C&C GROUP PLC
INTERIM RESULTS
FOR SIX MONTHS ENDED 31 AUGUST 2007

Dublin, London, 10 October 2007: C&C Group plc ('C&C' or the 'Group'), a leading manufacturer, marketer and distributor of branded beverages in Ireland and the UK, today announces its interim results for the six months ended 31 August, 2007.

Financial & Operating Overview

Financial Review [(i)]

- Revenue [(ii)] for the period was flat at €375.6 million
- Operating profit [(ii)] was €67.9 million for the period – a decline of 33%
- Adjusted basic EPS down 39% at 17.5 cent
- Interim dividend unchanged at 12.0 cent per share
- Net debt reduced by 31% (€93.6 million) since 28 February 2007 to €211.8 million

Operating Review

- The Group's branded cider volumes declined by 1%
- Magners volume increased by 2% year on year and in Great Britain On-Trade distribution was 66% in July 2007 compared with 67% in February 2007
- Volume for the Group's Irish whiskey brand, Tullamore Dew, grew by 22%
- Marketing investment[(ii)] for the period increased by 50%
- Cider manufacturing capacity expansion programme completed
- Completion of the disposal of the Group's soft drinks division and related assets to Britvic plc.

Maurice Pratt, Group Chief Executive Officer, commented "the financial performance reflects a number of factors such as exceptionally poor summer weather; increased competition; and additional costs in marketing and cider manufacturing capacity. C&C has conducted an extensive review of its performance and market position and has taken certain corrective steps which will extend in the coming months to a broader series of measures to sharpen its competitive capability and to implement a comprehensive restructuring and cost reduction programme. These measures are intended to restore growth in revenue and operating margin in 2008/09 and beyond".

(i) Comparisons exclude exceptional items and unless otherwise stated are in comparison with H1 2006/07
(ii) Continuing operations
(iii) "LAD" refers to Long Alcohol Drinks
(iv) Unless otherwise stated all market statistics are per A.C. Nielsen
(v) Premium cider in Great Britain is measured as Magners and HP Bulmers combined
(vi) "MAT" refers to Moving Annual Total

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Summary results for six months ended 31 August 2007

C&C is reporting operating profit for continuing operations before exceptional items of €67.9 million and adjusted earnings per share for the Group of 17.5 cent for the six months ended 31 August 2007.

This decline in operating profit of 33% is in line with the guidance given in the Group's trading update issued on 31 July 2007. This is due to a combination of a sales volume decline in the Group's Cider division, increased marketing investment and the cost of the additional manufacturing capacity. The sales volume outcome was due principally to a decline in the Irish cider market, due to poor weather, and a loss of share in the On-Trade cider market in Great Britain.

Free Cash Flow (FCF) in the period fell to €3.8 million as a result of reduced profits and the high level of capital expenditure on cider manufacturing capacity expansion. The full cider expansion plan has been reduced from an original €200 million programme to €115 million, most of which will be spent in the current fiscal year. The resulting drop in capital expenditure in 2008/09 and beyond will result in a high FCF conversion providing the Group with a strengthened financial position.

European Market Tests

In the period to 31 August 2007, C&C commenced a structured test to assess the prospects for its Magners cider brand in Spain and Germany. The conclusion from the test is that there is a consumer opportunity in both markets but significant challenges to its realisation. C&C plans to remain in both markets and formulate a revised approach, in light of results to date, for 2008/09.

Disposal

On 29 August 2007, the Group completed the disposal of its Soft Drinks division and related assets (Republic of Ireland Wholesaling) to Britvic plc, for a consideration of €249.2 million. This gave rise to an exceptional gain in the period of €141.3 million.

Shareholder Returns

The Group will pay an unchanged interim dividend for the period of 12 cent per share. The interim dividend will be paid on 12 December 2007 to shareholders on the Group's register at the close of business on 19 October 2007. A scrip dividend option will also be available. The Group also expects to maintain its final dividend at last year's level.

As previously stated C&C intends to return part of the proceeds of the Soft Drinks disposal to shareholders by way of an on-market share buyback programme. The timing and amount of this programme are under review.

Outlook

C&C expects that the current underlying trend in the premium cider category in Great Britain - low growth due to a loss in recruitment arising from poor summer weather - and a decline in market share, will lead to a high single-digit percentage decline in Cider revenue in the second half year in comparison with the second half of 2006/07. This expectation is a substantial improvement on the quarter ended 31 August 2007. Taking account of cost reduction measures already in place this should lead to a small improvement in operating margin in the Cider division compared with the first half year. The Spirits & Liqueurs division is expected to see a continuation of good revenue growth although margins will reduce as a result of increased marketing investment and rising raw material costs.

C&C's research confirms that the premium cider category in Great Britain, is now a firmly established part of the LAD[iii] market and the Group is confident that the category has good growth prospects.

Looking beyond the current fiscal year, therefore, C&C's principal focus will be on driving this growth in Great Britain through consumer marketing while at the same time implementing a range of measures to enhance its competitive position.

C&C is also at an advanced stage in the preparation of a comprehensive restructuring and cost reduction plan across the Group. Following internal consultation, details of the cost reduction, anticipated savings and the resulting exceptional charge to be taken in the year ending 28 February 2008, will be announced by the end of November 2007.

Principal Risks and Uncertainties

Under the Transparency (Directive 2004/109/EC) Regulations 2007 the Group is required to give a description of the principal risks and uncertainties it faces.

These risks and uncertainties are as follows:

- The Group faces strong competition in its various markets and if it fails to compete successfully, market share and profitability may decline.

- Consumer preferences may change and demand for existing products may decline (as a result of poor weather or otherwise) or be replaced by other products which the Group does not produce, and as a result, sales volumes and profitability may be volatile or decline.

- The Group may not be able to fulfil the demand for its products due to circumstances such as the loss of a production or storage facility or disruptions to its supply chains. This would affect sales volumes and profitability.

- The Group may be adversely affected by government regulations including possible changes in excise duty on cider in the UK and Ireland and restrictions on alcohol advertising.

- The Group may be adversely affected by changes in foreign currency exchange rates and higher interest rates.

- The Group is subject to stringent environmental, health and safety and food safety laws and regulations which could result in increased compliance or remediation costs which would adversely affect profitability.

- The Group could be subject to accidental, natural or malicious contamination of its products, which could result in the recall of the Groups’ products, damage to its brands and falls in demand for its products.

OPERATIONS REVIEW

Summary

Revenue for continuing operations of €375.6 million for the 6 months ended 31 August 2007 was marginally below the prior year. Operating profit for continuing operations before exceptional items declined by 32.6% and operating margin dropped 8.7 percentage points.

The revenue decline reflects a virtually flat outcome for the Cider division as a result of poor weather and increased competition; good growth in Spirits & Liqueurs; and a decline in Distribution as a result of the loss of certain wine agencies.

The decline in operating margin reflects significantly increased marketing expenditure in both the Cider and Spirits & Liqueurs divisions and the higher costs associated primarily with the manufacturing capacity increase in the Group's Cider division.

Summary Group Income Statement (before exceptional items)

	Six months ended 31 August 2007	**Six months ended 31 August 2006**
	€m	**€m**
Revenue	**375.6**	**376.5**
Operating Profit before exceptional items	67.9	100.8
Operating Profit Margin before exceptional items	*18.1%*	*26.8%*
Net finance charges	(8.6)	(7.8)
Income tax expense	(7.1)	(11.2)
Profit from Continuing Operations	**52.2**	**81.8**
Discontinued Operations	4.8	11.7
Total Profit before exceptional items	**57.0**	**93.5**

Total Profit before exceptional items decreased by 39% in the period. In addition to the decline in operating profit in continuing operations, the decrease reflects the impact of a profit decline in discontinued operations and an increase in finance costs.

Divisional Review: Cider

	Six months ended 31 August 2007	Six months ended 31 August 2006	Growth Year-on-Year
	€m	€m	
Revenue	272.7	269.5	1.2%
Operating Profit	57.5	90.0	(36.1%)
Operating margin	21.1%	33.4%	

Revenue for the Cider division of €272.7 million represents a 1.2% increase on 2006 and reflects a 2% decline in sales volume. Operating profit declined by 36.1% to €57.5 million compared to €90.0 million in 2006. Operating margin, at 21.1%, declined by 12.3 percentage points year-on-year.

Volume for the Group's international cider brand, Magners, grew by 2% in the half year and volumes for the Group's Irish cider brand, Bulmers, declined by 7%. This reflects the extremely poor weather in Great Britain and Ireland and also increased competition in the premium cider category in Great Britain.

In Great Britain, which is Magners' principal market, the On-Trade LAD market declined by 5.7% in the 5 months to 31 July 2007 while Magners' MAT[(vi)] market share increased from 1.7% to 1.9% over the period (Source: AC Neilsen).

Premium cider's share of total cider (On-Trade) fell slightly in the 5 months to 31 July 2007 compared with the 6 months to 28 February 2007 to approximately 28% due to a decline of approximately 18% in July reflecting the unusually poor weather. Magners' market share of the premium cider category declined from 90% in the 6 months to 28 February 2007 to 80% in the 5 months ended 31 July 2007 as a result of heavy price-led competition. Notwithstanding the market share loss, the Magners brand showed its resilience in maintaining its overall distribution broadly in line with the February 2007 level and its significantly superior rate of sale compared to its main competitor (Source: AC Nielsen).

In the Republic of Ireland the overall beer/cider market declined by 1.6% in the 5 months to 31 July 2007 while Bulmers' MAT[(vi)] market share declined from 10.5% to 10.2% over the period (Source: Revenue Commissioners).

The decline in operating margin reflects the weak volume performance combined with substantially higher manufacturing and marketing costs. Marketing costs increased by 53% with increases in Great Britain, Ireland and in the European test markets. Manufacturing cost increases predominately arose from increasing manufacturing capacity.

Divisional Review: Spirits & Liqueurs

	Six months ended 31 August 2007	Six months ended 31 August 2006	Growth Year-on-Year
	€m	€m	
Revenue	41.0	36.1	13.6%
Operating Profit	9.2	9.8	(6.1%)
Operating margin	22.4%	27.1%	

Revenue for the Spirits & Liqueurs division of €41.0 million represents a 13.6% increase on 2006 levels. Operating profit declined 6.1% to €9.2 million against €9.8 million in 2006. Operating margin, at 22.4%, declined by 4.7 percentage points year-on-year.

Overall volume shipments increased 8% in the period. It is estimated that depletions growth in the period was 7%. Within this overall depletions performance, Tullamore Dew continued to show exceptionally strong growth while Carolans and Frangelico were weak.

The decline in operating margin reflects the substantially higher investment in marketing costs principally in support of Tullamore Dew which is expected to boost its long term growth rate. Investment in marketing increased by 51% in the period.

Divisional Review: Distribution [(ii)]

	Six months ended 31 August 2007	Six months ended 31 August 2006	Growth Year-on-Year
	€m	€m	
Revenue	61.9	70.9	(12.7%)
Operating Profit	1.2	1.0	20.0%
Operating margin	1.9%	1.4%	

Revenue for the Distribution division of €61.9 million represents a 12.7% decline on 2006 levels. Operating profit increased by 20% to €1.2 million compared to €1.0 million in 2006.

Operating margin at 1.9% increased by 0.5 percentage points year-on-year.

The decline in revenue reflects the loss of the Fosters Group wine brands in the period while focus on improving margins has benefited operating profit in the period.

FINANCE REVIEW

Cash Flow
Free cash flow before soft drinks disposal proceeds, for the six months ended 31 August 2007, amounted to €3.8 million compared to €81.6 million in the corresponding prior period. The reduced cashflow is driven by the combination of lower profits and higher capital spend. Capital expenditure in the period amounted to €61.4 million compared with €31.9 million in the same period last year. The main component of expenditure in the period related to the expansion of cider manufacturing facilities.

Finance Costs
Finance costs for the half year at €8.6 million were €0.8 million higher than in the corresponding prior period, reflecting the impact of higher interest rates and the write-off of issue costs arising from debt refinancing in May 2007.

The Group has hedged a portion of its net debt for the next four years at base rates ranging from 3.5% to 4.5%. The hedged amounts range from €250 million for 2007/08 to €50 million for 2011/12.

Interest for the six month period to 31 August 2007 was covered 13 times by EBITDA.

Share Buyback Programme
The company commenced a share buyback programme on 18 June 2007 and repurchased 12.1 million shares at an average price of €9.38 up to 31 July 2007 when the programme was suspended due to exceptional volatility in the share price during that period.

Net Debt
Net debt at 31 August 2007 amounted to €211.8 million, which is €93.6 million lower than at 28 February 2007.

Movement in net debt was as follows:

	€m
Net debt at 1 March 2007	305.4
Free cash flow in period	(3.8)
Dividends paid	45.1
Own shares acquired	114.8
Net disposal proceeds from sale of Soft Drinks business	(248.1)
Other	(1.6)
Net debt at 31 August 2007	211.8

Refinancing of Debt Facility
In May 2007 the Group refinanced its bank debt to capitalise both on its improved financial position and favourable market conditions.

Under the terms of the refinancing, the Group replaced its existing €348 million debt facility with a new five year revolving debt facility of €600 million.

Special note regarding forward-looking information

Some statements in this Announcement are forward-looking. They represent our expectations for our business, and involve risks and uncertainties. We have based these forward-looking statements on our current expectations and projections about future events. We believe that our expectations and assumptions with respect to these forward–looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond our control, our actual results or performance may differ materially from those expressed or implied by such forward-looking statements.

Statement of the directors in respect of the half-yearly financial report

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

- the condensed set of financial statements comprising the condensed income statement, the condensed statement of recognised income and expense, the condensed balance sheet 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 7(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 7(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 auditors have not reviewed these condensed financial statements.

On behalf of the Board

T. O'Brien	M. Pratt	
Chairman	*Chief Executive Officer*	10 October 2007

Group condensed income statement
for the six months ended 31 August 2007

	Six months ended 31 August 2007			Six months ended 31 August 2006		
	Before exceptional items €m	**Exceptional items €m**	**Total €m**	Before exceptional items €m	Exceptional items €m	Total €m
Revenue	**375.6**	**-**	**375.6**	376.5	-	376.5
Operating costs	**(307.7)**	**-**	**(307.7)**	(275.7)	(8.3)	(284.0)
Operating profit	**67.9**	**-**	**67.9**	100.8	(8.3)	92.5
Finance income	**1.0**	**-**	**1.0**	0.8	-	0.8
Finance costs	**(9.6)**	**-**	**(9.6)**	(8.6)	-	(8.6)
Profit before tax	**59.3**	**-**	**59.3**	93.0	(8.3)	84.7
Income tax expense	**(7.1)**	**-**	**(7.1)**	(11.2)	-	(11.2)
Profit from continuing operations	**52.2**	**-**	**52.2**	81.8	(8.3)	73.5
Discontinued operations						
Profit from discontinued operations	**4.8**	**141.3**	**146.1**	11.7	4.1	15.8
Profit for the period attributable to equity shareholders	**57.0**	**141.3**	**198.3**	93.5	(4.2)	89.3
Earnings per share						
Basic earnings per share (cent)			**61.0**			27.4
Diluted earnings per share (cent)			**60.3**			27.1
Continuing operations						
Basic earnings per share (cent)			**16.1**			22.6
Diluted earnings per share (cent)			**15.9**			22.3

Group condensed statement of recognised income and expense
for the six months ended 31 August 2007

	31 August 2007 €m	31 August 2006 €m
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY:		
Exchange difference arising on the net investment in foreign operations	**-**	0.4
Movement in cashflow hedging reserve	**0.9**	0.8
Deferred tax liability on cashflow hedges	**(0.1)**	(0.1)
Actuarial gain on defined benefit pension schemes	**32.8**	1.8
Deferred tax on defined benefit pension schemes	**(4.3)**	0.3
Total income and expense recognised directly in equity	**29.3**	3.2
Profit attributable to equity shareholders	**198.3**	89.3
Total recognised income and expense for the period attributable to equity shareholders	**227.6**	92.5

Group condensed balance sheet
as at 31 August 2007

	Notes	31-Aug-07	31-Aug-06	28-Feb-07 (audited)
		€m	€m	€m
ASSETS				
Non-current assets				
Goodwill		**394.7**	453.6	426.9
Property, plant & equipment	6	**200.5**	152.1	212.4
Derivative financial assets		**2.8**	-	3.7
Retirement benefit asset		**2.0**	-	-
Deferred tax		**-**	8.9	8.7
		600.0	614.6	651.7
Current assets				
Inventories		**89.5**	56.2	97.8
Trade & other receivables		**123.2**	191.6	138.8
Derivative financial assets		**3.4**	-	2.3
Cash & cash equivalents		**78.0**	97.3	40.7
		294.1	345.1	279.6
TOTAL ASSETS		**894.1**	959.7	931.3
EQUITY				
Share capital	9	**3.2**	3.3	3.3
Share premium	9	**40.5**	27.5	32.8
Reserves	9	**30.7**	27.7	33.1
Retained earnings	9	**381.7**	235.1	315.3
Total equity		**456.1**	293.6	384.5
LIABILITIES				
Non-current liabilities				
Interest bearing loans & borrowings	7	**289.8**	392.8	316.1
Derivative financial liabilities		**0.6**	0.1	-
Retirement benefit obligations		**-**	55.2	51.5
Provisions		**0.6**	1.7	1.3
Deferred tax		**3.6**	5.3	5.0
		294.6	455.1	373.9
Current liabilities				
Interest bearing loans & borrowings	7	**-**	25.0	30.0
Derivative financial liabilities		**3.2**	1.7	4.2
Trade & other payables		**128.5**	163.7	132.5
Current tax liabilities		**11.7**	20.6	6.2
		143.4	211.0	172.9
Total liabilities		**438.0**	666.1	546.8
TOTAL EQUITY & LIABILITIES		**894.1**	959.7	931.3

Group cash flow statement
for the six months ended 31 August 2007

	6 months ended 31 August 2007 €m	6 months ended 31 August 2006 €m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period attributable to equity shareholders	**198.3**	89.3
Finance income	**(1.0)**	(0.8)
Finance costs	**9.6**	8.6
Income tax expense	**7.9**	12.7
Depreciation of property, plant & equipment	**14.5**	11.1
Impairment of goodwill	**-**	8.3
Profit on disposal of property, plant & equipment	**-**	(4.6)
Profit on disposal of subsidiaries	**(141.3)**	-
Charge for equity settled share-based employee benefits	**1.1**	0.8
Contributions paid less pensions charged to profit	**(2.7)**	(2.0)
	86.4	123.4
Increase in inventories	**(10.4)**	(1.1)
Increase in trade & other receivables	**(36.8)**	(79.9)
Increase in trade & other payables	**33.9**	64.4
	73.1	106.8
Interest received	**1.0**	0.8
Interest paid	**(7.7)**	(8.3)
Income tax (paid) / refunded	**(1.2)**	0.2
Net cash inflow from operating activities	**65.2**	99.5
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	**(61.4)**	(31.9)
Sale of property, plant & equipment	**-**	14.0
Net proceeds on disposal of subsidiaries	**248.1**	-
Net cash inflow / (outflow) from investing activities	**186.7**	(17.9)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued on exercise of share options	**3.6**	1.0
Bank loans repaid	**(597.0)**	(10.0)
New bank loans drawn down net of issue costs paid	**538.7**	-
Shares purchased under share buyback programme	**(114.8)**	-
Dividends paid	**(45.1)**	(19.8)
Net cash outflow from financing activities	**(214.6)**	(28.8)
Net increase in cash & cash equivalents	**37.3**	52.8
Cash & cash equivalents at beginning of period	**40.7**	44.5
Cash & cash equivalents at end of period	**78.0**	97.3

Notes to the interim results
for the six months ended 31 August 2007

1. Basis of preparation

The interim accounts, which are abridged and unaudited, have been prepared in accordance with International Financial Reporting Standard, IAS34 *Interim Financial Reporting*.

The same accounting policies and methods of computation are followed in these financial statements as were applied in the consolidated financial statements for the year ended 28 February 2007 and as those expected to apply for the financial year to 29 February 2008.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and judgements. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, relate primarily to accounting for defined benefit pension schemes, financial instruments, share-based payments, provisions, goodwill impairment and deferred tax. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The income tax expense for the six-month period is calculated by applying the directors' best estimate of the annual effective tax rate to the profit for the period.

The Board approved the interim results on 10 October 2007.

2. Segmental analysis

Segmental information is presented below in respect of the Group's continuing business segments, which are the primary basis of segment reporting. The business segment reporting format reflects 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.

During the six months ended 31 August 2007, the Group disposed of its soft drinks manufacturing and distribution business and certain related operations that had previously been reported within the distribution segment (see note 4). The reported segmental figures have been amended to exclude discontinued operations.

The analysis by segment includes both items directly attributable to a segment and those that can be allocated on a reasonable basis.

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.

Class of business analysis	**Six months ended 31 August 2007**		Six months ended 31 August 2006	
	Revenue €m	***Net result €m**	Revenue €m	*Net result €m
Cider	**272.7**	**57.5**	269.5	90.0
Spirits & Liqueurs	**41.0**	**9.2**	36.1	9.8
Distribution	**61.9**	**1.2**	70.9	1.0
	375.6	**67.9**	376.5	100.8

*Net result represents profit before finance costs and exceptional items.

Cyclicality of interim results

Operating profit for continuing operations for the 6 months period to 31 August 2006 represented 50.5% of the full year profits.

3. Income tax charge

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 12% (6 months ended 31 August 2006: 11.5%).

4. Discontinued operations

On 21 September 2006 and 29 August 2007, the Group completed the sale of its Snacks and Soft Drinks businesses respectively. These businesses are presented as discontinued operations for all periods presented and are shown separately from continuing operations.

Results of discontinued operations

	29 August 2007 €m	31 August 2006 €m
Revenue	**130.8**	155.6
Expenses	**(125.2)**	(142.9)
Exceptional items	**-**	4.6
Results from discontinued operations before tax	**5.6**	17.3
Income tax expense	**(0.8)**	(1.5)
Results from discontinued operations (net of income tax)	**4.8**	15.8
Gain on sale of discontinued operations	**145.8**	-
Capital Gains Tax arising on sale of discontinued operations	**(4.5)**	-
Profit from discontinued operations (net of tax)	**146.1**	15.8

Cash flows from discontinued activities

	29 August 2007 €m	31 August 2006 €m
Net cash from operating activities	**(0.8)**	23.8
Net cash from investing activities	**246.1**	8.5
Net cash from financing activities*	**(20.0)**	(23.0)
Net cash (used in)/derived from discontinued operations	**225.3**	9.3
Depreciation	**4.6**	5.3
Capital expenditure	**(2.0)**	(3.4)

* intragroup dividend

Effect of disposal on financial position of the Group

	29 August 2007	31 August 2006
	€m	€m
Property, plant & equipment	**57.1**	60.0
Goodwill	**32.2**	58.9
Inventories	**18.5**	17.2
Trade & other receivables	**52.2**	60.0
Cash & cash equivalents	**-**	9.6
Deferred tax liabilities	**2.9**	2.7
Trade & other payables	**(49.9)**	(63.2)
Provisions	**(0.9)**	(1.2)
Retirement benefit obligations	**(18.0)**	(19.4)
Net assets and liabilities disposed of	**94.1**	124.6
Consideration received in cash	**249.2**	-
Disposal expenses	**(14.3)**	-
	234.9	-
Foreign currency reserve movement on disposal	**0.5**	-
Profit arising on disposal of subsidiaries	**141.3**	-

5. Earnings per ordinary share

	Six months ended 31 August 2007	Six months ended 31 August 2006
	€m	€m
Earnings as reported	**198.3**	89.3
Adjustments for exceptional items, net of tax	**(141.3)**	4.2
Earnings adjusted for exceptional items	**57.0**	93.5
	'000	'000
Number of shares at beginning of period	**327,569**	325,204
Shares issued in lieu of dividend	**327**	1,236
Shares issued in respect of options exercised	**1,482**	380
Own shares acquired	**(12,100)**	-
Number of shares at end of period	**317,278**	326,820
Weighted average number of ordinary shares	**325,089**	325,841
Adjustment for the effect of conversion of options	**3,572**	3,796
Weighted average number of ordinary shares, including options	**328,661**	329,637
Basic earnings per share	**Cent**	Cent
Basic earnings per share – cent	**61.0**	27.4
Adjusted basic earnings per share – cent	**17.5**	28.7
Diluted earnings per share		
Diluted earnings per share – cent	**60.3**	27.1
Adjusted diluted earnings per share – cent	**17.3**	28.4

Continuing Operations

	€m	€m
Earnings from continuing operations – as reported	**52.2**	73.5
Adjustments for exceptional items, net of tax	**-**	8.3
Earnings adjusted for exceptional items	**52.2**	81.8
Basic earnings per share	**Cent**	Cent
Basic earnings per share – cent	**16.1**	22.6
Adjusted basic earnings per share – cent	**16.1**	25.1
Diluted earnings per share		
Diluted earnings per share – cent	**15.9**	22.3
Adjusted diluted earnings per share – cent	**15.9**	24.8

Discontinued Operations

	€m	€m
Earnings from discontinued operations – as reported	**146.1**	15.8
Adjustments for exceptional items, net of tax	**(141.3)**	(4.1)
Earnings adjusted for exceptional items	**4.8**	11.7
Basic earnings per share	**Cent**	Cent
Basic earnings per share – cent	**44.9**	4.8
Adjusted basic earnings per share – cent	**1.5**	3.6
Diluted earnings per share		
Diluted earnings per share – cent	**44.5**	4.8
Adjusted diluted earnings per share – cent	**1.5**	3.5

6. Property, plant & equipment

Acquisitions and disposals

During the six months ended 31 August 2007, the Group acquired assets with a cost of €61.4 million (six months ended 31 August 2006: €31.9 million).

Assets with a net book value of €57.1 million were disposed of during the six months ended 31 August 2007 (six months ended 31 August 2006: €6.8 million), including assets disposed of through sale of discontinued operations (see note 4) of €57.1 million (2006: nil).

Capital commitments

During the six months ended 31 August 2007, the Group entered into contracts to purchase property, plant and equipment that were outstanding at the period end totalling €30 million (31 August 2006: €25 million).

7. Details of Borrowing

	31 August 2007	28 February 2007	31 August 2006
	€m	€m	€m
Maturity analysis			
Current			
0-1 year	-	30.0	25.0
	-	30.0	25.0
Non-current			
1-2 years	-	30.0	30.0
2-3 years	-	-	15.0
3-4 years	-	286.1	-
4-5 years	**289.8**	-	347.8
	289.8	316.1	392.8

Unamortised issue costs of €1.2 million (2006: €2.2million) have been netted against outstanding bank loans repayable between 2 and 5 years.

8. Analysis of net debt

	Cash & cash equivalents	**Bank loans due within one year**	**Bank loans due after one year**	**Net debt**
	€m	**€m**	**€m**	**€m**
At 31 August 2006	(97.3)	25.0	392.8	320.5
At 1 March 2007	(40.7)	30.0	316.1	305.4
At 31 August 2007	**(78.0)**	**-**	**289.8**	**211.8**

During the period, the Group negotiated a new long-term bank debt facility in the amount of €600 million, of which €540 million was drawn down. The proceeds were used to repay the existing bank loan of €348 million and to meet short-term expenditure needs. Disposal proceeds from the sale of the soft drinks division of €249 million were received during the period from Britvic plc and were used to repay debt. The new bank loan is structured as a five year revolving loan bearing interest at market rates, a portion of which has been converted to fixed rates using interest rate swaps.

9. Reserves

	Share capital	Share premium	Reserves: Capital reserve*	Reserves: Cashflow hedging reserve	Reserves: Shares to be issued reserve	Reserves: Currency translation reserve	Retained income	2006 Total
	€m	€m	€m	€m	€m	€m	€m	€m
Group								
At 28 February 2006	3.3	18.6	25.2	(1.5)	1.7	0.6	171.2	219.1
Total recognised income and expense for the period	-	-	-	0.7	-	0.4	91.4	92.5
Dividend on ordinary shares	-	7.9	-	-	-	-	(27.7)	(19.8)
Exercise of share options	-	1.0	-	-	(0.2)	-	0.2	1.0
Equity settled share based payments	-	-	-	-	0.8	-	-	0.8
At 31 August 2006	3.3	27.5	25.2	(0.8)	2.3	1.0	235.1	293.6

	Share capital	Share premium	Reserves: Capital reserve*	Reserves: Cashflow hedging reserve	Reserves: Shares to be issued reserve	Reserves: Currency translation reserve	Retained earnings	2007 Total
Group	€m	€m	€m	€m	€m	€m	€m	€m
At 31 August 2006	3.3	27.5	25.2	(0.8)	2.3	1.0	235.1	293.6
Total recognised income and expense for the period	-	-	-	2.7	-	(0.2)	118.8	121.3
Dividend on ordinary shares	-	4.3	-	-	-	-	(39.2)	(34.9)
Exercise of share options	-	1.0	-	-	(0.6)	-	0.6	1.0
Equity settled share based payments	-	-	-	-	3.5	-	-	3.5
At 28 February 2007	3.3	32.8	25.2	1.9	5.2	0.8	315.3	384.5

	Share capital	Share premium	Reserves: Capital reserve*	Reserves: Cashflow hedging reserve	Reserves: Shares to be issued reserve	Reserves: Currency translation reserve	Retained earnings	2007 Total
	€m	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**
Group								
At 28 February 2007	3.3	32.8	25.2	1.9	5.2	0.8	315.3	**384.5**
Total recognised income and expense for the period	-	-	-	0.8	-	-	226.8	**227.6**
Foreign currency reserve movement on disposal	-	-	-	-	-	(0.5)	-	**(0.5)**
Dividend on ordinary shares	-	4.1	-	-	-	-	(49.2)	**(45.1)**
Exercise of share options	-	3.6	-	-	(3.6)	-	3.6	**3.6**
Own shares acquired **	(0.1)	-	0.1	-	-	-	(114.8)	**(114.8)**
Equity settled share based payments	-	-	-	-	0.8	-	-	**0.8**
At 31 August 2007	**3.2**	**40.5**	**25.3**	**2.7**	**2.4**	**0.3**	**381.7**	**456.1**

*the capital reserve includes a capital redemption reserve of €0.4 million (2006: €0.3 million).
** the company acquired 12.1 million of its own shares at an average share price of €9.38.

Capital redemption reserve and capital reserves
These reserves arose on the conversion of preference shares into share capital of the Company, and other changes and reorganisations of the Group's capital structure in prior years, and reserves arising in the current period in relation to the purchase of the company's own shares. These reserves are not distributable.

Cashflow hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share based payment reserve
This reserve comprises amounts expensed in the Income Statement in connection with share option grants falling within the scope of IFRS 2 *Share-based Payment* less any exercises or lapses of such share options.

Currency translation reserve
The translation reserve comprises all foreign exchange differences from 1 March 2004, arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the balance sheet date, as well as from the translation of liabilities that hedge those net assets, where applicable.

10. Dividend

During the interim period, a dividend of 15 cent (2006: 12 cent) per share was paid to the shareholders. An interim dividend of 12 cent per share is proposed on 317,323,315 ordinary shares amounting to €38.1 million.

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

12. Related Parties

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.

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and equity compensation benefits. Key management personnel received total compensation of €2.7 million for the six months ended 31 August 2007 (six months ended 31 August 2006: €2.7 million)

13. Balance Sheet as at 28 February 2007

The balance sheet presented for 28 February 2007 on page 14 does not represent but has been extracted from the statutory consolidated financial statements of the Group. These statutory consolidated financial statements were prepared separately and attached to the annual return filed in the Companies Registration Office on 29 May 2007. The Group's auditors issued an unqualified audit opinion on those consolidated financial statements.