



Interim Management Statement

C&C Group plc

Interim Management Statement covering the period from 1 September, 2013 to the date of this statement.

16 January 2014

Overview

- Re-affirming FY 2014 operating profit guidance of €125m to €132m
- Trading over Q3 period was resilient in our core Irish and Scottish markets
- International volumes improved in the third quarter
- Trading over the Christmas period was satisfactory and in line with expectations
- Continued balance sheet strength with expected full year net debt to adjusted EBITDA of less than 1.0x ; full year free cash conversion ratio expected to be in the 60% to 70% range

We maintain guidance for double-digit operating profit growth in the current financial year. FY2014 represents a transition period for the C&C business in both our core and international markets.

We have made excellent progress developing our multi-beverage capability in ROI and Tennent's UK. Solid earnings growth and cash generation in both of these businesses provides a degree of balance to a more competitive UK cider market.

Our international business has seen ongoing distribution transition in both the US and Australia. This, as previously highlighted, has resulted in some sales impact in the US market. In other international markets we continue to develop opportunities for cider and beer and innovate across our portfolio.

Balance sheet strength, resilient core markets and strong free cash flow conversion broaden the available range of options to deliver increased shareholder value.

Segmental Performance Review for period 1 September, 2013 to 30 November, 2013

- ROI volume grew in the period maintaining the improvement in market conditions seen in the first half of the year. The Gleeson business performed in line with expectations with the ongoing integration programme on track to deliver forecast synergies.
- Tennent's Lager performed well in the Scottish Independent Free Trade (IFT) channel with volumes +8% in the period. Caledonia Best volumes and Heverlee continue to grow and, combined, they now contribute approximately 6% of C&C owned on-trade Scottish beer volumes.
- Trading for Cider UK remains challenging. The performance of the Group's cider brands in the period was broadly in line with first half trading. Magners declined in the period driven by the multiple retail channel; on-trade volumes by comparison remained relatively steady.
- International volumes grew in the period driven by growth from cider and beer in Europe and some newer markets. Volumes from VHCC declined in the period as ongoing distributor transition and increased levels of competition impacted sales.
- Third Party Brands performed well in the period with an increase in both own-label and agency.

Change on prior year

The tables below outline the results for the 9 month period ended 30 November, 2013 in comparison to the equivalent period in the prior year.

Republic Of Ireland		9 months ended 30 November 2013	
Volume (excl Gleeson)			3.5%
Net Revenue			176.2%
- Net Revenue excluding Gleeson			3.7%

Cider UK		9 months ended 30 November 2013	
Volume			(13.5%)
Net Revenue (constant currency)			(17.5%)
Magners Volume			(11.0%)
Other Cider Volume			(17.1%)

Tennent's UK		9 months ended 30 November 2013	
Volume			(4.7%)
Net Revenue (constant currency)			(2.9%)

International*		9 months ended 30 November 2013	
Volume			89.7%
Net Revenue (constant currency)			92.5%

*Note: Volume and Net Revenue includes VHCC

Third Party Brands		9 months ended 30 November 2013	
Volume			12.6%
Net Revenue (constant currency)			4.9%

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 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 39 and 40 of the 2013 Annual Report, that could cause actual results to differ materially from those anticipated.

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