

RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2015

Dublin, London, 28 October 2015: C&C Group plc ('C&C' or the 'Group'), a leading manufacturer, marketer and distributor of branded cider, beer, wine and soft drinks announces results for the six months ended 31 August 2015 ("H1 '16").

	H1 '16	% change
Net Revenue	€358.6m	(2.6%)
EBITDA ⁽ⁱ⁾	€72.6m	(10.4%)
Operating profit⁽ⁱⁱ⁾	€62.6m	(9.5%)
Free cash flow⁽ⁱⁱⁱ⁾	€66.4m	+115.6%
Free cash flow/EBITDA (% conversion)	91.5%	
Basic Earnings per Share (EPS)	13.7 cent	(10.5%)
Adjusted diluted EPS^(iv)	14.8 cent	(6.9%)
Dividend per share	4.73 cents	+5.1%

H1 '16 Summary and Outlook

- ▶ Decline of 9.5% in operating profit⁽ⁱⁱ⁾ reflecting a challenging period in core markets of Ireland and Scotland
- ▶ Significant growth in Export business with expanding opportunity in new markets
- ▶ Stable performance in C&C Brands
- ▶ US business below expectation; actions underway to improve earnings for FY'17
- ▶ Commencement of new cost saving programme to deliver €15 million in annualised savings
- ▶ Strong cash generation: free cash flow⁽ⁱⁱⁱ⁾ of €66 million representing 92% of EBITDA⁽ⁱ⁾
- ▶ Balance sheet strength: €38 million reduction in net debt^(v) during the period
- ▶ Progressive dividend reflecting strong cash generation and balance sheet strength: 5.1% increase in interim dividend
- ▶ Launch of share buy back programme to repurchase up to €100 million of the Group's shares by July 2016
- ▶ Reaffirmation of 2.0x net debt^(v) to EBITDA⁽ⁱ⁾ target and use strong cash generation to return capital to shareholders and invest in growth.

Stephen Glancey, C&C Group CEO, commented:

"Our performance in the first half reflects difficult trading conditions in our core markets of Ireland and Scotland. Many of the factors contributing to this are one-off or transitional, including poor weather; the transition to a brand led wholesale model; and, legislative change in Scotland. In aggregate, the headwinds will adversely impact profitability by €10 million in the financial year. Positively, the reception to our new brands such as Heverlee and Menebrea, access to the Drygate range and the launch of our new craft cider, Dowds Lane Big Vat cider to complement our Five Lamps craft beer in Ireland has been good.

In C&C Brands, earnings showed modest growth in the first half in line with our stated objective to stabilise performance. The business successfully executed a sizeable cost reduction plan, providing the capability for a stronger share performance from Magners Original. This provides a better platform for brand investment in FY '17 and a continuation of the recovery. In the US, we are driving changes to improve profitability in FY '17 and we are exploring new ways of strengthening market access.

Performance in our Export business was excellent, with 31% earnings growth fuelled by Magners, Tennent's and Shepton brands. Our well invested domestic asset base enables the Group to capitalise on these volume opportunities with minimal incremental cost. We see the cider category continuing to accelerate growth internationally through increased penetration and new market development. Asia Pacific, Europe and Africa all performed well. Margins are attractive, even at high levels of marketing investment. We have put in place new distribution arrangements for Poland, South Korea and Nigeria with further countries to follow in the second half.

We have generated excellent free cash in the first half and expect full year cash conversion of c.70% of EBITDA. The Group's balance sheet is strong, and as highlighted in July, provides the Board with the flexibility to invest in the business as well as return capital to shareholders. We are intending to re-initiate share buy backs with a view to returning up to €100 million to shareholders by our AGM in July 2016.

Over the last six months there has been a lot of M&A activity in our sector with valuations reflecting both availability of liquidity and asset scarcity. We believe that the landscape will continue to evolve in the next twelve months. We have and will continue to review acquisition opportunities to optimise value for shareholders but only if they deliver superior and sustainable long term returns which are in keeping with our return parameters.

Looking ahead, we expect improved operational performance in Ireland and Scotland as we move through the second half and into FY'17 underpinned by ongoing cost saving initiatives, sustained investment behind our brands and increased emphasis on niche and premium.

We are assuming that market conditions will continue to be testing particularly in our core markets in the coming months but we are confident that we are taking the right actions to build durable, long-term value for all shareholders and this is reflected in a 5.1% increase in our interim dividend."

Conference Call Details | Analysts & Institutional Investors

C&C Group plc will host a live conference call and webcast, for analysts and institutional investors, today, 28 October, at 8.30am GMT (3.30am ET). Dial in details are below for the conference call. The webcast can be accessed on the Group's website: www.candcgroupplc.ie

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Pin Code: 79452223#

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

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, the C&C Brands range of English ciders and the Tennent's beer brand. C&C Group also owns and manufactures 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.

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, including those factors discussed on pages 14 to 15 that could cause actual results to differ materially from those anticipated.

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IRELAND
Operations Review

Constant Currency ^(vi)	Ireland		
	H1 '16	H1 '15	Change
	€m	€m	%
Revenue	195.8	226.7	(13.6%)
Net revenue	142.3	162.3	(12.3%)
- Price /mix impact			(6.5%)
- Volume impact			(5.8%)
Operating profit ⁽ⁱⁱ⁾	30.0	37.0	(18.9%)
Operating margin (Net revenue)	21.1%	22.8%	(1.7ppts)
Volume – (kHL)	938.4	996.6	(5.8%)

Market Insight – ROI^(vii): The performance of the Long Alcoholic Drinks (LAD) category in the first half of the year can be defined by three differing characteristics:

- **Positive consumer sentiment and an improving macroeconomic outlook:** In the five month period to July, the on-trade channel enjoyed both volume and value growth of 1%. Market under performance from a number of mainstream lager brands resulted in some defensive volume share gain activity in the off-trade and consequent price deflation. Off-trade volume was level year on year with pricing down 3%.
- **Differentiation:** The emergence of new entrants across the LAD category and the growth of craft brands suggests a consumer now more willing to experiment and try something different. There is no doubt that innovation and new product development, authenticity and heritage are more relevant to LAD now than they were two or three years ago although craft brands appear to command more share of media voice and presence than volume at this stage.
- **Weather:** Through the key summer trading months, the weather was very poor across Ireland with record lows in average temperature. This meant big challenges for brands that benefit from 'refreshment' and a tailwind for products with a heavier taste profile. The cider category has been particularly affected with no natural catalyst to switch on consumption throughout the summer.

C&C Performance: The performance of the business in the first half was disappointing. On a constant currency basis, net revenue was down 12.3% and operating profit by 18.9%. Increased investment behind the portfolio added to the impact of lower volume, reducing operating margins by 1.7ppt. There are a number of different factors affecting the year on year performance for C&C, some of which are temporary or one off in nature. Some may have a modest effect on the future shape of the market.

- **Weather:** by some way the biggest negative dynamic in the market place for C&C. Internal estimates suggests more than 50% of the cider volume decline is down to a poor summer for cider consumption.
- **Operational execution:** It has taken longer than anticipated to reach a point where the brand led wholesale model is operating as it should. We are reaching that point now but along the way we have dropped some business that could have been avoided and missed some opportunities.
- **New entrants:** both the launch of a competitive cider brand and the expansion of craft in draught has had an impact on Bulmers' performance. The former has so far presented as more of a challenge in the off-trade. The latter has resulted in some loss of tap handles and ultimately rate of sale in the on-trade. There is an inevitable degree of disruption and share loss as the new entrants fight for space. But with the Bulmers brand commanding more than 90% share in the on-trade, the position should be defensible as cider consumption normalises again.

Overall C&C volume declined by 5.8% in the first six months. Bulmers volume was down 13.2% with share of LAD dropping from 9.3% to 8.3%. C&C share of cider in the on-trade is at 92% and 61% in the off-trade^(vii).

In Northern Ireland trading was stable and cash generation good.

Outlook: Marketing investment spend increased year on year by 20%. The challenging trading environment makes it difficult to point to short term tangible benefit from the increased investment but the brand health metrics tracked suggest the 'Not a Moment Too Soon' campaign for Bulmers is enjoying some success. The advertising picked up a number of awards and anecdotal feedback from the trade is positive. The campaign will be backed up by significant on-trade in-outlet investment in the second half of the year. Clonmel 1650, Heverlee and the launch of Roundstone Ale have also enjoyed the benefit of increased investment. The introduction of Dowds Lane Big Vat Cider to sit alongside Five Lamps craft beer widens the portfolio reach and should create the opportunity for taking a share of the growth in craft. The agreement of distribution contracts for Corona and Accolade wines in the first half of the year replaces some of the activity lost in the early stages of the Gleeson integration. In the round, the quality of what we sell has improved and should serve to strengthen the business model.

The consumer changes in Ireland should not be overplayed in terms of scale and they should bring value through premiumisation. FY '16 is going to be both a difficult and transitional year for C&C. However, the emerging business model should be well positioned to take advantage of the consumer changes as well as protect the core value of Bulmers.

SCOTLAND
Operations Review

Constant Currency ^(vi)	Scotland		
	H1 '16	H1 '15	Change
	€m	€m	%
Revenue	178.7	195.1	(8.4%)
Net revenue	119.9	132.9	(9.8%)
- Price /mix impact			(2.3%)
- Volume impact			(7.5%)
Operating profit ⁽ⁱⁱ⁾	22.2	25.2	(11.9%)
Operating margin (Net revenue)	18.5%	19.0%	(0.5ppts)
Volume – (kHL)	734.3	793.6	(7.5%)

Market Insight^(vii): In the six months to August 2015, beer volume in Scotland declined by 4%. The on-trade was down 5% while the off-trade decreased by 4%. This compares to 2% growth in the beer market in the first half of FY '15. The fundamentals of the Scottish LAD remain as they were from the perspective of WallacesTCB (WTCB). There have been no material shifts in customer, competitor or consumer dynamics. The year on year decline in overall consumption is attributable to two factors that should be short-term in nature:

- **Legislative change:** The tightening of drink driving legislation in December 2014 has impacted consumption in the on-trade. The out-of-town, rural, community and sports club sectors would appear to have suffered the impact more than most. In the first quarter of calendar 2016, the effects of the legislative change will begin to phase out of the comparatives and normalised underlying trends should resurface.
- **Weather:** Like Ireland, Scotland endured a poor summer through to the end of August with unseasonably cold and wet conditions.

Despite the short-term dip and the absence of any growth in consumption prospects, the Scottish LAD market remains, from an economic perspective, one of the most attractive markets in Western Europe.

C&C Performance: Performance in the first six months of the year was a disappointment. On a constant currency basis net revenue was down 9.8% on volumes that dropped 7.5%. Operating profit was in line with last year's reported profit at €22.2 million but down 11.9% on a constant currency basis. The main factors shaping performance are clear and should point towards a stronger performance for WTCB in FY '17:

- **Market trend:** Broadly, Tennent's tracked the weak market trends in the on and off-trade^(viii). The brand was down 5% in both channels. The drink driving impact on the on-trade was matched by the weather and absence of a FIFA world cup effect on the off-trade.
- **Operational execution:** As with Ireland, it has taken the business longer than it should have to get to a functioning brand led wholesaler model. Through the transition we experienced service issues and lost some commercial focus on the core brands within the portfolio. Both distribution and rate of sale within the key Independent Free Trade were below expectation and we lost some modest share in this channel for the first time in six years.

Outlook: A new management team are now in place at WTCB and the completion of the complex aspects of integration should lead to a sharpening of commercial focus, service and performance in the second half of the year. The Tennent's brand is stronger now than at any point under C&C's ownership. The marketing focus on digital and social media has delivered some great results through the traditional football and music platforms. The 'Wellpark campaign' appears to have transformed perceptions of the brand among 18 to 24 year olds. The progress this year will be backed up by investment in a new creative for FY '17. Despite the difficult market and operational challenges in the first six months, the own brand portfolio continues to grow quietly. Heverlee, Menebrea and Caledonia Best are becoming more meaningful in overall contribution and the Drygate Craft Brewery joint venture is opening up further opportunities for premiumisation.

Like Ireland, FY '16 is proving to be a challenging year for WTCB. The market fundamentals remain intact, however, and we are increasingly confident that the brand led wholesale model carries a lot of potential in the Scottish market.

C&C BRANDS
Operations Review

Constant Currency ^(vi)	C&C Brands		
	H1 '16	H1 '15	Change
	€m	€m	%
Revenue	101.8	112.3	(9.3%)
Net revenue	60.0	67.3	(10.8%)
- Price /mix impact			(2.5%)
- Volume impact			(8.3%)
Operating profit ⁽ⁱⁱ⁾	7.8	7.6	2.6%
Operating margin (Net revenue)	13.0%	11.3%	1.7ppts
Volume – (kHL)	717.6	782.2	(8.3%)

Market Insight^(vii): Both the beer and cider markets in the UK remain challenging from a brand owner perspective. The seasonality of cider means that it is more weighted to home consumption than beer. In a poor summer like this year, cider will suffer more than beer. Volume for the category was down 4% in the first six months with the off-trade down approximately 6%. Overall value dropped 1%. The proliferation of brands, excess supply capacity and retailer power create a low margin environment for brand owners. Over the last six months, there have been no significant changes to these dynamics. However, what is beginning to emerge is retailer driven rationalisation in the multiple grocers. We appear to be at the end of the new entrants phase in cider and the start of a contraction in ranges. In this environment, the stronger brands that can drive footfall or command premiums should prevail.

C&C Performance: C&C Brands (CCB) delivered a performance in the first six months that was in line with internal expectations and a significant improvement in the trends of the last few years. The core objective this year was to focus on Magners, K Cider and niche brands like Chaplin & Cork, Heverlee, Menebrea and Woodchuck; stabilise the earnings of the business through a cost reduction programme; pursue a 'hold share' strategy; and, develop a new platform for investment behind the Magners brand. Significant costs have been removed from the business without disruption. We are not quite holding share yet but certainly trending in the right direction. There are reasons to be optimistic around future growth from both Magners and our niche premium products.

The Magners core proposition, the Original pint bottle, is back in growth and rebuilding share within the apple cider category. The volume decline of 8.3% and the net revenue decline of 10.8% in the first six months is attributable to Magners Pear & Draught and smaller brands like Blackthorn and Gaymers. The improvement in operating margins comes through successful delivery on the cost reduction initiatives implemented earlier in the year.

Outlook: Magners remains a brand with significant heritage and authenticity. The last three years have been turbulent as all of the major brewers in the UK launched competing products into the modern apple space. It is testament to the resilience and appeal of the Magners brand that it has just regained its number one spot in the modern apple category. We are confident that the trading strategy for the brand in FY '16 is the most appropriate in the current climate and should create the platform to invest behind in FY '17. Further cost reductions across the Group will ensure there is plenty of financial capacity to support a new marketing campaign and deliver the required level of profitability. As far as the portfolio is concerned, the direction of travel for consumers opens up opportunity for niche premium assets within the C&C portfolio that have yet to be exploited in the UK. Organisationally, CCB will be better positioned in FY '17 to exploit this opportunity with brands like Heverlee, Menebrea, Woodchuck and Chaplin & Cork.

**NORTH AMERICA
Operations Review**

Constant Currency ^(vi)	North America		
	H1 '16	H1 '15	Change
	€m	€m	%
Revenue	24.4	27.7	(11.9%)
Net revenue	23.2	26.5	(12.5%)
- Price /mix impact			2.1%
- Volume impact			(14.6%)
Operating profit ⁽ⁱⁱ⁾	0.5	1.3	(61.5%)
Operating margin (Net revenue)	2.2%	4.9%	(2.7ppts)
Volume – (kHL)	139.4	163.3	(14.6%)

Market Insight^(x): The US cider category remains very attractive and C&C is committed to extracting value from it. Category growth has slowed over the last twelve months but is still likely to be somewhere in the region of 21% in the current year off a higher base. The key shift in dynamic appears to be a loss of momentum from the commercial cider brands and the emergence of regional and local craft ciders. Directionally, this is a trend that should further premiumise the category. Retailers, distributors and regional/authentic brand owners should benefit via pricing and underlying category volume growth.

During the last six months a new category of Alcoholic Root Beer was created in the US. Explosive growth delivered volume that equates to half the size of the cider category, at higher pricing. The proposition is sweeter than cider. Time will tell whether the phenomenon has any permanence. There is no doubt that it has created a distraction for the commercial cider brand owners as they switch focus onto Alcoholic Root Beer and it is probable that cider consumers are experimenting with the new products.

C&C Performance: While an improvement on the trends of the prior year, the performance in the first six months is still behind expectations. On a constant currency basis, net revenue is down 12.5% with a favourable mix impact. The volume loss in a business with big capacity and big operational gearing further eroded margins by 2.7ppt. Operating profit declined from €1.3m to €0.5m.

The launch of Gumption is a success to date and we continue to build distribution in both channels of trade. A number of new listings have been secured with the major off-trade retailers and we should see acceleration in the second half from Gumption. As part of the Woodchuck family, it is now number two. At this stage, Gumption still does not have sufficient scale to offset the loss of core Woodchuck volume.

The Magners brand had a challenging six month period in the North East but we anticipate recovery in the second half of the year.

The Canadian business delivered a solid performance in the period with a distribution footprint now established in all key provinces and greater focus driving improved profitability.

Outlook: The US business plan for FY '16 was constructed around a high level of marketing investment and expansion of sales and commercial infrastructure. After six months trading, it is clear that the 'Above the Line' investment is not right for a brand like Woodchuck. A number of steps have been taken to reshape the focus behind Woodchuck, concentrating on packaging, in-outlet activation and digital marketing. Energy and resource will be re-weighted behind the Gumption opportunity and new innovation. In October, some operational and back office costs were reduced. The measures taken will set the business up for improved profitability in FY '17 and we will continue to explore new ways of strengthening market access.

**EXPORT
Operations Review**

Constant Currency ^(vi)	Export		
	H1 '16	H1 '15	Change
	€m	€m	%
Revenue	13.2	11.4	15.8%
Net revenue	13.2	10.9	21.1%
- Price /mix impact			8.9%
- Volume impact			12.2%
Operating profit ⁽ⁱⁱ⁾	2.1	1.6	31.3%
Operating margin (Net revenue)	15.9%	14.7%	1.2ppts
Volume – (kHL)	93.2	83.1	12.2%

Market Insight^(x): It is difficult to collate data on worldwide cider trends. The independent view suggests growth of 8%. Given the UK and Ireland are approximately half the market and not growing at the moment, this points to export markets for C&C expanding anywhere between 15% and 20% per annum. We are seeing good category development progress in Asia Pacific, Europe and Africa and there are no reasons why the underlying growth trends are likely to change in the near to medium term. Consumers are drawn to cider because of its sweetness, refreshment and authenticity. These attributes should continue to deliver growth via increased penetration and new markets. At this stage, the European and Asian brewers would appear to have more interest in the emerging cider categories than the other major brewers have.

The export market for Scottish alcohol is understandably dominated by a focus on whiskey. From what we are learning, the desire for authentic high quality Scottish brands travels across the alcohol space and we are seeing increased potential for the Tennent's brand in new markets.

C&C Performance: The Group's export business delivered a strong performance in the first half of the year with growth in volume and improved mix lifting revenues by 21.1% and earnings by 31.3% on a constant currency basis. Excluding contract and private label work, own brand volume was up over 25% with a balanced contribution from Magners, Tennent's and the Shepton portfolio.

The resolution of distributor issues in Australia provides proper visibility to the underlying growth trend in the business. Own brand volume in Europe improved by 9% with Eastern Europe and Spain the main drivers. Volume in Asia increased 81% with good numbers from new arrangements in India. The Tennent's brand continues to do well in Italy.

Outlook: At 17% of net sales revenue, marketing investment is 'overweight' at the moment and we have no plans to change this in the near to medium term. C&C is committed to accelerated expansion in export markets through distribution and license agreement arrangements, rather than capital deployment. In the first six months of the year, we have put a number of new arrangements in place including Poland, South Korea and Nigeria.

We are experiencing increasing interest in discussions from distributors and over the course of the second half of the year we anticipate further agreements for parts of Africa and Asia. Striking the balance between high levels of brand investment and the right in-market partners should provide C&C with a strong platform for accelerating export growth of our cider and beer brands.

FINANCIAL REVIEW

A summary of results for the six months ended 31 August 2015 is set out in the table below.

	Period ended 31 August 2015 €m	Period ended 31 August 2014 €m	CC ^(vi) Period ended 31 August 2014 €m	Change %	CC ^(vi) - Change %
Net revenue	358.6	368.1	399.9	(2.6%)	(10.3%)
Operating profit⁽ⁱⁱ⁾	62.6	69.2	72.7	(9.5%)	(13.9%)
Net finance costs	(4.5)	(4.8)		(6.3%)	
Share of equity accounted investees' loss after tax^(viii)	-	(0.1)			
Profit before tax	58.1	64.3		(9.6%)	
Income tax expense ^(viii)	(8.2)	(9.2)			
Effective tax rate*	14.1%	14.3%			
Profit for the year attributable to equity shareholders⁽ⁱ⁾	49.9	55.1			
Basic EPS	13.7 cent	15.3 cent		(10.5%)	
Adjusted diluted EPS^(iv)	14.8 cent	15.9 cent		(6.9%)	

* the effective tax rate is calculated based on the profit before tax excluding exceptional items and excluding the Group's share of equity accounted investees' loss after tax

C&C is reporting net revenue of €358.6m, operating profit⁽ⁱⁱ⁾ of €62.6m and adjusted diluted EPS^(iv) of 14.8 cent. On a constant currency^(vi) basis, net revenue decreased by 10.3% while operating profit⁽ⁱⁱ⁾ declined by 13.9% reflecting a challenging six month period in our core markets of Ireland and Scotland. The key drivers are summarised in the segmental review.

FINANCE COSTS, INCOME TAX AND SHAREHOLDER RETURNS

Net finance charges of €4.5m (2014: €4.8m) were incurred in the period. These reflect continued low levels of variable interest rates and the preferential underlying margin of the Group's current multi-currency facility, which was negotiated in December 2014.

The income tax charge for the period amounted to €8.2m. This excludes the tax implication of exceptional items and share of loss from equity accounted investees. In line with IAS 34 *Interim Financial Reporting* this represents an effective tax rate of 14% and reflects the current estimate of the average annual effective income tax rate for the year ending 29 February 2016. This forecasted effective tax rate reflects the fact that the Group is established in Ireland's low corporate tax environment, allowing the Group to avail of the 12.5% corporation tax rate on profit generated in Ireland.

The Board declared a final dividend of 7.0 cent per share for the financial year ended 28 February 2015 resulting in a full year dividend for that financial year of 11.5 cent per share and representing a payout of 42.3% (FY2014: 33.9%) of adjusted diluted earnings per share. The dividend was paid to shareholders on 10 July 2015 and was settled €21.1m in cash and €2.5m by way of a scrip alternative.

In line with the Group's progressive dividend policy, the Board has declared an interim dividend of 4.73 cent per share for the financial year ending 29 February 2016. This is an increase of 5.1% on the FY '15 interim dividend. Payment will be on 18 December 2015 to shareholders registered at the close of business on 6 November 2015. A scrip alternative will be offered to shareholders. Dividends declared but unpaid at the date of approval of the financial statements are not recognised as a liability at the balance sheet date.

EXCEPTIONAL ITEMS

The Group has incurred exceptional costs of €5.5m in the period. Restructuring costs, comprising severance and other initiatives arising from the Group's recent acquisitions in Ireland and Scotland and other cost cutting initiatives resulted in an exceptional charge before tax of €2.9m in the period. Also during the period the Group incurred €2.6m of acquisition and integration related costs, primarily with respect to the integration of the previously acquired Wallaces Express Limited in Scotland and other professional fees associated with the consideration of strategic opportunities by the Group during the period.

CASHFLOW GENERATION

The Group generated Free Cash Flow⁽ⁱⁱⁱ⁾ of €66.4m in the period representing 91.5% (2014: 38.0%) of adjusted EBITDA⁽ⁱ⁾ and ended the period in a net debt^(v) position of €119.8m.

Summary cash flow for the six months ended 31 August 2015 is set out in the table below.

	Six months ended 31 August 2015	Six months ended 31 August 2014
	€m	€m
Operating profit before exceptional items	62.6	69.2
Depreciation & amortisation charge	10.0	11.8
Adjusted EBITDA ⁽ⁱ⁾	72.6	81.0
Net capital expenditure	(5.4)	(13.6)
Advances to customers	(0.5)	(0.6)
Working capital movement	17.2	(19.9)
	83.9	46.9
Exceptional items	(7.5)	(2.1)
Net finance charges/ tax paid	(8.3)	(10.7)
Other ^(ix)	(1.7)	(3.3)
Free Cash Flow ⁽ⁱⁱⁱ⁾ (FCF)	66.4	30.8
FCF⁽ⁱⁱⁱ⁾/EBITDA⁽ⁱ⁾	91.5%	38.0%
Free Cash Flow ⁽ⁱⁱⁱ⁾ (FCF)	66.4	30.8
Exceptional items	7.5	2.1
Free Cash Flow before exceptional cash outflow (FCF)	73.9	32.9
FCF/EBITDA before exceptional cash outflow	101.8%	40.6%
Reconciliation to Group Condensed Cash Flow Statement		
Free Cash Flow ⁽ⁱⁱⁱ⁾ (FCF)	66.4	30.8
Acquisition of equity accounted investee	-	(0.4)
Acquisition of businesses/deferred consideration paid	(3.4)	(13.0)
Proceeds from exercise of share options	0.1	0.8
Shares purchased under share buyback programme	(1.1)	-
Dividends paid	(21.1)	(16.4)
Drawdown of debt	25.0	-
Repayment of debt	-	(51.3)
Net increase/(decrease) in cash & cash equivalents	65.9	(49.5)

PENSIONS

In compliance with IFRS, the net assets and actuarial liabilities of the various defined benefit pension schemes operated by Group companies, computed in accordance with IAS 19(R) *Employee Benefits*, are included on the Group balance sheet as retirement benefit obligations.

At 31 August 2015, the Group is reporting a net retirement benefit obligation deficit on the revised IAS 19 basis of €17.8m (31 August 2014: €36.0m / 28 February 2015: €33.6m). All schemes are closed to new entrants. There are 4 active members in the UK scheme and 73 active members (less than 10% of total membership) in the ROI schemes. The Group has an approved funding plan in place, the details of which are disclosed in note 11. The scheme actuaries advised that as at 31 December 2014 the schemes were on track to meet the minimum funding standard and risk reserve by 31 December 2016, the end of the funding period. The Group is currently in the process of agreeing on going funding arrangements with the Trustees with respect to the ROI pension schemes in light of a favourable January 2015 actuarial valuation.

The improvement in the financial position of the Group's defined benefit pension schemes as computed in accordance with IAS 19(R) *Employee Benefits* is primarily as a result of an increase in discount rates, the positive impact of which was partially offset by the return on assets failure to meet expectations.

	€m
Deficit at 1 March 2015	33.6
Employer contributions paid	(2.8)
Actuarial gains	(28.6)
Actuarial losses	14.9
Charge to the income statement	0.7
<hr/>	
Net deficit at 31 August 2015	17.8

All other significant assumptions applied in the measurement of the Group's pension obligations at 31 August 2015 are consistent with those as applied at 28 February 2015.

FOREIGN CURRENCY AND COMPARATIVE REPORTING

		6 month period ended 31 August 2015	6 month period ended 31 August 2014
Translation exposure	Euro:Stg£	£0.719	£0.811
	Euro:US\$	\$1.103	\$1.364

As shown above, the effective rate for the translation of results from sterling currency operations was €1:£0.719 (period ended 31 August 2014: €1:£0.811) and from US dollar currency operations was €1:\$1.103 (period ended 31 August 2014: €1:\$1.364).

Comparisons for revenue, net revenue and operating profit before exceptional items for each of the Group's reporting 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 and US dollar denominated subsidiaries by restating the prior period at current period effective rates. The impact of restating currency exchange rates on the results for the period ended 31 August 2014 is as follows:-

	Period ended 31 August 2014 (restated*) €m	FX Transaction €m	FX Translation €m	Period ended 31 August 2014 Constant currency comparative €m
Revenue				
Ireland	221.6	-	5.1	226.7
Scotland	172.8	-	22.3	195.1
C&C Brands	99.5	-	12.8	112.3
North America	22.7	0.2	4.8	27.7
Export	11.4	-	-	11.4
Total	528.0	0.2	45.0	573.2
Net revenue				
Ireland	158.2	-	4.1	162.3
Scotland	117.7	-	15.2	132.9
C&C Brands	59.6	-	7.7	67.3
North America	21.7	0.2	4.6	26.5
Export	10.9	-	-	10.9
Total	368.1	0.2	31.6	399.9
Operating profit⁽ⁱⁱ⁾				
Ireland	36.7	(0.7)	1.0	37.0
Scotland	22.4	-	2.8	25.2
C&C Brands	7.2	(0.5)	0.9	7.6
North America	1.2	(0.1)	0.2	1.3
Export	1.7	(0.1)	-	1.6
Total	69.2	(1.4)	4.9	72.7

* See Note 2 of the condensed financial statements on page 24.

Notes

- (i) EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and Equity accounted investees' profit/(loss) after tax. A reconciliation of operating profit to EBITDA is set out on page 10.
- (ii) Operating profit and Profit for the year attributable to equity shareholders excludes exceptional items.
- (iii) Free Cash Flow is a non GAAP measure that comprises cash flow from operating activities net of capital investment cash outflows/(inflows) which form part of investing activities. Free Cash Flow highlights the underlying cash generating performance of the on-going business. A reconciliation of Free Cash Flow to Net Movement in Cash & Cash Equivalents per the Group's Condensed Cash Flow Statement is set out on page 10.
- (iv) Adjusted basis/diluted earnings per share ('EPS') excludes exceptional items. Please see note 5 of the condensed financial statements on page 27.
- (v) Net debt comprises borrowings (net of issue costs) less cash & cash equivalents.
- (vi) On a constant currency basis; constant currency calculation is set out on page 12.
- (vii) Per AC Nielsen/CGA
- (viii) Excludes exceptional items
- (ix) 'Other' relates to share options add back and pensions charged to operating profit less contributions paid.
- (x) Per IRI/Canadean

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 and the Company are required to give a description of the principal risks and uncertainties which they face.

The principal risks and uncertainties faced by the Group are as set out in the 2015 Annual Report. An extract from the 2015 Annual Report is repeated below for convenience. In addition the Group has a strong presence in the UK and therefore the upcoming referendum on EU membership is an uncertainty. The Group will monitor developments closely.

As at 31 August 2015, the Group considers that currently the most significant risks to its results and operations over the short term are (a) strategic failures, (b) levels of competition 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 and joint ventures and entry into new markets. These opportunities may not materialise or deliver the benefits or synergies expected and may present new management risks and social and compliance risks. The Group seeks to mitigate these risks through due diligence, careful investment and continuing monitoring and management post-acquisition.

Risks and uncertainties relating to revenue and profits

The GB off-trade and increasingly the GB on-trade continues to be highly competitive, driven by consumer pressure, customer buying power and the launch of heavily-invested competing products. The Group seeks to mitigate the impact on volumes and margins through developing its multi-beverage brand portfolio and seeking cost efficiencies.

The US cider market has also become highly competitive. The Group is responding through brand investment and has strengthened its distributor network.

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, innovation and product diversification to maintain and enhance the relevance of its products in the market.

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

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

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

The Group's reporting currency is the euro but it transacts in foreign currencies and consolidates the results of non-euro reporting foreign operations. Fluctuations in value between the euro and these currencies may affect the Group's revenues, costs and operating profits. The Group seeks to mitigate currency risks, where appropriate, through hedging and structured financial contracts to hedge a portion of its foreign currency transaction exposure. It has not entered into structured financial contracts to hedge its translation exposure on its foreign acquisitions.

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 political 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 is not able to materially mitigate this risk, which is outside its control.

The Group may be adversely affected by changes in government regulations affecting alcohol pricing, sponsorship or advertising, and product types. 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.

Liability-related risks and uncertainties

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 those 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.

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm our responsibility for the half yearly financial report and that to the best of our knowledge:

- the condensed set of financial statements comprising the condensed income statement, the condensed statement of comprehensive income, the condensed balance sheet, the condensed cash flow statement, the condensed statement of changes in equity and the related notes have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
- the interim management report includes a fair review of the information required by:
 - (a) Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007,
 - being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and,
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007,
 - being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and,
 - any changes in the related party transactions described in the last Annual Report that could do so.

The Group's auditor has not audited or reviewed the condensed financial statements or the remainder of the half-yearly financial report.

On behalf of the Board

Sir B. Stewart
Chairman
28 October 2015

S. Glancey
Chief Executive Officer

**Group Condensed Income Statement
for the six months ended 31 August 2015**

	Notes	Six months ended 31 August 2015 (unaudited)			Six months ended 31 August 2014 (unaudited)		
		Before exceptional items €m	Exceptional items (Note 4) €m	Total €m	Before exceptional items €m	Exceptional items (Note 4) €m	Total €m
Revenue	2	513.9	-	513.9	528.0	-	528.0
Excise duties		(155.3)	-	(155.3)	(159.9)	-	(159.9)
Net revenue	2	358.6	-	358.6	368.1	-	368.1
Operating costs		(296.0)	(5.5)	(301.5)	(298.9)	(4.2)	(303.1)
Operating profit	2	62.6	(5.5)	57.1	69.2	(4.2)	65.0
Finance income		0.1	-	0.1	0.2	-	0.2
Finance expense		(4.6)	-	(4.6)	(5.0)	-	(5.0)
Share of equity accounted investees' gain/(loss) after tax		-	0.1	0.1	(0.1)	0.2	0.1
Profit before tax		58.1	(5.4)	52.7	64.3	(4.0)	60.3
Income tax (expense)/ credit	3	(8.2)	0.9	(7.3)	(9.2)	0.7	(8.5)
Profit for the period attributable to equity shareholders		49.9	(4.5)	45.4	55.1	(3.3)	51.8
Basic earnings per share (cent)	5			13.7c			15.3c
Diluted earnings per share (cent)	5			13.4c			15.0c

**Group Condensed Statement of Comprehensive Income
for the six months ended 31 August 2015**

		31 August 2015 (unaudited)	31 August 2014 (unaudited)
	Notes	€m	€m
Other comprehensive income and expense:			
Items that may be reclassified to profit or loss in subsequent years:			
Foreign currency translation differences arising on foreign currency borrowings designated as net investment hedges		-	(0.3)
Foreign currency translation differences arising on the net investment in foreign operations		(1.5)	13.6
Foreign currency reserve recycled to Income statement on deemed disposal of equity accounted investee		(0.1)	(0.2)
Items that will not be reclassified to profit or loss in subsequent years:			
Actuarial gain/(loss) on retirement benefit obligations	11	13.7	(17.5)
Deferred tax on actuarial (gain)/ loss on retirement benefit obligations		(1.7)	2.2
Net profit/(loss) recognised directly within other comprehensive income		10.4	(2.2)
Profit for the period attributable to equity shareholders		45.4	51.8
Comprehensive income for the period attributable to equity shareholders		55.8	49.6

**Group Condensed Balance Sheet
as at 31 August 2015**

	Notes	31 August 2015 (unaudited) €m	31 August 2014 (unaudited) €m	28 February 2015 (audited) €m
ASSETS				
Non-current assets				
Property, plant & equipment	6	218.0	224.8	218.9
Goodwill & intangible assets	7	651.5	746.7	652.2
Equity-accounted investees		0.3	2.9	0.9
Retirement benefit obligations	11	4.2	1.4	3.7
Deferred tax assets		3.1	5.4	5.0
Derivative financial instruments		-	1.6	-
Trade & other receivables		47.4	40.7	46.2
		924.5	1,023.5	926.9
Current assets				
Inventories		85.4	89.8	93.5
Trade & other receivables		196.5	204.6	148.2
Derivative financial instruments		-	-	-
Cash & cash equivalents		247.3	116.0	181.9
Asset held for resale		-	0.8	-
		529.2	411.2	423.6
TOTAL ASSETS		1,453.7	1,434.7	1,350.5
EQUITY				
Equity share capital		3.5	3.5	3.5
Share premium		125.1	119.9	122.5
Other reserves	12	139.8	75.8	141.8
Treasury shares	12	(39.4)	(10.0)	(39.8)
Retained income	12	578.3	696.6	545.2
Total equity		807.3	885.8	773.2
LIABILITIES				
Non-current liabilities				
Interest bearing loans & borrowings	8	366.9	266.9	339.7
Derivative financial instruments		-	1.5	0.2
Retirement benefit obligations	11	22.0	37.4	37.3
Provisions		7.6	8.4	8.4
Deferred tax liabilities		7.3	6.7	6.7
		403.8	320.9	392.3
Current liabilities				
Interest bearing loans & borrowings	8	0.2	-	-
Trade & other payables		234.1	218.5	176.1
Provisions		1.9	1.8	3.8
Current tax liabilities		6.4	7.7	5.1
		242.6	228.0	185.0
Total liabilities		646.4	548.9	577.3
TOTAL EQUITY & LIABILITIES		1,453.7	1,434.7	1,350.5

**Group Condensed Cash Flow Statement
for the six months ended 31 August 2015**

	Six months ended 31 August 2015 (unaudited) €m	Six months ended 31 August 2014 (unaudited) €m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period attributable to equity shareholders	45.4	51.8
Finance income	(0.1)	(0.2)
Finance expense	4.6	5.0
Income tax expense	7.3	8.5
Depreciation of property, plant & equipment	9.8	11.6
Amortisation of intangible assets	0.2	0.2
Share of equity accounted investees' loss after tax	-	0.1
Foreign currency reserve recycled to the income statement on disposal of equity accounted investee	(0.1)	(0.2)
Impairment of property, plant & equipment	-	3.0
Charge/(credit) for equity settled share-based employee benefits	0.4	(0.4)
Pension contributions paid less amount charged to income statement	(2.1)	(2.9)
	65.4	76.5
Decrease/(increase) in inventories	8.0	(5.5)
Increase in trade & other receivables	(52.5)	(52.5)
Increase in trade & other payables	62.3	38.1
Decrease in provisions	(3.1)	(1.5)
	80.1	55.1
Interest received	0.1	0.1
Interest and similar costs paid	(3.2)	(5.4)
Income tax paid	(5.2)	(5.4)
Net cash inflow from operating activities	71.8	44.4
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(5.4)	(13.6)
Acquisition of equity accounted investee	-	(0.4)
Acquisition of business/deferred consideration paid	(3.4)	(13.0)
Net cash outflow from investing activities	(8.8)	(27.0)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	0.1	0.8
Shares purchased under share buyback programme	(1.1)	-
Drawdown of debt	25.0	-
Repayment of debt	-	(51.3)
Dividends paid	(21.1)	(16.4)
Net cash inflow/(outflow) from financing activities	2.9	(66.9)
Net increase/(decrease) in cash & cash equivalents	65.9	(49.5)
Cash & cash equivalents at beginning of period	181.9	162.8
Translation adjustment	(0.5)	2.7
Cash & cash equivalents at end of period	247.3	116.0

**Group condensed statement of changes in equity
for the six months ended 31 August 2015**

	Equity share capital €m	Share premium €m	Capital redemption reserve €m	Capital reserve €m	Share-based payments €m	Currency translation reserve €m	Revaluation reserve €m	Treasury shares €m	Retained Income €m	Total €m
At 1 March 2014	3.5	115.8	0.5	24.9	7.1	27.6	3.8	(10.3)	679.2	852.1
Profit for the period attributable to equity shareholders	-	-	-	-	-	-	-	-	51.8	51.8
Other comprehensive (expense)/income	-	-	-	-	-	13.1	-	-	(15.3)	(2.2)
Total	-	-	-	-	-	13.1	-	-	36.5	49.6
Dividend on ordinary shares	-	3.3	-	-	-	-	-	-	(19.6)	(16.3)
Exercised share options	-	0.8	-	-	-	-	-	-	-	0.8
Reclassification of share-based payments reserve	-	-	-	-	(0.8)	-	-	-	0.8	-
Joint Share Ownership Plan	-	-	-	-	-	-	-	0.3	(0.3)	-
Equity settled share-based payments	-	-	-	-	(0.4)	-	-	-	-	(0.4)
Total	-	4.1	-	-	(1.2)	-	-	0.3	(19.1)	(15.9)
At 31 August 2014	3.5	119.9	0.5	24.9	5.9	40.7	3.8	(10.0)	696.6	885.8
Loss for the period attributable to equity shareholders	-	-	-	-	-	-	-	-	(132.8)	(132.8)
Other comprehensive income	-	-	-	-	-	60.2	5.3	-	(3.0)	62.5
Total	-	-	-	-	-	60.2	5.3	-	(135.8)	(70.3)
Dividend on ordinary shares	-	2.4	-	-	-	-	-	-	(15.5)	(13.1)
Exercised share options	-	0.2	-	-	-	-	-	-	-	0.2
Reclassification of share-based payments reserve	-	-	-	-	(0.1)	-	-	-	0.1	-
Joint Share Ownership Plan	-	-	-	-	-	-	-	0.2	(0.2)	-
Shares purchased under share buyback programme	-	-	-	-	-	-	-	(30.0)	-	(30.0)
Equity settled share-based payments	-	-	-	-	0.6	-	-	-	-	0.6
Total	-	2.6	-	-	0.5	-	-	(29.8)	(15.6)	(42.3)
At 28 February 2015	3.5	122.5	0.5	24.9	6.4	100.9	9.1	(39.8)	545.2	773.2
Profit for the period attributable to equity shareholders	-	-	-	-	-	-	-	-	45.4	45.4
Other comprehensive (expense)/income	-	-	-	-	-	(1.6)	-	-	12.0	10.4
Total	-	-	-	-	-	(1.6)	-	-	57.4	55.8
Dividend on ordinary shares	-	2.5	-	-	-	-	-	-	(23.6)	(21.1)
Exercised share options	-	0.1	-	-	-	-	-	-	-	0.1
Joint share ownership plan	-	-	-	-	-	-	-	0.4	(0.4)	-
Reclassification of share-based payments reserve	-	-	-	-	(0.8)	-	-	-	0.8	-
Shares purchased under share buyback programme	-	-	-	-	-	-	-	-	(1.1)	(1.1)
Equity settled share based payments	-	-	-	-	0.4	-	-	-	-	0.4
Total	-	2.6	-	-	(0.4)	-	-	0.4	(24.3)	(21.7)
At 31 August 2015	3.5	125.1	0.5	24.9	6.0	99.3	9.1	(39.4)	578.3	807.3

Notes to the condensed interim financial statements for the six months ended 31 August 2015

1. Basis of preparation and Accounting policies

The interim financial information presented in this report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. The accounting policies and methods of computation adopted in preparation of the Group Condensed Interim Financial Statements are consistent with recognition and measurement requirements of IFRSs as endorsed by the EU Commission and those set out in the Group's consolidated financial statements for the year ended 28 February 2015 and as described in those financial statements on pages 102 to 113.

The following standards and interpretations are effective for the Group for the year ended 29 February 2016, but do not have a material effect on the results of the financial position of the Group.

- Annual Improvements to IFRSs 2011-2013 Cycle
- Amendments to IAS 19 Defined Benefit Plans: Employee contributions
- Annual Improvements to IFRSs 2010-2012 Cycle.

The adoption of other new standards, interpretations and amendments that have become effective for the year ended 29 February 2016 do not have a material impact on the Group's financial statements.

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These condensed consolidated Interim Financial Statements should be read in conjunction with the Group's Annual Report for the year ended 28 February 2015 as they do not include all the information and disclosures required by International Financial Reporting Standards (IFRSs).

The interim financial information for both the six months ended 31 August 2015 and the comparative six months ended 31 August 2014 are unaudited and have not been reviewed by the auditors. The financial information for the year ended 28 February 2015 represents an abbreviated version of the Group's financial statements for that year. Those financial statements contained an unqualified audit report and have been filed with the Registrar of Companies.

The financial information is presented in euro millions, rounded to one decimal place. The exchange rates used in translating balance sheet and income statement amounts were as follows:-

	Six months ended 31 August 2015	Six months ended 31 August 2014	Year ended 28 February 2015
Balance Sheet (euro:sterling closing rate)	0.729	0.795	0.726
Income statement (euro:sterling average rate)	0.719	0.811	0.795
Balance Sheet (euro:USD closing rate)	1.121	1.318	1.121
Income statement (euro:USD average rate)	1.103	1.364	1.295

2. Segmental analysis

The Group's business activity is the manufacturing, marketing and distribution of alcoholic and soft drinks and five operating segments have been identified in the current period; Ireland, Scotland, C&C Brands, North America and Export.

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"). The CODM, identified as the executive directors comprising Stephen Glancey, Kenny Neison and 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.

Following the reorganisation of management and reporting structures with respect to the Group's business in Canada, the basis of segmentation for the six month period to 31 August 2015 differs from that in the prior six month period to 31 August 2014, in that the Group's results in Canada are now being managed and reported within the Group's North America segment to align with the Group's current business model. All comparative amounts have been restated to reflect the new basis of segmentation as outlined below. The reclassification had no impact on Revenue, Net revenue or Operating profit reported by the Group.

The identified business segments are as follows:-

(i) Ireland

This segment includes the financial results from sale of own branded products in the Island of Ireland, principally Bulmers, Tennent's, Magners, Clonmel 1650, Heverlee, Caledonia Smooth, Finches and Tipperary Water. It also includes the financial results from beer and wines & spirits distribution and wholesaling following the acquisition of Gleeson, and the results from sale of third party brands as permitted under the terms of a distribution agreement with AB InBev.

(ii) Scotland

This segment includes the results from sale of the Group's own branded beer brands in Scotland, with Tennent's, Heverlee, Caledonia Best and Magners the principal brands. It also includes the financial results from third party brand distribution and wholesaling in Scotland following the acquisition of the Wallaces Express wholesale business. Both the existing Scottish business and the acquired Wallaces Express business are controlled and managed under one Managing Director and management team and key functions such as sales, marketing and accounting services have been integrated.

(iii) C&C Brands

This segment includes the results from sale of the Group's own branded products in England & Wales, principally Magners, Tennent's, Chaplin & Cork's and K Cider. It also includes the distribution of the Italian lager Menabrea and the production and distribution of private label cider products in England & Wales. The consolidated C&C Brands business is managed by one Managing Director and management team.

(iv) North America

This segment includes the results from sale of the Group's cider and beer products, principally Woodchuck, Magners, Blackthorn, Hornsby's and Tennent's in the United States of America and Canada. Following the acquisition of the Vermont Hard Cider business and the consequential decision to manage and control this business independently from the Group's Export division, this business is now reviewed and strategically managed by the CODM as a separate business unit.

(v) Export

This segment includes the sale and distribution of the Group's own branded products, principally Magners, Gaymers, Blackthorn, Hornsby's and Tennent's outside of Ireland, Scotland, England & Wales and North America. It also includes the sale of some third party brands.

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.

Analysis by reporting segment

	Six months ended 31 August 2015			Six months ended 31 August 2014 (restated)		
	Revenue €m	Net revenue €m	Operating profit €m	Revenue €m	Net revenue €m	Operating profit €m
Ireland	195.8	142.3	30.0	221.6	158.2	36.7
Scotland	178.7	119.9	22.2	172.8	117.7	22.4
C&C Brands	101.8	60.0	7.8	99.5	59.6	7.2
North America	24.4	23.2	0.5	22.7	21.7	1.2
Export	13.2	13.2	2.1	11.4	10.9	1.7
	513.9	358.6	62.6	528.0	368.1	69.2
Exceptional items (note 4)	-	-	(5.5)*	-	-	(4.2)**
	513.9	358.6	57.1	528.0	368.1	65.0

* of the exceptional items in the current period, €2.4m relates to Ireland, €2.9m relates to Scotland and €0.2m relates to C&C Brands.

** of the exceptional items in the prior period, €0.6m related to Ireland, €0.3m related to Scotland and €3.3m related to C&C Brands.

Total assets for the period ended 31 August 2015 amounted to €1,453.7m (2014: €1,434.7m).

The impact of the reclassification of the financial results to 31 August 2014 with respect to the Group's Canadian results, as previously described is outlined below. This reclassification has no impact on the Revenue, Net revenue and Operating profit by the Group.

	Revenue €m	Net revenue €m	Operating profit €m
North America			
Previously reported – US	20.5	19.5	0.7
Impact of change	2.2	2.2	0.5
Current classification	22.7	21.7	1.2
Export			
Previously reported – Export	13.6	13.1	2.2
Impact of change	(2.2)	(2.2)	(0.5)
Current classification	11.4	10.9	1.7

The geographical analysis of revenue and net revenue is as outlined in the preceding tables. Export relates to all geographies outside of Ireland, Scotland, England & Wales, the United States of America and Canada.

Geographical analysis of non-current assets

	Ireland €m	Scotland €m	C&C Brands €m	North America €m	Export €m	Total €m
31 August 2015						
Property, plant & equipment	63.4	80.2	37.9	30.8	5.7	218.0
Goodwill & intangible assets	156.2	144.5	191.3	143.5	16.0	651.5
Equity-accounted investees	-	0.3	-	-	-	0.3
Retirement benefit obligations	4.2	-	-	-	-	4.2
Deferred tax assets	3.1	-	-	-	-	3.1
Trade & other receivables	15.4	30.4	1.4	0.2	-	47.4
Total	242.3	255.4	230.6	174.5	21.7	924.5

	Ireland €m	Scotland €m	C&C Brands €m	North America €m	Export €m	Total €m
31 August 2014						
Property, plant & equipment	63.6	80.3	46.2	28.8	5.9	224.8
Goodwill & intangible assets	156.3	134.7	188.9	251.4*	15.4*	746.7
Equity-accounted investees	-	2.9	-	-	-	2.9
Retirement benefit obligations	1.4	-	-	-	-	1.4
Deferred tax assets	4.4	-	-	1.0	-	5.4
Derivative financial assets	-	1.6	-	-	-	1.6
Trade & other receivables	12.9	26.4	1.3	0.1	-	40.7
Total	238.6	245.9	236.4	281.3	21.3	1,023.5

* Prior period reported numbers for Goodwill & intangible assets for North America have been increased by €9.2m in the comparative table above while previously reported numbers for Export have been reduced by €9.2m in the comparative table above to correct a prior period misclassification.

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.

Cyclicality of interim results

Operating profit performance in the drinks industry is not characterised by significant cyclicality. Operating profit for the first half is considered to represent approximately 60% of the full year's projected operating profit.

3. Income tax charge

Interim period income tax is accrued based on the estimated average annual effective income tax rate for the full financial year, which for the year ending 29 February 2016 is estimated at 14% (six months ended 31 August 2014: 14%; year ended 28 February 2015: 14%).

4. Exceptional items

	Six months ended 31 August 2015 €m	Six months ended 31 August 2014 €m
Restructuring costs	(2.9)	(1.1)
Acquisition & integration costs	(2.6)	(0.1)
Impairment of plant & machinery	-	(3.0)
Loss before tax	(5.5)	(4.2)
Foreign currency reclassified on deemed disposal of equity accounted investee	0.1	0.2
Total loss before tax	(5.4)	(4.0)
Income tax credit	0.9	0.7
Total loss after tax	(4.5)	(3.3)

(a) Restructuring costs

Restructuring costs, comprising severance and other initiatives arising from cost cutting initiatives and the integration of acquired businesses in Ireland and Scotland resulted in an exceptional charge before tax of €2.9m in the current period (2014: €1.1m).

(b) Acquisition & integration costs

During the current period, the Group incurred €2.6m of acquisition and integration related costs, primarily with respect to the integration of the previously acquired Wallaces Express Limited ("Wallaces") in Scotland, and other professional fees associated with the consideration of strategic opportunities by the Group during the period.

In the prior period the Group incurred €0.1m of costs directly attributable to the acquisition and subsequent integration of Wallaces in that period.

(c) Impairment of plant & machinery

In the prior period, the Board reviewed the carrying value of land & buildings and plant & machinery as at 31 August 2014. In light of a material reduction in the utilisation levels of a bottling line located at its cider manufacturing plant at Shepton Mallet used to bottle both own branded and third party branded product, a decision was taken to impair the bottling line by €3.0m as at 31 August 2014.

(d) Deemed disposal of equity accounted investee

On 3 August 2015, the Group acquired the remaining 50% equity share capital of Thistle Pub Company Limited. This purchase followed the acquisition of an initial 50% stake in the business in November 2012. Under IAS 28 *Investments in Associates and Joint Ventures* this necessitated the deemed disposal of the Group's initial 50% investment which was classified as an equity accounted investee and the recognition of the acquisition of control of the business under IFRS 3 *Business Combinations*. The Group recognised a cumulative gain of €0.1m in the foreign currency reserve from date of initial investment which was recycled to the income statement following the deemed disposal.

Similarly in the prior period, on 18 March 2014, the Group acquired the remaining 50% equity share capital of Wallaces Express Limited ("Wallaces"), a wholesaler of beverages in Scotland. This purchase followed the acquisition of an initial 50% stake in the business in March 2013. The Group recognised a cumulative gain of €0.2m in the foreign currency reserve from date of initial investment which was recycled to the income statement in the prior period following the deemed disposal.

5. Earnings per ordinary share

Denominator computations

	31 August 2015 Number '000	31 August 2014 Number '000
Number of shares at beginning of period	348,547	346,840
Shares issued in respect of options exercised	41	284
Shares issued in lieu of dividend	664	725
Share buyback and subsequent cancellation	(325)	-
Number of shares at end of period	348,927	347,849
Weighted average number of ordinary shares, excluding treasury shares (basic)	332,306	339,583
Adjustment for the effect of conversion of options	5,317	5,991
Weighted average number of ordinary shares, including options (diluted)	337,623	345,574

Profit for the period attributable to ordinary shareholders

	Six months ended 31 August 2015 €m	Six months ended 31 August 2014 €m
Earnings as reported	45.4	51.8
Adjustments for exceptional items, net of tax	4.5	3.3
Earnings as adjusted for exceptional items, net of tax	49.9	55.1

Basic earnings per share

	Cent	Cent
Basic earnings per share	13.7	15.3
Adjusted basic earnings per share	15.0	16.2

Diluted earnings per share

Diluted earnings per share	13.4	15.0
Adjusted diluted earnings per share	14.8	15.9

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 period, excluding ordinary shares purchased/issued by the Company and accounted for as treasury shares (at 31 August 2015: 16.4m shares; at 31 August 2014: 7.5m 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 awards (excluding awards which were granted under plans where the rules stipulate that obligations must be satisfied by the purchase of existing shares), 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 and continuous employment. In accordance with IAS 33 *Earnings per Share*, these contingently issuable shares are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied at the end of the reporting period. If dilutive other contingently issuable ordinary shares are included in diluted EPS based on the number of shares that would be issuable if the end of the reporting period was the end of the contingency period. Contingently issuable shares excluded from the calculation of diluted earnings per share totalled 2,105,341 at 31 August 2015.

6. Property, plant & equipment

Acquisitions and disposals

During the current period, the Group acquired assets of €9.3m, including assets of €6.0m acquired as part of the acquisition of Thistle Pub Company Limited ('Thistle') on 3 August 2015 (six months ended 31 August 2014 total additions: €13.2m). Total cash outflow in the period in relation to property, plant & equipment; excluding assets acquired on acquisition of Thistle amounted to €5.4m as a result of a reduction in capital accruals. There were no disposals of property, plant & equipment during the period (six months ended 31 August 2014: €Nil).

Impairment of PPE

The carrying value of items of land & buildings and plant & equipment are reviewed and tested for impairment at each reporting date or more frequently if events or changes in circumstances indicate that their carrying value may not be recoverable. There was no impairment of fixed assets during the current period.

In the prior period to 31 August 2014, the Board having reviewed the carrying value of all items of land & buildings and plant & machinery and in light of a material reduction in the utilisation levels of a bottling line located at its cider manufacturing plant at Shepton Mallet which was used to bottle both own branded and third party branded product, a decision was taken to impair the asset by €3.0m as at 31 August 2014.

7. Goodwill & intangible assets

	Goodwill €m	Brands €m	Other intangible assets €m	Total €m
Cost				
At 1 March 2014	457.3	261.6	3.5	722.4
Acquisition of Wallaces	8.5	-	1.2	9.7
Acquisition of Biofun	1.5	-	-	1.5
Translation adjustment	4.0	9.7	0.1	13.8
At 31 August 2014	471.3	271.3	4.8	747.4
Acquisition of Biofun	0.6	-	-	0.6
Translation adjustment	15.2	39.6	0.2	55.0
At 28 February 2015	487.1	310.9	5.0	803.0
Translation adjustment	(0.1)	(0.4)	-	(0.5)
At 31 August 2015	487.0	310.5	5.0	802.5
Amortisation and impairment				
At 1 March 2014	-	-	(0.5)	(0.5)
Charge for the period ended 31 August 2014	-	-	(0.2)	(0.2)
At 31 August 2014	-	-	(0.7)	(0.7)
Charge for the period ended 28 February 2015	-	-	(0.1)	(0.1)
Impairment for the period ended 28 February 2015	(76.2)	(73.8)	-	(150.0)
At 28 February 2015	(76.2)	(73.8)	(0.8)	(150.8)
Charge for the period ended 31 August 2015	-	-	(0.2)	(0.2)
At 31 August 2015	(76.2)	(73.8)	(1.0)	(151.0)
Net Book Value at 31 August 2015	410.8	236.7	4.0	651.5
Net Book Value at 28 February 2015	410.9	237.1	4.2	652.2
Net Book Value at 31 August 2014	471.3	271.3	4.1	746.7

Goodwill consists both of goodwill capitalised under Irish GAAP which at the transition date to IFRS was treated as deemed cost and goodwill that arose on the acquisition of businesses since that date which was capitalised at cost and subsequently at fair value and represents the synergies arising from cost savings and the opportunity to utilise the extended distribution network of the Group to leverage the marketing of acquired products. All goodwill is regarded as having an indefinite life and is not subject to amortisation under IFRS but is subject to regular impairment assessment.

Capitalised brands are regarded as having indefinite useful economic lives and therefore have not been amortised. The brands are protected by trademarks, which are renewable indefinitely in all major markets where they are sold and it is the Group's policy to support them with the appropriate level of brand advertising. In addition, there are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands. Accordingly, the Directors believe that it is appropriate that the brands be treated as having indefinite lives for accounting purposes.

Other intangible assets comprise the fair value of trade relationships, acquired as part of the acquisition of Wallaces Express during the prior financial period, the Gleeson trade relationships acquired during the financial period ended 31 August 2013 and 20 year distribution rights for third party beer products acquired as part of the acquisition of the Tennent's business during the financial year ended 28 February 2010. These were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 (2004) *Business Combinations* by independent professional valuers. The intangible assets have a finite life and are subject to amortisation on a straight line basis. The amortisation charge for the period ended 31 August 2015 with respect to intangible assets was €0.2m (31 August 2014: €0.2m).

Brands, goodwill and other intangible assets considered to have an indefinite life, are reviewed for indicators of impairment regularly and are subject to impairment testing on an annual basis unless events or changes in circumstances indicated that the carrying values may not be recoverable and impairment testing is required earlier. The value of brands, goodwill and other intangible assets considered to have an indefinite life was assessed for impairment at 31 August 2015. The Board is satisfied that the carrying value is appropriate as at 31 August 2015.

As outlined in detail in the Group's Annual Report for the year ended 28 February 2015 the Group's impairment testing at that point in time resulted in an impairment charge with respect to the Group's North American business segment. This impairment charge resulted in the write-down of the carrying value of the brands of €73.8m and goodwill of €76.2m as at 28 February 2015.

8. Interest bearing loans & borrowings

	31 August 2015 €m	31 August 2014 €m	28 February 2015 €m
Non-current			
Unsecured bank loans repayable by one repayment on maturity*	364.9	266.9	339.7
Secured bank loan repayable in instalments**	2.0	-	-
	366.9	266.9	339.7
Current			
Secured bank loan repayable in instalments **	0.2	-	-
	0.2	-	-

* Group's multi-currency revolving loan facility

** Acquired in current period on acquisition of Thistle Pub Company Limited

Unamortised issue costs of €2.6m at 31 August 2015 (28 February 2015: €3.1m, 31 August 2014 €1.4m) have been netted against outstanding non-current bank loans in the respective periods and are being amortised to the income statement over the remaining life of the Group's multi-currency facility.

In December 2014, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility with seven banks, namely Bank of Ireland, Bank of Scotland, Barclays Bank, Danske Bank, HSBC, Rabobank, and Ulster Bank, repayable in a single instalment on 22 December 2019. The facility agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €150m, 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 €700m of which €367.5m was drawn at 31 August 2015 (31 August 2014: €268.3m was drawn under the Group's 2012 multi-currency facility). This 5 year multi-currency facility replaces the Group's previous multi-currency facility which was negotiated in February 2012 and which was due to mature in February 2017.

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.

The Group's multi-currency facility is guaranteed by a number of the Group's subsidiary undertakings. The facility agreement allows the early repayment of debt without incurring additional charges or penalties and the facility is repayable in full on change of control of the Group.

The Group's multi-currency debt facility incorporates 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 that half year date will not exceed 3.5:1

In addition during the period the Group acquired debt following the acquisition of Thistle Pub Company Limited of €2.2m of which €0.2m is classified as current as at 31 August 2015. This debt is repayable in quarterly instalments until 2018. Interest is payable based on variable Libor interest rates plus a margin.

This debt facility incorporates a number of financial covenants as follows:

- Interest cover: The ratio of EBITDA to total interest and EBITDA to senior interest, as defined in the facility agreement, at predetermined dates over the life of the facility must not be less than the respective ratio as outlined in the facility agreement at each point in time
- Loan to value cover: The aggregate drawn amount outstanding as a percentage of the market value of the properties identified in the agreement, shall not at any time be more than 60%, where there are four or more properties
- Cash flow cover: The ratio of EBITDA, as adjusted for a number of specific items where relevant, as defined in the facility agreement, to total debt service at predetermined dates over the life of the facility must not be less than the respective ratio as outlined in the facility agreement at each point in time.

9. Analysis of net debt

	1 March 2015 €m	Debt arising on acquisition €m	Translation adjustment €m	Cash flow €m	Non-cash changes €m	31 August 2015 €m
Interest bearing loans & borrowings	339.7	2.2	(0.3)	25.0	0.5	367.1
Cash & cash equivalents	(181.9)	-	0.5	(65.9)	-	(247.3)
	157.8	2.2	0.2	(40.9)	0.5	119.8

	1 September 2014 €m	Debt arising on acquisition €m	Translation adjustment €m	Cash flow €m	Non-cash changes €m	28 February 2015 €m
Interest bearing loans & borrowings	266.9	-	25.0	47.5	0.3	339.7
Cash & cash equivalents	(116.0)	-	(10.5)	(55.4)	-	(181.9)
	150.9	-	14.5	(7.9)	0.3	157.8

	1 March 2014 €m	Debt arising on acquisition €m	Translation adjustment €m	Cash flow €m	Non-cash changes €m	31 August 2014 €m
Interest bearing loans & borrowings	308.0	-	9.9	(51.3)	0.3	266.9
Cash & cash equivalents	(162.8)	-	(2.7)	49.5	-	(116.0)
	145.2	-	7.2	(1.8)	0.3	150.9

The non-cash changes in the current and prior periods relate to the amortisation of issue costs.

During the current period, the Group borrowed €25.0m under the Group's 2014 committed multi-currency revolving credit facility agreement and acquired debt on the acquisition of Thistle Pub Company Limited of €2.2m.

10. Financial assets and liabilities

The carrying and fair values of financial assets and liabilities at 31 August 2015 were as follows:

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair Value €m
Financial assets:				
Cash & cash equivalents	247.3	-	247.3	247.3
Trade receivables	158.2	-	158.2	158.2
Advances to customers	52.0	-	52.0	52.0
Financial liabilities:				
Interest bearing loans & borrowings	-	(367.1)	(367.1)	(369.7)
Trade & other payables	-	(234.1)	(234.1)	(234.1)
Provisions	-	(9.5)	(9.5)	(9.5)
	457.5	(610.7)	(153.2)	(155.8)

Determination of Fair Value

Short term bank deposits and cash & cash equivalents

The nominal amount of all short-term bank deposits and cash & cash equivalents is deemed to reflect fair value at the balance sheet date.

Derivative financial instruments

The fair values of forward currency contracts and put/call options in equity accounted investees are based on market price calculations using financial models. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels, together with the method for determining the fair value of the financial assets and liabilities are defined in the Group's Annual Report for the year ended 28 February 2015. The carrying values of forward currency contracts, when applicable, are based on fair values arrived at using Level 2 inputs. The carrying values of any put and call options in relation to equity accounted investees are valued based on Level 3 inputs; with the fair values being arrived at through the use of a Black-Scholes model.

Trade receivables/payables & other payables

The nominal amount of all trade receivables/payables after provision for impairment is deemed to reflect fair value at the balance sheet date with the exception of provisions which are discounted to fair value.

Advances to customers

The nominal amount of advances to customers, after provision for impairment, is considered to reflect fair value.

Interest bearing loans & borrowings

The nominal amount of interest bearing loans and borrowings, excluding prepaid issue costs, is deemed to reflect fair value at 31 August 2015 due to the close proximity of draw down to period end date and the assumption that market rates and margins have not moved materially in the intervening period.

11. Retirement benefit obligations

As disclosed in the Annual Report for the year ended 28 February 2015, the Group operates a number of defined benefit pension schemes for certain employees, past and present, in the Republic of Ireland (ROI) and in the United Kingdom (UK), all of which provide pension benefits based on final salary and the assets of which are held in separate trustee administered funds. The Group closed its defined benefit pension schemes to new members in April 2007 and provides only defined contribution pension schemes for employees joining the Group since that date. The Group provides permanent health insurance cover for the benefit of certain employees and separately charges this to the income statement. There are no active members remaining in the Group's Executive Defined Benefit Pension scheme while there are 73 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme and 4 active members in the UK defined benefit pension scheme.

Independent actuarial valuations of the defined benefit schemes are carried out on a triennial basis using the attained age method. The most recently completed formal actuarial valuations of the ROI schemes were carried out with an effective date of 1 January 2015 while the most recent actuarial valuation of the UK scheme was 31 December 2011. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

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. A funding proposal was also approved by the Pensions Board which committed the Group to annual contributions of 14% of Pensionable Salaries to fund future pension accrual of benefits, an annual deficit contribution of €3.4m and an additional annual supplementary deficit contribution of €1.9m for which the Group reserves the right to reduce or terminate on consultation with the Trustees, 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. The actuaries advised that as at 31 December 2014 the schemes were on track to meet the minimum funding standard and risk reserve by 31 December 2016, the end of the Funding Proposal period. The Group is currently in the process of agreeing funding arrangements with the Trustees with respect to the ROI pension schemes in light of the 1 January 2015 actuarial valuation.

The Balance Sheet valuation of the Group's defined benefit pension schemes' assets and liabilities have been marked-to-market as at 31 August 2015 to reflect movements in the fair value of assets and changes in the assumptions used by the schemes' actuaries to value the liabilities.

The key factors influencing the change in valuation of the Group's defined benefit pension scheme obligations are as outlined below:-

	Period ended 31 August 2015	Period ended 31 August 2014	Year ended 28 February 2015
	€m	€m	€m
Retirement benefit deficit at beginning of period (ROI schemes)	37.3	22.8	22.8
Retirement benefit asset at beginning of period (UK scheme)	(3.7)	(1.4)	(1.4)
Current service cost	0.8	0.3	0.6
Past service gain	(0.4)	(0.3)	(3.1)
Net finance cost	0.3	0.2	0.6
Actuarial losses	14.9	27.7	55.7
Actuarial gains	(28.6)	(10.2)	(35.0)
Company contributions	(2.8)	(3.1)	(6.4)
Translation adjustment	-	-	(0.2)
Retirement benefit deficit at end of period (ROI schemes)	22.0	37.4	37.3
Retirement benefit asset at end of period (UK scheme)	(4.2)	(1.4)	(3.7)

The improvement in the financial position of the Group's defined benefit pension schemes as computed in accordance with IAS 19(R) *Employee Benefits* is primarily as a result of an increase in discount rates. Discount rates increased from 1.7%-1.9% as at 28 February 2015 with respect to the Group's ROI retirement benefit obligations to 2.45% - 2.6% as at 31 August 2015 and discount rates with respect to the Group's UK retirement benefit obligations increased from 3.6% as at 28 February 2015 to 4.0% as at 31 August 2015. The positive impact on the Group's retirement benefit obligations as

a result of the movement in discount rates was partially offset by the return on assets falling below expectations.

All other significant assumptions applied in the measurement of the Group's pension obligations at 31 August 2015 are materially consistent with those as applied at 28 February 2015 and as set out in the Group's last Annual Report.

12. Other reserves

Capital redemption reserve and capital reserve

These reserves initially arose on the conversion of preference shares into share capital of the Company and other changes and reorganisations of the Group's capital structure. These reserves are not distributable.

Share-based payment reserve

The reserve relates to amounts expensed in the income statement in connection with share option grants falling within the scope of IFRS 2 *Share-based Payment*, plus amounts received from participants on award of Interests under the Group's Joint Share Ownership Plan, less reclassifications to retained income following exercise/forfeit post vesting or lapse of such share options and Interests.

Currency translation reserve

The translation reserve comprises all foreign exchange differences from 1 March 2004, arising from the translation of the Group's net investment in its non-euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the period/year to the exchange rate at the balance sheet date, as adjusted for the translation of foreign currency borrowings designated as net investment hedges and long term intra group loans for which settlement is neither planned nor likely to happen in the foreseeable future, and as a consequence are deemed quasi equity in nature and are therefore part of the Group's net investment in foreign operations.

Revaluation reserve

This reserve originally comprised the gain which arose on the revaluation of land by external valuers during the financial year ended 28 February 2009. A subsequent external valuation of freehold properties and plant & machinery was completed as at 29 February 2012 and, as at 28 February 2015 an external valuation was completed with respect to the Group's freehold properties in Clonmel, Wellpark and Shepton Mallet and with respect to the Group's plant and machinery assets in Clonmel, Wellpark, Shepton Mallet and Vermont.

As a result of the valuation as at 28 February 2015, the carrying value of land and buildings reduced by a net €1.7m; of which €7.0m was debited directly to the income statement and €5.3m was credited to the revaluation reserve. In addition the value of the Group's plant and machinery assets decreased by €3.5m as a result of the valuation and this was debited directly to the income statement.

As a result of the external valuation completed as at 29 February 2012 the carrying value of land was reduced by €3.4m; of which €3.0m was debited directly to this revaluation reserve to the extent that it reduced a previously recognised gain on the same asset and €0.4m to the income statement as there were no previously recognised gains in this revaluation reserve by which to offset. In addition, an increase in the carrying value of buildings in Glasgow of €1.3m was credited directly to the revaluation reserve as a result of this external valuation.

Treasury shares

Included in this reserve is where the Company issues equity share capital under its Joint Share Ownership Plan, which is held in trust by the Group's Employee Trust. The consideration paid, 90% by a Group company and 10% by the participants, in respect of these shares is deducted from total shareholders' equity and classified as treasury shares on consolidation until such time as the Interests vest and the participant acquires the shares from the Trust or the Interests lapse and the shares are cancelled or disposed of by the Trust. Also included in the reserve is the purchase of 9,025,000 shares at an average of €3.29 per share under the Group's share buyback programme during the financial year ended 28 February 2015.

13. Dividend

A final dividend of 7.0 cent per ordinary share (2014: 5.7 cent) was paid to shareholders on 10 July 2015 equating to a distribution of €23.6m, of which €21.1m was paid in cash and €2.5m as a scrip alternative. At the 2012 AGM shareholder approval was given to a proposal that awards made in or after 2012 and that vest under the LTIP (Part I) incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends. The current period charge for dividends of €23.6m is net of the release of an accrual of €nil (31 August 2014:€0.1m) with respect to LTIP (Part I) dividend entitlements which were accrued in previous periods but for which the related LTIP (Part I) award did not vest and hence the related dividend entitlement lapsed.

An interim dividend of 4.73 cent per share for payment on 18 December 2015 is proposed to be paid to shareholders registered at the close of business on 6 November 2015. Using the number of shares in issue at 31 August 2015 and excluding those shares for which it is assumed that the right to dividend will be waived this would equate to a distribution of €16.0m.

Dividends declared but unpaid at the date of approval of the financial statements are not recognised as a liability at the balance sheet date.

14. Related parties

The principal related party relationships requiring disclosure under IAS 24 *Related Party Transactions* 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, and transactions with, 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 equity share award schemes and death in service insurance programme and in the case of UK resident executive Directors are covered under the Group's permanent health insurance programme. The Group also provides private medical insurance for UK resident executive Directors. No other non-cash benefits are provided. Non-executive Directors do not receive share-based payments or post employment benefits.

Key management personnel received total compensation, including income statement charges/credit for share-based payments, of €1.1m for the six months ended 31 August 2015 (six months ended 31 August 2014: €1.0m).

During the prior period, the Group entered into a joint venture arrangement with Heather Ale Limited, run by the Williams brothers who are recognised as leading family craft brewers in Scotland, to form a new entity Drygate Brewing Company Limited. The joint venture, which is run independently of the joint venture partners existing businesses, operates a craft brewing and retail facility adjacent to Wellpark brewery.

On 21 March 2012, the Group acquired a 25% equity investment in Maclay Group plc. The Maclay Group plc went into administration in the financial year ended 28 February 2015 and the Group consequently impaired its investment in this entity in that period, however the Group continues to trade with Maclay Inns Limited (in administration), a 100% owned subsidiary of the Maclay Group plc (in administration) and continues to account for it as a related party.

On 28 November 2012, the Group invested £0.3m (including loan notes) in Thistle Pub Company Limited, a joint venture with Maclays Group plc. On 3 August 2015, the Group acquired the remaining 50% equity share capital of Thistle Pub Company Limited. During the period, to date of deemed disposal of equity accounted investee and acquisition of control on 3 August 2015, the Group continued to account for its initial investment in Thistle Pub Company Limited as a related party.

A subsidiary of the Group holds a 33% investment in Shanter Inns Limited with which the Group trades.

The Group also holds a 50% investment in Beck & Scott (Services) Limited (Northern Ireland) and a 45.61% investment in The Irish Brewing Company Limited (Ireland) following its acquisition of Gleeson.

Loans extended by the Group by equity accounted investees are considered trading in nature and are included within advances to customers in Trade & other receivables.

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

Details of transactions with equity accounted investees during the period and related outstanding balances at the period end are as follows:-

	Net revenue		Balance outstanding	
	Period ended	Period ended	August 2015	August
	August 2015	August 2014		2014
	€m	€m	€m	€m
Sale of Goods to Equity accounted investees:				
Maclay Group plc	0.5	0.8	-	0.2
Drygate Brewing Company Limited	0.2	-	0.1	-
Thistle Pub Company Limited	0.4	0.2	-	0.1
Shanter Inns Limited	0.1	-	-	-
	1.2	1.0	0.1	0.3

	Balance outstanding	
	August 2015	August 2014
	€m	€m
	Loans to Equity accounted investees:	
Thistle Pub Company Limited	-	2.4
Drygate Brewing Company Limited	2.3	1.3
	2.3	3.7

	Purchases		Balance outstanding	
	Period ended	Period ended	August 2015	August
	August 2015	August 2014		2014
	€m	€m	€m	€m
Purchase of Goods from Equity accounted investees:				
Drygate Brewing Company Limited	0.2	-	0.1	-

There have been no other related party transactions that could have a material impact on the financial position or performance of the Group for the first six months of the financial year ending 29 February 2016.

15. Events after the balance sheet date

There were no material events subsequent to the balance sheet date (31 August 2015) which would require disclosure in this report.

16. Board approval

The Board approved the financial report for the six months ended 31 August 2015 on 28 October 2015.

17. Distribution of interim report

This report and further information on C&C is available on the Group's website (www.candcgroupplc.ie). Details of the Scrip Dividend Offer in respect of the interim dividend for the financial year ending 29 February 2016 will be posted to shareholders on 16 November 2015.