C&C GROUP PLC
ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED TO 29 FEBRUARY 2008

Dublin, London, 9 May, 2008: C&C Group plc ('C&C' or the 'Group'), a leading manufacturer, marketer and distributor of branded beverages in Ireland and the UK, today announced its results for the year ended 29 February 2008.

Financial Review

- Revenue for the period was €679.0 million – a decline of 8.1%.
- Operating Profit before exceptional items was €125.2 million – a decline of 37.3%.
- Adjusted basic EPS[(i)] was 32.2 cent – a decline of 41.4%
- Final proposed dividend of 15 cent per share; total dividend of 27 cent per share – unchanged from the prior year.
- Purchased and cancelled 5.4% of the Group's shares at a cost of €139.9 million.
- Net debt[(ii)] reduced by €49.2 million to €256.2 million – 1.7 times EBITDA.

Business Review

- Cider sales volumes declined by 11%.
- Tullamore Dew sales volumes increased by 22%.
- Marketing investment in the Cider division increased by 41% to €68 million.
- Cider capacity expansion programme completed.
- Launched a series of measures to improve Cider division performance.
    - Streamlined organisation structure;
    - Creation of two senior positions – Managing Director Magners GB and Managing Director Supply Chain;
    - €10 million annual cost reduction programme underway;
    - Magners Draught will be launched in Great Britain later this month;
    - Further investment in Magners trade marketing to enhance brand presence and distribution in Great Britain.
- Commenced market test of Magners in Spain and Germany.
- Completed the disposal of the Group's Soft Drinks business to Britvic plc for €246.6 million.

Maurice Pratt, C&C Group Chief Executive Officer commented, "In 2008/09 we expect to stabilise the Group's financial and market performance, and, to deliver growth through the benefits of a streamlined organisation; cost reduction programme; and a series of marketing initiatives."

(i) Adjusted basic EPS excludes exceptional items.
(ii) Excludes the fair value of SWAP instruments.

Investors and analysts	Irish Media	International Media
Mark Kenny/Jonathan Neilan K Capital Source Tel: +353 1 631 5500 Email: c&cgroup@kcapitalsource.com	Paddy Hughes or Anne-Marie Curran Drury Communications Tel: +353 1 260 5000 Email: phughes@drurycom.com	Edward Orlebar or Charlotte Kirkham M Communications Tel: +44 207 153 1523/1531 Email: orlebar@mcomgroup.com

Results for the year ended 29 February 2008

C&C is reporting Operating Profit of €109.6 million and basic earnings per share of 73.1 cent.

Operating Profit before Exceptional Items is €125.2 million, and adjusted basic earnings per share [(i)] is 32.2 cents.

The decline in Operating Profit before Exceptional Items of 37.3% in the period reflects a decline in sales volumes in the Group's Cider division; increased marketing investment; and the costs associated with increased cider manufacturing capacity. Sales volumes for the period principally reflect C&C's loss of share within the premium cider category in Great Britain and weak demand due to poor summer weather in both Great Britain and Ireland.

Free Cash Flow (FCF)[(ii)] in the period fell from €71.1 million to €32.0 million. This drop reflects the decline in Operating Profit and an increase in net capital expenditure, partially offset by a reduction in working capital.

Exceptional Items

Exceptional items in the year amount to a credit, after tax, of €131.6 million. This comprised:-

Disposal of Soft Drinks
On 29 August 2007, the Group completed the disposal of its Soft Drinks division and related assets to Britvic plc, for a consideration of €246.6 million. This gave rise to an exceptional gain in the period of €137.4 million.

Reorganisation and Cost Reduction Programme
In November 2007, the Group announced a reorganisation and cost reduction programme with the objectives of realigning the cost structure with the sales volumes base and streamlining the Group's organisation structure. This involved a head count reduction of 150 people across the Group with an estimated once off cost of €15.6 million before taxation.

Foreign Exchange Gain
A shortfall in expected Sterling revenues resulted in surplus Sterling forward contracts for 2007 and 2008, which were effectively cancelled during the financial year, giving rise to a gain of €9.1 million.

Shareholders Returns

Subject to shareholder approval, the proposed final dividend of 15 cent per share will be paid on 16 July 2008 to ordinary shareholders registered at the close of business on 23 May 2008. This dividend is subject to Irish Dividend Withholding tax (where applicable). The Group's full year dividend will therefore amount to 27 cent per share, which is unchanged on the prior year. A scrip dividend alternative will be available. The dividend payout represents 84% of Net Profit before Exceptional Items.

The Group invested €139.9 million in an on-market share buyback programme during the course of the year. The company purchased 17.7 million shares at an average price of €7.84. All shares acquired have been cancelled. The number of shares in issue at 29 February 2008 was 313 million.

(i) *Adjusted basic earnings per share excludes exceptional items.*
(ii) *Computation of Free Cash Flow is detailed below.*

Business improvement

Following the decline in Cider sales volumes in the second quarter of the year, C&C carried out a review of its organisation structure, cost base and Great Britain marketing strategy.

This review resulted in the following initiatives which have been, or are in the course of being, implemented.

Organisation Structure

The Group has integrated its Head Office and Cider division management structures and created an organisation based on a supply and demand business model. This process resulted in the creation of two senior appointments – Managing Director, Magners – Great Britain and Managing Director, Supply Chain.

Cost Reduction

The cost reduction plan, announced in November 2007, had the objective of re-aligning the Group's cost structure to the sales volume base and realising savings associated with a more streamlined organisation structure. This programme involved a headcount reduction of 150 people across the Group and is expected to deliver cost reductions (net of raw material cost inflation) of €10 million in a full year. The programme was substantially completed at 29 February 2008.

GB Market

John Holberry (formerly of Coors Brewers Limited) took up his appointment as Managing Director Magners – Great Britain on 18 March 2008.

In addition to the creation of this position, the Group's sales and marketing resources in Great Britain are being strengthened to address the challenges of a competitive market.

C&C plans to launch draught Magners in Great Britain later this month and has entered into a long-term agreement with Coors Brewers for distribution of draught Magners in Great Britain.

C&C has also launched Magners Light, a low calorie version of Magners Original Irish Cider, in Great Britain and has extended its range of SKU's available to the Off Trade.

Marketing Strategy

While maintaining the strategy of driving growth in Great Britain through significant investment in consumer media advertising, C&C, is allocating increased resources to trade marketing in 2008/09 to enhance Magners brand presence and distribution.

Outlook

C&C's strategy is to drive growth of Magners sales volumes in Great Britain through a combination of a high level of consumer advertising and increased trade marketing investment. On the basis of normal summer weather, the Group expects the premium cider category in Great Britain to return to growth in 2008.

C&C plans to continue its market tests for Magners in Barcelona and Munich in 2008/09. Execution of the tests have been modified to apply the findings from the 2007/08 tests.

In the 2008/9 year to date, performance in both Ireland and Great Britain reflects weak market conditions related to the combination of low consumer confidence and poor spring weather. Revenue growth is expected from the second quarter onwards as marketing initiatives in Great Britain become effective and as comparisons track a weak year ago.

For the full year the Group expects modest overall revenue growth and some improvement in operating margins.

Foreign exchange hedging is expected to substantially insulate C&C in 2008/09 from the adverse effect of the deterioration in the Sterling/Euro exchange rate.

With a low level of capital expenditure, Free Cash Flow should improve significantly in 2008/09.

OPERATIONS REVIEW

Summary

Revenue and Operating Profit[(i)] for the year ended 29 February 2008 declined by 8.1% and 37.3% respectively. At constant currency exchange rates[(ii)] the declines were slightly lower at 6.9% and 36.6% respectively.

This performance reflects a decline in the Cider division, primarily as a result of the loss of market share by Magners in Great Britain; the impact of poor summer weather in Ireland and Great Britain; and an increase in operating costs and marketing investment.

Operating margins in the Cider division fell by 11.7 percentage points and by 4.3 percentage points in the Spirits & Liqueurs division.

Summary Group Income Statement (before exceptional items) [(i)]

		Year ended 29 February 2008	**Year ended 28 February 2007** [(i)]	**Year ended 28 February 2007 Constant Currency**
Revenue	€m	679.0	738.5	729.4
Growth	*%*		*(8.1)*	*(6.9)*
Operating Profit [(i)]	€m	125.2	199.6	197.4
Growth	*%*		*(37.3)*	*(36.6)*
Operating Profit Margin	*%*	*18.4*	*27.0*	*27.1*
Net Finance Charges	€m	(14.8)	(14.4)	
Taxation	€m	(11.9)	(20.9)	
Discontinued Operations	€m	4.8	14.9	
Net Profit before Exceptional Items.	€m	103.3	179.2	
Growth	%		(42.3%)	

Net Profit before Exceptional Items fell by 42.3% in the year. In addition to the decline in Operating Profit from continuing operations; this also reflects the reduction in contribution from discontinued operations following the disposal of the Soft Drinks division in August 2007.

The effective tax rate for continuing operations was 10.8% in the period compared to 11.3% in the year ended 28 February 2007.

(i) Continuing operations before exceptional items.
(ii) Constant currency calculation is set out below.

DIVISIONAL REVIEW – CIDER

	Year ended 29 February 2008 €m	Year ended 28 February 2007 €m	Year ended 28 February 2007 *(constant currency)* [(i)] *€m*	Growth Year-on-Year *(constant currency)* *%*
Revenue	470.5	517.9	512.5	(8.2)
Operating Profit	107.5	178.9	177.7	(39.5)
Operating Margin %	22.8	34.5	34.7	

Revenue for the Cider division of €470.5 million represents a decline of 8.2% on 2007 and reflects an 11% decline in sales volumes. Operating Profit decreased by 39.5% to €107.5 million against €177.7 million in 2007. Operating margin, at 22.8%, decreased by 11.9 percentage points year-on-year.

Volumes for the Group's international cider brand, Magners, declined by 15% in the year ended 29 February 2008 and volumes for the Group's Irish cider brand Bulmers declined by 4%.

In Great Britain, which is Magners' principal market, the over-all On Trade LAD [(ii)] market declined by 6.7% in the 12 month period to January 2008 and Magners' MAT[(iv)] share declined from 1.7 to 1.6%

Packaged cider's share of total cider (On Trade) increased slightly in the 12 months ended January 2008 from 29.9% to 31.1%; this comprises an increase in share in the 6 months ended August 2007 to 32.2% and a decrease in the 5 months to January 08 to 30.3%.

Magners' share of the packaged cider category declined in the 12 months ended 31 January 2008 from 78.9% to 64.3% as a result of heavy price-led competition. Magners' share in the 5 months to January 2008 was 58.8%.

Magners has had a strong performance in the Great Britain Off Trade market where its share of cider increased from 5.9% to 8.1% in the 12 months to 23 February 2008.

In the Republic of Ireland, the overall beer/cider market declined by 4.5% [(v)] in the year ended 29 February 2008. Bulmers' MAT market share increased slightly from 10.5% to 10.6 % in the period.

During the year, C&C commenced a market test to assess the prospects for Magners cider in Spain (Barcelona) and Germany (Munich). The tests yielded a range of insights and it is planned to continue with the tests in 2008/09 in both markets.

The decline in operating margins reflects the weak volume performance combined with substantially higher manufacturing costs and marketing investment. Manufacturing cost increases were predominantly associated with the increase in production capacity. Marketing investment increased by 41% with increases in Great Britain, Ireland and additional costs associated with the European test markets.

(i) *Constant currency calculation is set out below*
(ii) *LAD refers to Long Alcohol Drinks*
(iii) *Market statistics are per Nielsen unless otherwise stated*
(iv) *MAT refers to Moving Annual Total*
(v) *Source: C&C/Revenue Commissioners February 08*

DIVISIONAL REVIEW – SPIRITS & LIQUEURS

	Year ended 29 February 2008 €m	Year ended 28 February 2007 €m	Year ended 28 February 2007 *(constant currency)* [(i)] *€m*	Growth Year-on-Year *(constant currency)* *%*
Revenue	87.5	79.1	77.9	12.3
Operating Profit	15.8	17.7	16.7	(5.4)
Operating Margin %	18.1	22.4	21.4	

Revenue for the Spirits & Liqueurs division of €87.5 million represents an 12.3% increase on 2007 levels. Operating Profit decreased by 5.4% to €15.8 million in comparison with €16.7 million in 2007. Operating margin, at 18.1%, decreased by 3.3 percentage points year-on-year.

Overall volume shipments increased 4% in the period. It is estimated that depletions[(ii)] growth in the period was approximately 5%.

C&C's premium Irish whiskey brand Tullamore Dew performed particularly well with shipment growth of 22% and depletions growth of 19% in the year. Volume gains were achieved across a wide number of markets in Europe and in the US.

Shipments of C&C's Irish cream liqueur brand, Carolans, decreased by 7% and depletions declined by 4% . The main shortfall arose in the US and was a result of a price increase ahead of competitors early in the year.

The decrease in operating margin reflects a substantially higher investment in marketing costs and an increase in input costs (cream) for Carolans. Investment in marketing for the division increased by 27% in the period, principally in support of Tullamore Dew. This investment is expected to enhance the brand's long term growth prospects.

(i) *Constant currency calculation is set out on below*
(ii) *Depletions is defined as sales by distributors to customers*

DIVISIONAL REVIEW – DISTRIBUTION

	Year ended 29 February 2008 €m	Year ended 28 February 2007 €m	Year ended 28 February 2007 *(constant currency)* [(i)] *€m*	Growth Year-on-Year *(constant currency)* *%*
Revenue	121.0	141.5	139.1	(13.0)
Operating Profit	1.9	3.0	3.0	(36.7)
Operating Margin %	1.6%	2.1%	2.1%	

Revenue for the Distribution division of €121.0 million represents a 13.0% decline on 2007 levels. Operating Profit declined by 36.7% to €1.9 million compared to €3.0 million in 2007.

Operating margin at 1.6% fell by 0.5 percentage points year-on-year.

The decline in Revenue and Operating Profit was mainly due to the loss of the Foster wine portfolio agency.

(i) Constant currency calculation is set out below

FINANCE REVIEW

Cash Flow

Free Cash Flow of €32 million represents 21% of EBITDA[(i)] compared with 30% for the year ended 28 February 2007. This decrease reflects the decline in Operating Profit and an increase in net capital expenditure, partially offset by a reduction in working capital.

A summary Cash Flow for the year ended 29 February 2008 is set out below:

	Year ended 29 February 2008 €m	**Year ended 28 February 2007 €m**
Operating Profit [(ii)]	130.8	216.4
Depreciation	20.3	21.4
EBITDA [(i)]	151.1	237.8
Net Capital Expenditure	(102.9)	(79.4)
Working Capital	12.2	(47.3)
Other	(1.9)	(1.7)
	58.5	109.4
Exceptional Items paid[(iii)]	(4.7)	-
Net Finance Charges paid	(12.6)	(13.9)
Taxation Payments	(9.2)	(24.4)
Free Cash Flow (FCF) before disposals	32.0	71.1
FCF/EBITDA	21%	30%

(i) *EBITDA is before exceptional items*
(ii) *Operating Profit includes both continuing and discontinued operations and excludes exceptional items*
(iii) *Comprises costs paid on the reorganisation programme and cash received on settlement of a portion of the surplus Sterling forward contracts.*

Working Capital

The cash inflow from working capital comprises a €24.4 million inflow from continuing operations and an €12.2 million outflow for discontinued operations. The inflow from continuing operations reflects the reduced level of activity in the year. The outcome includes a significant reduction in finished goods stocks partially offset by an increase in the levels of levels of apple juice stock.

Capital Expenditure

C&C's capital expenditure for 2007/08 was €102.9 million. This expenditure included a €97 million investment in the expansion of cider manufacturing capacity in Clonmel which came on stream in May 2007. Following the expansion, the Group reviewed the expected useful life of production plant and machinery in light of the high specification of equipment installed and the forecast utilisation levels. The useful economic life of the majority of the plant was increased from 10 to 13 years and the economic life of storage tanks was increased from 20 to 30 years. The effect of these changes was a reduction in the depreciation expense of €2 million.

Finance Charges

The interest rate payable on debt averaged 4% for the year, which was in line with the average rate for year ended 28 February 2007.

Future interest rate exposure is partially hedged at the following interest rates (excluding margin):

Fiscal year 2009	€150 million hedged at 3.6%
Fiscal year 2010	€150 million hedged at 3.6%
Fiscal year 2011	€100 million hedged at 4.0%
Fiscal year 2012	€ 50 million hedged at 4.6%

Net Debt [(i)]

Net debt at 29 February 2008 was €256.2 million, which was €49.2 million lower than at the beginning of the year. The movement in net debt is set out below. At February 2008, net debt to EBITDA [(ii)] was 1.7 times, compared to 1.3 times at February, 2007.

	€m
Net Debt at 1 March 2007	305.4
Free Cash Flow in period	(32.0)
Dividends Paid	81.1
Own Shares acquired	139.9
Net proceeds from disposal of Soft Drinks	(236.5)
Other	(1.7)
Net Debt at 29 February 2008	256.2

(i) *Excluding the fair value of SWAP instruments*
(ii) *EBITDA is before exceptional items*

Foreign Exchange

The principal foreign currency forward contracts in place at 29 February 2008 can be summarised as follows:-

	2009	2010
Stg £: Amount	112.0	36.0
Average fwd Rate	*0.69*	*0.73*
US $: Amount	24.0	-
Average fwd Rate	*1.41*	-

Pensions

Pension fund deficits, calculated in accordance with the relevant accounting standards, amounted to €24.3 million at 29 February 2008, made up as follows:

	€m
Deficit at 1 March 2007	**51.5**
Reduction on disposal of Soft Drinks	(19.0)
Other movement during the years	(5.3)
	27.2
Deferred tax asset	(2.9)
Net Deficit at 29 February 2008	**24.3**

Comparative reporting

Comparisons for Revenue and Operating Profit for each division in the Operations Review are shown at constant exchange rates for transactions in relation to the Spirits & Liqueurs and Cider divisions and for translation in relation to the Group's sterling denominated subsidiaries by restating the prior year at 2007/08 effective rates. The comparative rates used are:

	Translation (Actual average rate)		**Transaction (Effective rate)** [(i)]	
	2007/08	**2006/07**	**2007/08**	**2006/07**
Euro: Stg	0.70.	0.68	0.69	0.69
Euro: $	-	-	1.31	1.26

The impact of restating currency is as follows:

	Previously Reported Year ended 28 Feb 2007	FX Translation	FX Transaction	**Year ended 28 Feb 2008 Constant currency comparative**
	€m	€m	€m	**€m**
Revenue				
Cider	517.9	(0.7)	(4.7)	**512.5**
Spirits & Liqueurs	79.1	-	(1.2)	**77.9**
Distribution	141.5	(2.4)	-	**139.1**
Total	**738.5**	**(3.1)**	**(5.9)**	**729.5**
Operating Profit – before exceptional items				
Cider	178.9	-	(1.2)	**177.7**
Spirits & Liqueurs	17.7	-	(1.0)	**16.7**
Distribution	3.0	-	-	**3.0**
Total	**199.6**	**-**	**(2.2)**	**197.4**

Special note regarding forward-looking statements

The announcement includes forward-looking statements, including statements concerning expectations about future financial performance, economic and market conditions, etc. These statements are neither promises nor guarantees, but are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated.

(i) The effective rate is after taking account of hedge contracts

Group condensed income statement
For the year ended 29 February 2008

	Year ended 29 February 2008			Year ended 28 February 2007		
	Before exceptional items €m	**Exceptional items €m**	**Total €m**	Before exceptional items €m	Exceptional items €m	Total €m
Revenue	**679.0**	**-**	**679.0**	738.5	-	738.5
Operating costs	**(553.8)**	**(15.6)**	**(569.4)**	(538.9)	(8.3)	(547.2)
Operating profit	**125.2**	**(15.6)**	**109.6**	199.6	(8.3)	191.3
Finance income	**2.1**	**9.1**	**11.2**	1.9	-	1.9
Finance expense	**(16.9)**	**-**	**(16.9)**	(16.3)	-	(16.3)
Profit before tax	**110.4**	**(6.5)**	**103.9**	185.2	(8.3)	176.9
Income tax expense	**(11.9)**	**0.7**	**(11.2)**	(20.9)	-	(20.9)
Profit from continuing activities	**98.5**	**(5.8)**	**92.7**	164.3	(8.3)	156.0
Discontinued operations						
Profit from discontinued operations	**4.8**	**137.4**	**142.2**	14.9	37.3	52.2
Profit for the year attributable to equity shareholders	**103.3**	**131.6**	**234.9**	179.2	29.0	208.2
Basic earnings per share (cent)			**73.1c**			**63.8c**
Diluted earnings per share (cent)			**72.6c**			**62.9c**
Continuing operations						
Basic earnings per share (cent)			**28.9c**			**47.8c**
Diluted earnings per share (cent)			**28.6c**			**47.1c**

Group condensed statement of recognised income and expense
For the year ended 29 February 2008

	2008	2007
	€m	€m
Income and expense recognised directly within equity:		
Exchange difference arising on the net investment in foreign operations	**(1.8)**	0.2
Foreign currency reserve recycled to the imcome statement on disposal of foreign subsidiary	**(0.5)**	-
Net movement in cashflow hedge reserve	**16.9**	3.8
Deferred tax on cash flow hedges	**(1.9)**	(0.4)
Actuarial gain on defined benefit pension obligations	**2.0**	1.5
Deferred tax on defined benefit pension obligations	**(1.0)**	0.5
Total income and expense recognised directly in equity	**13.7**	5.6
Profit for the year attributable to equity shareholders	**234.9**	208.2
Recognised income and expense for the year attributable to equity shareholders	**248.6**	213.8

Group condensed balance sheet
As at 29 February 2008

	2008 €m	2007 €m
ASSETS		
Non-current assets		
Goodwill	**394.7**	426.9
Property, plant & equipment	**227.1**	212.4
Derivative financial assets	**3.6**	3.7
Deferred tax	**2.9**	8.7
	628.3	651.7
Current assets		
Inventories	**78.8**	97.8
Trade & other receivables	**67.5**	138.8
Derivative financial assets	**25.7**	2.3
Cash & cash equivalents	**32.7**	40.7
	204.7	279.6
TOTAL ASSETS	**833.0**	931.3
EQUITY		
Equity share capital	**3.1**	3.3
Share premium	**44.9**	32.8
Other reserves	**43.5**	33.1
Retained income	**327.7**	315.3
Total equity	**419.2**	384.5
LIABILITIES		
Non-current liabilities		
Interest bearing loans & borrowings	**288.9**	316.1
Derivative financial liabilities	**1.3**	-
Retirement benefit obligations	**27.2**	51.5
Provisions	**12.7**	1.3
Deferred tax	**6.4**	5.0
	336.5	373.9
Current liabilities		
Interest bearing loans & borrowings	**-**	30.0
Derivative financial liabilities	**0.6**	4.2
Trade & other payables	**69.8**	132.5
Current tax liabilities	**6.9**	6.2
	77.3	172.9
Total liabilities	**413.8**	546.8
TOTAL EQUITY & LIABILITIES	**833.0**	931.3

Group condensed cash flow statement
For year ended 29 February 2008

	2008	2007
	€m	€m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year attributable to equity shareholders	**234.9**	208.2
Finance income	**(11.2)**	(1.9)
Finance expense	**16.9**	16.3
Income tax expense	**12.0**	23.0
Depreciation of property, plant & equipment	**20.3**	21.4
Profit on disposal of property, plant & equipment	**-**	(4.6)
Profit on disposal of subsidiaries after tax	**(137.4)**	(32.9)
Goodwill impairment	**-**	8.3
Charge for share-based employee benefits	**1.2**	4.3
Pension contributions paid less amount charged to income statement	**(2.8)**	(6.0)
	133.9	236.1
Increase in inventories	**(0.5)**	(43.5)
Decrease / (increase) in trade & other receivables	**16.8**	(31.4)
Increase in provisions	**6.4**	-
(Decrease)/increase in trade & other payables	**(2.8)**	27.6
	153.8	188.8
Interest received	**2.3**	1.9
Interest paid and similar costs	**(14.9)**	(15.8)
Settlement gain on derivative instruments	**2.9**	-
Income taxes paid	**(9.2)**	(24.4)
Net cash inflow from operating activities	**134.9**	150.5
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	**(102.9)**	(93.4)
Sale of property, plant & equipment	**-**	14.0
Proceeds on disposal of subsidiaries	**236.5**	59.8
Net cash inflow/(outflow) from investing activities	**133.6**	(19.6)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	**5.9**	2.0
Bank loans repaid	**(598.0)**	(82.0)
New bank loans drawn down	**540.0**	-
Issue costs paid	**(1.3)**	-
Shares purchased under share buyback programme	**(139.9)**	-
Dividends paid	**(81.1)**	(54.7)
Net cash outflow from financing activities	**(274.4)**	(134.7)
Net decrease in cash & cash equivalents	**(5.9)**	(3.8)
Cash & cash equivalents at beginning of year	**40.7**	44.5
Translation adjustment	**(2.1)**	-
Cash & cash equivalents at end of year	**32.7**	40.7

NOTE TO THE PRELIMINARY ANNOUNCEMENT

1. Basis of preparation

The financial information included from Group condensed income statement to Note 9 of this Preliminary results statement has been extracted from the Group financial statements for the year ended 29 February 2008 and is presented in euro millions to one decimal place. The financial information presented in this report has been prepared in accordance with the Listing Rules of the Irish Stock Exchange and the accounting policies that the Group have adopted for 2008 and are consistent with those applied in the prior year.

2. Segmental Reporting

Segmental revenue and operating profit information is presented below in respect of the Group's continuing business and geographical segments. Segmental assets and liabilities as at each year end date are presented below for the full group. The primary format, business segments, is based on the Group's management and internal reporting structure and reflects the dominant source and nature of risks and returns arising from the Group's business.

The Group analyses its business into three main segments as follows: -

(i) Cider
This segment includes all Group cider products, with Bulmers in the Republic of Ireland and Magners in all other markets being the two main brands involved.

(ii) Spirits & liqueurs
This segment consists of four brands, viz. Tullamore Dew, Carolans Irish Cream, Frangelico Liqueur and Irish Mist Liqueur, all of which are owned by the Group and are marketed internationally.

(iii) Distribution
This segment consists of distribution of wine and spirits and agency products in both the Republic of Ireland and Northern Ireland, and wholesaling to the licensed trade in Northern Ireland.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads that can be allocated on a reasonable basis. Unallocated items comprise mainly retirement benefit obligations, interest bearing loans & borrowings, derivative financial assets/liabilities, current tax, deferred tax and certain exceptional expense items.

Class of business analysis

	2008				2007			
	Revenue €m	**Operating profit €m**	**Assets €m**	**Liabilities €m**	Revenue €m	Operating profit €m	Assets €m	Liabilities €m
Cider	**470.5**	**107.5**	**664.5**	**(55.4)**	517.9	178.9	633.2	(68.2)
Spirits & liqueurs	**87.5**	**15.8**	**74.1**	**(15.7)**	79.1	17.7	72.2	(17.4)
Soft drinks	**-**	**-**	**-**	**-**			123.1	(31.6)
Distribution	**121.0**	**1.9**	**29.5**	**(11.4)**	141.5	3.0	47.4	(16.6)
Total before exceptional items	**679.0**	**125.2**	**768.1**	**(82.5)**	738.5	199.6	875.9	(133.8)
Unallocated items:								
Exceptional items	**-**	**(15.6)***	**-**	**-**	-	(8.3)**	-	-
Deferred tax	**-**	**-**	**2.9**	**(6.4)**	-	-	8.7	(5.0)
Current tax	**-**	**-**	**-**	**(6.9)**	-	-	-	(6.2)
Derivative assets / (liabilities)	**-**	**-**	**29.3**	**(1.9)**	-	-	6.0	(4.2)
Retirement benefit obligations	**-**	**-**	**-**	**(27.2)**	-	-	-	(51.5)
Group net borrowings	**-**	**-**	**32.7**	**(288.9)**	-	-	40.7	(346.1)
	679.0	**109.6**	**833.0**	**(413.8)**	738.5	191.3	931.3	(546.8)

* €10m of the exceptional costs is directly attributable to the Cider segment, while a further €0.4m is directly attributable to the Spirits and liqueurs segment. The balance is attributable to Group head office costs.
** The exceptional item in the prior year relates to the write-off of the €8.3m carrying value of goodwill attributed to the distribution segment.

Geographical analysis of revenue, assets and liabilities by country of operation

	2008			2007		
	Revenue €m	**Assets €m**	**Liabilities €m**	Revenue €m	Assets €m	Liabilities €m
Republic of Ireland	**583.4**	**749.3**	**(70.8)**	638.4	841.1	(121.1)
Rest of the world	**95.6**	**18.8**	**(11.7)**	100.1	34.8	(12.7)
Total before unallocated items	**679.0**	**768.1**	**(82.5)**	738.5	875.9	(133.8)

Geographical analysis of revenue by country of destination

	2008 €m	2007 €m
Republic of Ireland	**245.5**	268.2
UK	**336.4**	381.6
Rest of Europe	**54.0**	45.6
North America	**35.8**	35.1
Rest of the world	**7.3**	8.0
Total	**679.0**	738.5

3 Exceptional items

	2008	2007
	€m	€m
Reorganisation costs associated with Group restructuring	**15.6**	-
Gain on mark to market of derivative financial instruments	**(9.1)**	-
Profit on disposal of property, plant & equipment	**-**	(4.6)
Profit on disposal of subsidiary undertakings, net of tax	**(137.4)**	(32.9)
Impairment of goodwill	**-**	8.3
Total	**(130.9)**	(29.2)
Allocated to discontinued operations	**137.4**	37.5
Total relating to continuing operations	**6.5**	8.3

(a) Reorganisation costs

In November 2007, the Group announced a reorganisation and cost reduction programme with objectives of: reducing operating costs by realigning the cost structure to the current sales volumes base; strengthening the GB commercial team and streamlining the Group's organisational structure. This involved a head count reduction in the region of 150 people across the Group. The programme comprising severance and other employee related costs resulted in an exceptional cost before taxation of €15.6 million.

(b) Gain on mark to market of derivative financial instruments

A shortfall in expected Sterling revenues resulted in surplus Sterling forward contracts in 2007 and 2008 that were effectively cancelled during the financial year giving rise to a gain of €9.1 million.

(c) Profit on disposal of property, plant & equipment

The profit on disposal of property, plant & equipment in the prior year related to the disposal of property in the Snacks business.

(d) Profit on disposal of subsidiary

On 29 August 2007, the Group completed the disposal of its Soft Drinks division to Britvic plc, for a consideration of €246.6 million realising a profit of €137.4 million. During the prior year, the Group completed the disposal of its Snacks division for a gross consideration of €62.3 million realising a profit after tax of €32.9 million.

(e) Impairment of goodwill

The loss of distribution rights to the Fosters wine brands during the prior financial year, coupled with weaker demand for premium wines, and a reduced margin on Long Alcohol Drinks (LAD) agency brands resulted in an impairment of goodwill in the Distribution segment and consequently the write off of €8.3 million of the carrying value of goodwill attributed to this division.

The taxation implication of the exceptional items is; a credit of €0.7million to continuing activities in relation to both the gain on mark to market of the derivative financial instruments and the reorganisation costs associated with Group restructuring, and a charge of €4.5 million to discontinued operations in relation to Capital Gains Tax charged on the transfer of brands to Britvic Ireland Ltd on disposal of the soft drinks business, the reported profit on disposal is net of this charge (2007: €0.2 million included as a charge within discontinued operations).

4. Discontinued operations

On 15 August 2007, the Group received unconditional approval from the Irish Competition Authority to sell its Soft Drinks business to Britvic plc, the business was deemed to be 'held for sale' from this date. The sale was completed on 29 August 2007. On 21 September 2006, the Group completed the disposal of its Snacks business. In line with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, depreciation was not charged on these assets from the date the assets were classified as 'held for sale' and the businesses' are presented as discontinued operations for all periods presented and are shown separately from continuing operations.

Results of discontinued operations

	Date of Disposal	28 February 2007
	€m	€m
Revenue	**130.8**	270.7
Expenses	**(125.2)**	(253.9)
Exceptional items	**-**	4.6
Results from discontinued operations before tax	**5.6**	21.4
Income tax expense	**(0.8)**	(2.1)
Results from discontinued operations (net of income tax)	**4.8**	19.3
Gain on sale of discontinued operations	**141.9**	32.9
Capital gains tax arising on sale of discontinued operations	**(4.5)**	-
Profit from discontinued operations (net of income tax)	**142.2**	52.2

Discontinued operations – exceptional items

	2008	2007
	€m	€m
(Profit) on disposal of property, plant & equipment	**-**	(4.6)
Taxation effect on exceptional items	**-**	0.2
	-	(4.4)

Cash flows from discontinued operations

	2008	2007
	€m	€m
Net cash from operating activities	**(0.8)**	34.0
Net cash from investing activities	**234.5**	4.3
Net cash from financing activities	**(20.0)**	(23.0)
Net cash inflow from discontinued operations	**213.7**	15.3
Depreciation	**4.6**	10.0
Capital expenditure	**(2.0)**	(8.2)

Effect of disposal on financial position of the Group

	Soft drinks 2008 €m	Snacks 2007 €m
Property, plant & equipment	**57.1**	0.9
Goodwill	**32.2**	26.7
Inventories	**18.5**	0.9
Trade & other receivables	**52.2**	6.4
Deferred tax assets/(liabilities)	**3.0**	(0.1)
Trade & other payables	**(50.3)**	(7.3)
Provisions	**(0.6)**	(0.6)
Retirement benefit obligations	**(19.0)**	-
Foreign currency reserve derecognised on disposal	**(0.5)**	-
Net assets	**92.6**	26.9
Consideration receivable	**246.6**	62.3
Costs of disposal payable	**(12.1)**	(2.5)
Net proceeds receivable	**234.5**	59.8
Profit arising on disposal before tax	**141.9**	32.9
Tax payable	**(4.5)**	-
Profit arising on disposal after tax	**137.4**	32.9

Cost of disposal includes an allowance for costs not yet paid relating principally to work to be completed on property assets transferred.

5. Earnings per ordinary share

	2008	2007
	€m	€m
Earnings as reported	**234.9**	208.2
Adjustments for exceptional items net of tax	**(131.6)**	(29.0)
Earnings adjusted for exceptional items	**103.3**	179.2
	Number	Number
	'000	'000
Number of shares at beginning of year	**327,569**	325,204
Shares issued in lieu of dividend	**727**	1,592
Shares issued in respect of options exercised	**2,355**	773
Own shares purchased and cancelled	**(17,658)**	-
Number of shares at end of year	**312,993**	327,569
Weighted average number of ordinary shares (basic)	**321,229**	326,517
Adjustment for the effect of conversion of options	**2,361**	4,609
Weighted average number of ordinary shares, including options (diluted)	**323,590**	331,126
Basic earnings per share	**Cent**	Cent
Basic earnings per share – cent	**73.1**	63.8
Adjusted basic earnings per share – cent	**32.2**	54.9
Diluted earnings per share		
Diluted earnings per share – cent	**72.6**	62.9
Adjusted diluted earnings per share – cent	**31.9**	54.1

Continuing Operations

	€m	€m
Earnings from continuing operations – as reported	**92.7**	156.0
Adjustments for exceptional items net of tax	**5.8**	8.3
	98.5	164.3
Basic earnings per share	**Cent**	Cent
Basic earnings per share – cent	**28.9**	47.8
Adjusted basic earnings per share – cent	**30.7**	50.3
Diluted earnings per share		
Diluted earnings per share – cent	**28.6**	47.1
Adjusted diluted earnings per share – cent	**30.4**	49.6

Discontinued Operations

	€m	€m
Earnings from discontinued operations – as reported	**142.2**	52.2
Adjustments for exceptional items net of tax	**(137.4)**	(37.3)
	4.8	14.9
Basic earnings per share	**Cent**	Cent
Basic earnings per share – cent	**44.3**	16.0
Adjusted basic earnings per share – cent	**1.5**	4.6
Diluted earnings per share		
Diluted earnings per share – cent	**43.9**	15.8
Adjusted diluted earnings per share – cent	**1.5**	4.5

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.

The issue of certain shares in respect of employee share options is contingent upon the satisfaction of specified performance conditions in addition to the passage of time. In accordance with IAS 33 *Earnings per Share*, these contingently issuable shares (totalling 400,600 at 29 February 2008 and nil at 28 February 2007) are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the reporting period.

6. Analysis of net debt

	28 February 2007 €m	**Translation adjustment €m**	**Cash flow €m**	**Non-cash changes €m**	**29 February 2008 €m**
Interest bearing loans & borrowings	346.1	-	(59.3)	2.1	288.9
Cash & cash equivalents	(40.7)	2.1	5.9	-	(32.7)
	305.4	2.1	(53.4)	2.1	256.2
Interest rate swaps	(3.2)	-	(2.2)	6.0	0.6
	302.2	**2.1**	**(55.6)**	**8.1**	**256.8**

	28 February 2006 €m	Cash flow €m	Non-cash changes €m	28 February 2007 €m
Interest bearing loans & borrowings	427.6	(82.0)	0.5	346.1
Cash & cash equivalents	(44.5)	3.8	-	(40.7)
	383.1	(78.2)	0.5	305.4
Interest rate swaps	0.3	(0.7)	(2.8)	(3.2)
	383.4	(78.9)	(2.3)	302.2

7. Dividends

	2008 €m	2007 €m
Dividends paid		
Final: paid 15.0c per ordinary share in July 2007 (2007: 8.5c paid in July 2006)	**49.2**	27.7
Interim: paid 12.0c per ordinary share in December 2007 (2007: 12.0c paid in December 2006)	**38.1**	39.2
Total equity dividends	**87.3**	66.9
Settled as follows:		
Paid in cash	**81.1**	54.7
Scrip dividend	**6.2**	12.2
	87.3	66.9

The directors have proposed a final dividend of 15.0 cent per share (2007: 15.0 cent), which is subject to shareholder approval at the AGM, giving a total dividend for the year of 27.0 cent per share (2007: 27.0 cent).

Dividends declared after the balance sheet date are not recognised as a liability at the balance sheet date.

8. Reserves

Group	Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Capital Reserve €m	Cashflow Hedging Reserve €m	Share based payments reserve €m	Currency Translation Reserve €m	Retained Earnings €m	Total €m
At 1 March 2006	3.3	18.6	0.3	24.9	(1.5)	1.7	0.6	171.2	219.1
Total recognised income and expense for the year			-	-	3.4	-	0.2	210.2	213.8
Dividend on ordinary shares	-	12.2	-	-	-	-	-	(66.9)	(54.7)
Exercised share options	-	2.0	-	-	-	-	-	-	2.0
Transfer on exercise/lapse of share options	-	-	-	-	-	(0.8)	-	0.8	-
Equity settled share based payments	-	-	-	-	-	4.3	-	-	4.3
At 28 February 2007	**3.3**	**32.8**	**0.3**	**24.9**	**1.9**	**5.2**	**0.8**	**315.3**	**384.5**
Total recognised income and expense for the year	-	-	-	-	15.0	-	(2.3)	235.9	248.6
Dividend on ordinary shares	-	6.2	-	-	-		-	(87.3)	(81.1)
Exercised share options	-	5.9	-	-	-	-	-	-	5.9
Transfer on exercise/lapse of share options	-	-	-	-	-	(3.7)	-	3.7	-
Own shares acquired	(0.2)	-	0.2	-	-	-	-	(139.9)	(139.9)
Equity settled share based payments	-	-	-	-	-	1.2	-	-	1.2
At 29 February 2008	**3.1**	**44.9**	**0.5**	**24.9**	**16.9**	**2.7**	**(1.5)**	**327.7**	**419.2**

9. Statutory Accounts

The financial information prepared in accordance with IFRSs as adopted by the European Union included in this report do not comprise “full group accounts” within the meaning of Regulation 40(1) of the European Communities (Companies: Group Accounts) Regulations, 1992 of Ireland insofar as such group accounts would have to comply with the disclosure and other requirements of those Regulations. The information included has been extracted from the Groups financial statements which have been approved by the Board of Directors on 9 May 2008. The financial statements will be filed with the Irish Registrar of Companies and circulated to shareholders in due course.