



Interim Management Statement

Dublin, London | 3 July, 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 March 2013 to the date of this statement.

Performance Review and Outlook

Despite difficult trading conditions in the period to date, C&C currently expects operating profit, for the 2014 financial year (“FY2014”), to be in the range of €125m to €132m. The expected outcome represents year-on-year earnings growth of between 10% and 16%. C&C has indicated that FY2014 will be a transition period given the scale, scope and pace of acquisition activity in FY2013.

The Group retains balance sheet strength and strong free cash flow characteristics despite increased levels of capital investment planned for FY2014. C&C expects to increase year-on-year cash conversion and to maintain its progressive dividend policy.

International Cider Opportunity

The international cider category continues to grow and has attractive, long-term prospects. In the first quarter, C&C delivered 77.7% volume growth in international markets including the benefits of the Vermont Hard Cider Company (“VHCC”) acquisition. Despite a lower than expected Woodchuck volume growth of 3% in the quarter, integration is progressing well. During the transition phase, C&C expects a solid earnings contribution from the Group’s North American business in a US\$18m to US\$22m range for FY2014 (which is within the scope of the Group’s stated full year guidance). Given the Group’s focus has been on business optimisation and commercial approach, C&C believes that, for FY2014, earnings represents a more effective measure of VHCC’s performance and prospects.

Integration of Gleeson Group

C&C completed the acquisition of the Gleeson Group, the leading wholesaler in the Republic of Ireland (“ROI”), in March 2013. The acquisition demonstrates the Group’s commitment to invest in ROI and belief in a multi-beverage business model. The Gleeson business is now being combined with the Group’s existing cider and beer business and will provide C&C with a platform to drive growth across the market.

Stephen Glancey, C&C Group CEO, commented

“We are pleased to guide towards continued earnings growth for the current financial year. We remain focused on developing our multi-beverage capability in core markets and investing in customers through our trade lending model. Our Tennent’s business has again performed well and provides a degree of balance to a competitive UK cider market. We believe that the Shepton Mallet Cider Mill division is a positive step towards capitalising on the inherent potential of the Gaymers portfolio and will be a distinguishing factor for C&C during the next phase of cider growth in the UK and Ireland.”

We remain confident in the attractive prospects of international cider. While we have not meaningfully participated in the category growth in the US this quarter, our fundamental assumptions about the attractiveness of the cider category in the US and the broader opportunity for our portfolio in international markets remain unchanged. We expect to continue to reduce operating costs, deliver earnings growth and to enjoy the benefits of balance sheet strength.”

First Quarter ("Q1") Review

Trading conditions in the Group's core Irish and UK markets were difficult in Q1 and are expected to remain so for the remainder of the year. Volumes were generally weaker in March and April driven by unseasonably cold weather with a relative improvement in May. Despite the challenging trading in the cider category, C&C continues to invest in its core Bulmers and Magners cider brands with the launch of the new 'Now is a Good Time' marketing campaign.

- In Q1, ROI cider and beer volume declines (which exclude Gleasons) were primarily driven by lower off-trade activity, with the on-trade channel proving more robust in the period.
- In Cider UK, Q1 volumes declined in both Magners and Gaymers brands with over 85% of the volume loss driven by the off-trade channel which remains intensely competitive.
- Tennent's continued to perform well in the Scottish on-trade channel despite a weak beer market with total branded volumes increasing by 7% in the independent free trade in Q1.
- International showed steady volume growth from Gaymers, modest growth from Woodchuck and a decline in Tennent's, Magners and Hornsby's volumes in the period.
- Third Party Brands performed well in Q1 with increased own-label activity across both cider and beer contributing to contract manufacturing volume growth.

Republic Of Ireland*	3 months ended 31 May
Volume	(11.5%)
Net Revenue (constant currency)	(13.0%)
Cider Volume	(13.4%)
Beer Volume	(1.7%)

*Note: Q1 RoI Volume and Net Revenue does not include Gleeson Group

Cider UK	3 months ended 31 May
Volume	(22.2%)
Net Revenue (constant currency)	(24.0%)
Magners Volume	(19.9%)
Gaymers Volume	(25.5%)

Tennent's UK	3 months ended 31 May
Volume	(12.4%)
Net Revenue (constant currency)	(6.1%)

International*	3 months ended 31 May
Volume	+77.7%
Net Revenue (constant currency)	+76.6%

*Note: Q1 Volume and Net Revenue includes VHCC

Third Party Brands	3 months ended 31 May
Volume	+18.9%
Net Revenue (constant currency)	+7.5%

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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's Irish wholesaling subsidiary, Gleeson Group, manufactures Tipperary Water and Finches soft drinks. The Group also distributes Bavaria beer in Ireland and 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 39 and 40 of the 2013 Annual Report, that could cause actual results to differ materially from those anticipated.

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