



Interim Management Statement

Dublin, London, 16 January 2013: C&C Group plc (“C&C” or the “Group”), a manufacturer, marketer and distributor of branded cider and beer, today issues an Interim Management Statement covering the period from 1 September 2012 to the date of this statement.

Performance Overview

- ▶ Re-affirming operating profit guidance at the lower end of previously stated range of €112m to €118m, before the benefit of acquisitions.
- ▶ Announced and completed the acquisition of the Vermont Hard Cider Company (VHCC), the leading US craft cider company. The business continues to deliver good volume growth and is expected to contribute €1.5m of EBIT in the period to 28 February 2013.
- ▶ Announced the acquisition of the Gleeson Group, a leading supplier and distributor of beverages in Ireland. The acquisition is subject to Irish Competition Authority review.
- ▶ Improved trading performance in ROI with volume growth in the third quarter following the weak summer trading period.
- ▶ Strong revenue line performance from Tennent’s UK.
- ▶ International cider and beer volume growth of 28% in the third quarter.
- ▶ Trading environment for long alcoholic drinks (LAD) and cider in the UK remains very challenging. Relative improvements in C&C cider performance in the third quarter were moderate.
- ▶ The Group retains a strong balance sheet. Assuming completion of the Gleeson Group acquisition before the year-end, FY 2013 pro-forma net debt to EBITDA ratio is expected to be less than 1.5 times.

Performance Review and Outlook

Despite the challenging trading and economic environment, C&C reaffirms its guidance of operating profit at the lower end of the previously stated range of €112m to €118m, before the benefit of acquisitions.

The acquisition of VHCC and the expected completion of the Gleeson deal broaden the scale and scope of C&C and should improve the growth prospects of the Group. C&C retains a strong balance sheet and the flexibility to invest behind core markets and the internationalisation of cider.

Divisional Review

Republic of Ireland (ROI)

	6 months ended 31 August 2012	3 months ended 30 November 2012	9 months ended 30 November 2012
Change on Prior Year			
Volume	(3.2%)	1.8%	(1.6%)
Net Revenue	(12.3%)	(3.5%)	(10.0%)
Cider Volume	(6.6%)	0.9%	(4.4%)
Beer Volume	20.0%	7.0%	15.6%

ROI volumes in the third quarter were up 1.8%, representing a significant improvement on the first half of the year. As anticipated, trading conditions stabilised following an unseasonably wet summer period and volumes benefited from trade buy-in ahead of the December duty rise. Pricing pressure continued in the quarter, primarily in the off-trade, as promotional activity showed little sign of easing. Volume continues to migrate from the on-trade to the off-trade channel but the rate of migration was slower in the quarter.

Cider volumes increased by 0.9% with Bultmans performing steadily across both channels of trade. Beer volumes increased 7%. This represents a slow down in growth compared with the first half, against strong comparatives in the third quarter of the prior year. Volumes of our core beer brand, Tennent's, were up 22% in the quarter as the brand continues to build market share, albeit from a small base position.

C&C announced the acquisition of the Gleeson Group, a leading supplier and distributor of beverages in Ireland, in the period. The acquisition has the potential to transform C&C's existing Irish business through the addition of an extensive distribution network and the opening up of an attractive, multi-beverage brand platform. The acquisition is subject to Irish Competition Authority review.

Cider – United Kingdom (UK)

	6 months ended 31 August 2012	3 months ended 30 November 2012	9 months ended 30 November 2012
Change on Prior Year			
Volume	(18.6%)	(11.9%)	(16.8%)
Net Revenue (constant currency)	(21.4%)	(19.1%)	(20.7%)
Magners Volume	(17.4%)	(11.7%)	(15.9%)
Gaymers Volume	(20.4%)	(12.3%)	(18.2%)

There has been little discernible improvement in the trading environment for UK LAD in the third quarter. It remains a tough market for brand owners and the increased competition in cider is adding to pricing pressure.

C&C cider volume declined 11.9% in the third quarter. This represents a moderate improvement on the first half, reflecting increased levels of off-trade promotional activity. However, price/mix deflation was 7.2% in the quarter.

Magners volume fell by 11.7% in the third quarter. Again this was a slower decline than in the first six months of FY13, as promotional activity and price support behind the brand increased. The Gaymers portfolio performance also showed a relative improvement on the first half of the year. The introduction of new Gaymers fruit variants has had a positive impact on volumes but the other brands in the Gaymers portfolio continue to drag on overall performance

Tennent's UK

	6 months ended 31 August 2012	3 months ended 30 November 2012	9 months ended 30 November 2012
Change on Prior Year			
Volume	(6.3%)	(3.6%)	(5.5%)
Net Revenue (constant currency)	7.3%	7.5%	7.3%

Tennent's UK performance remains solid despite the volume decline in the third quarter. Revenue increased 7.5% year on year.

Caledonia Best is performing well and in line with internal expectations. A national advertising campaign in Scotland including TV and billboard activity was launched over the Christmas period. Caledonia Best was recently announced as the official beer of Scottish Rugby. The three year sponsorship deal will see Caledonia Best become the beer partner to the Scottish National Rugby Team, Edinburgh Rugby, Glasgow Warriors and the Glasgow 7s.

International (excluding VHCC)

	6 months ended 31 August 2012	3 months ended 30 November 2012	9 months ended 30 November 2012
Change on Prior Year			
Volume	52.9%	28.1%	45.0%
Net Revenue (constant currency)	39.6%	32.2%	37.4%

International beer and cider volume increased 28.1% in the third quarter. Magners volume was up 16% in North America, in line with the growth rate of the import market. Distribution issues for Magners in Australia remain a drag on overall export volume for the brand but growth in other territories is encouraging. The Hornsby's brand was re-launched in October. The initial performance and feedback from consumers and distributors is positive.

C&C announced and completed the acquisition of the Vermont Hard Cider Company in the period. VHCC is the leading US craft cider company. The business continues to deliver strong volume growth, in line with expectations.

It is expected that VHCC will contribute €1.5m of EBIT in the period from completion to 28 February 2013.

Third Party Brands

Change on Prior Year	6 months ended 31 August 2012	3 months ended 30 November 2012	9 months ended 30 November 2012
Volume	(7.6%)	(7.3%)	(7.5%)
Net Revenue (constant currency)	(7.9%)	(16.5%)	(10.5%)

Third Party Brands volume and revenue declines in the quarter reflect changes in the route to market for a number of factored and licensed brands in Scotland and Northern Ireland. The volume loss is in low margin channels of trade and of limited consequence for operating profits. During the quarter, manufactured own-label volume grew by 14.6% as new contracts commenced.

Trading since 1 December 2012

Trading over the Christmas period was mixed between markets. In ROI, despite the pre-duty increase trade stock build in November, Christmas trading was ahead of internal expectations. Retail data in the UK off-trade suggests a more muted festive trading period in general and for LAD specifically. Tennent's trading over Christmas was resilient.

Good growth in export volume should continue in the last quarter of the year, supported by the usual stock build in a number of markets ahead of St Patrick's Day.

ENDS

About C&C Group plc

C&C Group plc is a manufacturer, marketer and distributor of branded cider and beer. The Group manufactures Bulmers, the leading Irish cider brand, Magners, the premium international cider brand, the Gaymer Cider Company 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 the specific factors discussed on page 33 and 34 of the 2012 Annual Report, that could cause actual results to differ materially from those anticipated.

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