the translation impact of a devalued Pound. At current levels, if sustained, currency movements have the potential to undo the earnings benefit from both cost reduction activity and the steady progress made in trading year-to-date.

While the longer-term economic implications of the UK referendum outcome are uncertain, the fundamentals of our brands and business model remain strong, supported by a robust balance sheet and cash conversion capability.

We are an Irish domiciled business with a dual listing on the Irish and London Stock Exchanges. This together with our focused operating model helps to provide a degree of balance to the risks associated with the UK's decision to leave the EU.

## ENDS

### 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 believes are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties. Your attention is drawn to the 'Principal Risks and Uncertainties' set out in the Company's 2016 Full Year Annual Report. The risks described, however, are not exhaustive and there may be other risks which may have an adverse effect on the business, financial condition, results or future prospects of the Company.

### About C&C Group plc

C&C Group plc is a manufacturer, marketer and distributor of branded cider, beer, wine and soft drinks. The Group manufactures Bulmers, the leading Irish cider brand, Magners, the premium international cider brand, Gaymers cider and the Shepton Mallet Cider Mill range of English 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's Irish wholesaling subsidiary, Gleeson Group, owns and manufactures Tipperary Water and Finches soft drinks. The Group also distributes a number of beer brands in Scotland, Ireland and Northern Ireland, primarily for Anheuser-Busch Inbev, and owns Wallaces Express a Scottish drinks wholesaler.

### C&C Group plc | Contacts

**Investors, Analysts & Irish Media:** Mark Kenny/Jonathan Neilan  
FTI Consulting  
Tel: +353 1 663 3686  
Email: [CandCGroup@fticonsulting.com](mailto:CandCGroup@fticonsulting.com)

**UK & International Media:** Tim Robertson  
Novella Communications  
Tel: + 44 203 151 7008