

RESULTS FOR THE 12 MONTHS ENDED 29 FEBRUARY 2020

C&C Group plc ('C&C' or the 'Group'), a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits and soft drinks across the UK and Ireland announces results for the twelve months ended 29 February 2020 ('FY2020').

FY2020 Financial highlights

€m except per share items	FY2020 ⁽ⁱ⁾		FY2020 Including IFRS16	
	€m	Growth %	€m	Growth %
Net revenue ⁽ⁱⁱ⁾	1,719.3	7.8%	1,719.3	7.8%
Adjusted EBITDA ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	131.9	9.0%	153.6	26.9%
Operating profit ^{(ii)(iv)}	116.4	10.4%	120.8	14.6%
Operating margin	6.8%	+0.2ppts	7.0%	+0.4ppts
Basic EPS	2.8c		2.9c	
Adjusted diluted EPS ^(v)	29.4c	10.5%	29.6c	11.3%
Exceptional items (pre-tax)	92.5		92.5	
Dividend per share	5.5c		5.5c	
Free cash flow ^{(iv)(vi)}	136.5		155.1	
Free cash flow ^{(iv)(vi)} / Adjusted EBITDA ⁽ⁱⁱⁱ⁾ (% conversion)	103.5%		101.0%	
Net Debt ^(vii)	233.6		326.9	

FINANCIAL SUMMARY (pre IFRS16)

- Net revenue⁽ⁱⁱ⁾ up +7.8% and operating profit^{(ii)(iv)} +10.4%.
- Adjusted diluted EPS growth of +10.5%. Basic EPS 2.8c impacted by exceptional items.
- Strong free cash flow^{(iv)(vi)} of €136.5m representing 103.5% of adjusted EBITDA⁽ⁱⁱⁱ⁾.
- Net debt^(vii) / Adjusted EBITDA⁽ⁱⁱⁱ⁾ reduced to 1.77x from 2.51x at FY2019 year end.
- Exceptional items (pre-tax) amounting to €92.5m with €47.6m directly related to COVID-19, €34.1m relates to write down of Vermont brands.

OPERATIONAL HIGHLIGHTS

- Resilient brand performance for Tennent's, Magners and Bulmers against challenging comparatives.
- Operating margins of 2.4% within Matthew Clark and Bibendum, comprised of 2.9% at Matthew Clark and Bibendum break-even, reflect solid progress in the execution of synergy initiatives.
- New ERP system for logistics network in Scotland which will drive operational efficiencies.

STRATEGIC HIGHLIGHTS

- Continued optimisation of the brand-led distribution model delivered Matthew Clark's FY2020 second half operating margins of 3.2%.
- Investment of €10.7m in Admiral Taverns, increasing the estate to over 1,000 outlets across England and Wales.
- Gained admission into the FTSE 250 Index Series in December 2019.

SUSTAINABILITY COMMITMENT

- Further investment, commitment and progress towards our Environment, Social and Governance (ESG) pledges.
- Launched our '*Because Life is Bigger than Beer*' campaign under the Tennent's brand in Scotland.
- Co-produced the first ever Drinks Industry Sustainability Index – Trends Report 2020.
- Initiatives align with C&C's ambitious sustainability commitment of being 100% carbon-neutral by 2025, a target the Group is on course to deliver.

ACTIONS TO MITIGATE IMPACT OF COVID-19

- Our priority is the health and wellbeing of our people, customers, suppliers, business partners and community. The Group has implemented an extensive range of measures to provide the safest environment we can for our stakeholders.
- Extensive range of operational, financial and liquidity enhancing measures have been implemented to reduce operating costs, maximise available cash flow, and strengthen the Group's balance sheet position. These measures include:
 - Full drawdown of our debt facilities.
 - Reduced capital and marketing investment and minimised discretionary spending.
 - Continue to actively engage with the Irish and UK Tax Authorities.
 - Average of c.20% salary reduction across our workforce. Executive leadership team and Board remuneration reduced by 30% and 40% respectively, for an initial three months and reviewed thereafter.
 - Approximately 70% of employees have been placed on furlough.
 - Launched LOCAL app to support pubs, restaurants, bars and independent drinks merchants.
 - Suspension of final dividend for FY2020 to conserve cash.
 - We have secured Net Debt^(vii) / EBITDA⁽ⁱⁱⁱ⁾ and interest cover covenant waivers from our lenders until August 2021 to be replaced with a minimum liquidity covenant and monthly gross debt cap.
 - Received confirmation from the Bank of England that we are eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF') Scheme should we require.
- Taken together, the Board believes that its existing liquidity position is more than sufficient for the Group's current and expected needs.
- Group's supply chain and production facilities continue to be fully operational, with stringent ongoing audits to ensure social distancing and compliance with all other health and safety requirements.

CURRENT TRADING UPDATE

- Successful issue of approximately €140m worth of US Private Placement ('USPP') notes in March to diversify, strengthen and extend the maturity of our capital structure and sources of debt finance.
- The shutdown of the hospitality sector has materially impacted our business, with no revenue generated in the on-trade channel since March.
- Reallocated and redeployed resources to meet the significant increase in demand through the off-trade channel. April and May volumes for Bulmers were -16%, +62% in the off-trade. Tennent's in Scotland total volumes were -42%, +41% in the off-trade and Magners total volumes in GB were -7%, +25% in the off-trade.
- Expansion of multi-year partnership with AB InBev, which will include exclusive distribution of Budweiser and Bud Light in Ireland from 1 July 2020.
- Investment and extension of distribution operations in Scotland.
- Maintaining liquidity of €550m, with debtor securitisation facility currently 36% utilised.
- Underlying cash burn is €7m per month whilst on-trade is closed. This is net of furlough employee support currently c.€5m.

Stewart Gilliland, C&C Group Interim Executive Chairman, commented:

“The COVID-19 pandemic presents a challenge of unprecedented scale and uncertainty for our industry and supply partners. From the outset of the virus, our priority has been protecting the health and wellbeing of our people, customers, suppliers, business partners and community. We are continuously monitoring the advice provided by the health authorities and in line with that guidance, the Group has implemented an extensive range of measures to provide the safest environment we can for our stakeholders.

The ongoing closure of the hospitality sector has material implications for our business and earnings potential, with approximately 80% of our revenue derived from the on-trade channel. An emerging trend from this shutdown however has been an immediate shift in consumption dynamics, resulting in increased demand in the off-trade channel. To capitalise on this behavioural shift, we have reallocated resources behind our Take-Home proposition and seek to optimise our business model in this channel.

We entered this crisis with a robust balance sheet and have further strengthened that position with additional liquidity enhancing actions. The Group successfully issued approximately €140 million of new US Private Placement notes in March of this year. In addition, C&C received confirmation from the Bank of England that the Group is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility (‘CCFF’) Scheme. The Board believes that its existing liquidity position is more than sufficient for the Group’s current and expected needs.

We continue to work with our customers who face significant challenges to offer our support where possible to overcome these difficulties together. Collaborating with our suppliers, we have been able to implement a range of initiatives to support our customers.

The Group performed well in FY2020, with revenue growth of +7.8% and operating profit ahead by +10.4% which is testament to the execution of our long-term strategy. This performance underpinned the delivery of our double digit EPS growth target, with adjusted diluted growth for the year at +10.5%, our second consecutive year of double digit EPS growth. Cash generation remained strong with conversion at 103.5% resulting in a Net Debt / EBITDA position of 1.77x and ahead of our target of 2 times. At Matthew Clark margins were 2.9% and Bibendum was breakeven for the year for the first time since acquisition.

The progress of the Group in FY2020 further strengthens our belief in the long-term strategy for the business. As the largest alcohol distributor in the UK and Ireland, we have secured a unique platform and our results for FY2020 reflect the strength of this position. In the short-term, execution of our strategy will be impacted by COVID-19, which has necessitated the temporary withdrawal of our future guidance. Trading since the lockdown measures were announced has clearly been challenging, however, our business is structurally integral to the markets we serve and, together with our local, fabric brands, puts us in a strong position to re-engage with customers and consumers once restrictions across pubs, bars and restaurants, are lifted.”

ENDS

OPERATING REVIEW

Ireland

€m			
Constant currency ⁽ⁱⁱ⁾	FY2020	FY2019	Change %
Net revenue	227.7	219.8	+3.6%
- Price / mix impact			(0.6%)
- Volume impact			+4.2%
Operating profit^(iv)	40.2	40.3	(0.2%)
Operating margin	17.7%	18.3%	(60bps)
IFRS16			
Operating profit^(iv)	40.5	40.3	+0.5%
Operating margin	17.8%	18.3%	(50bps)
Volume – (kHL)	1,416	1,359	+4.2%
- of which <i>Bulmers</i>	366	392	(6.6%)

Market insight ^(viii)

Long alcoholic drink (LAD) volumes in the Republic of Ireland were -1.8% in the 12 months to 29 February 2020 with the comparative year benefiting from good summer and the World Cup. (FY2020 vs. FY2018; -0.9%). The off-trade drove the decline with a -2.5% reduction in volume (FY2020 vs. FY2018; +2.1%), with on-trade volumes trending more favourably at -1.2% (FY2020 vs. FY2018; -3.4%). While volumes decreased across the trade at -1.8% year on year, LAD value declined at a slower rate of -0.4% and remains +0.7% ahead of FY2018 levels.

The poor summer weather in 2019 impacted cider's share of LAD which reduced year on year to 12.7% (FY2019; 13.0%, FY2018; 12.7%). Competition in the cider category remains intense with new product launches by major international brewers across beer and cider, heightening competition for bar space and consumer attention.

The Public Health (Alcohol) Bill, including proposals for the introduction of Minimum Unit Pricing in Ireland, was passed by the Irish parliament in 2018 and is expected to be implemented within the next 12-24 months. As in Scotland, the Group has been an active supporter of such legislation as a means of addressing the social consequences of excessive and problem drinking.

Operating performance

Cider

Bulmers traded in line with expectations in the year which was always going to be challenging versus the previous warm summer. The brand volumes declined 6.6% with net revenues declining 7.7%. In grocery, Bulmers' share of total cider declined from 49.2% to 46.8% in a highly competitive market^(viii). Importantly in the run up to minimum unit pricing in Ireland we maintain a price premium over standard lager of 10%.

Super-premium and Craft

Our Dublin craft beer, Five Lamps, enjoyed another year of progress with volumes up 38.3% and net revenue growth of 32.7%. The continued success of the brand was highlighted by the opening of a Five Lamps' visitor centre on Dublin's Camden Street this year which further enhances the brand's equity. Our total super-premium and craft portfolio delivered volume growth of 22.4% in the year.

Wholesale distribution and wine

C&C Gleeson, the largest final mile distributor in the Island of Ireland, delivered robust growth in the year with net revenues +5.3%, delivering into over 4,600 outlets.

From the 1 July 2020, we add exclusive distribution rights for the Budweiser brand in Ireland to our portfolio. This means we will distribute AB Inbev's full beer portfolio in the Island of Ireland and we have further strengthened our

multi-faceted partnership. Budweiser is the number four LAD brand in Ireland and will further strengthen our portfolio offering alongside Bulmers, the number three LAD brand.

Financial performance

The net revenue performance of the division +3.6%, with volumes up 4.2% price / mix was down 0.6% reflecting lower own brand cider revenue and greater third party wholesale business mix.

Operating profit for the division was broadly flat for the year. Despite the very challenging backdrop that last summer's weather created we believe this result is a testament to robustness of the Irish, brand-led distribution model.

Great Britain

€m			
Constant currency ⁽ⁱⁱ⁾	FY2020	FY2019	Change %
Net revenue	334.1	310.5	+7.6%
- Price / mix impact			+7.7%
- Volume impact			(0.1%)
Operating profit^(iv)	43.5	42.7	+1.9%
Operating margin	13.0%	13.8%	(80bps)
IFRS16			
Operating profit^(iv)	44.9	42.7	+5.2%
Operating margin	13.4%	13.8%	(40bps)
Volume – (kHL)	2,626	2,628	(0.1%)
- of which Tennent's	977	1,004	(2.7%)
- of which Magners	530	543	(2.4%)

Market insight ^(viii)

Metrics across key categories were mixed in GB markets with the sunny weather and the FIFA World Cup in the previous year providing challenging comparators. Whilst the Cricket, Women's Football, and Rugby World Cups provided additional consumption occasions, beer volumes declined 1.1% in the year with value increasing 1.2%. In Scotland, beer volumes performed worse than the wider GB market, declining by -1.7%. Value outperformed in Scotland however, increasing by 1.3%.

Cider volumes have historically moved commensurate with summer sunshine trends and this year remained consistent with this profile. In GB, total cider volumes declined 6.4% with value declining at -3.3%. These declines were magnified in the off-trade channel where volumes were -8.2% and value -7.5%.

Operational performance

Tennent's

Tennent's volumes in the year remained robust against challenging comparatives. Volumes for the brand in Scotland were -2.7% however net revenues were +5.3%. Leveraging the inherent brand strength, we were able to further optimise margin yields as well as enjoying an additional two months execution of our Minimum Unit Pricing (MUP) brand strategy versus the prior year.

Recent investments behind the brand have sought to strengthen the local nostalgia of Tennent's, recognising the lager's role as a fabric brand in Scotland's heritage and culture. Conscious of our commitment to our local communities, in 2019 we launched the 'Because Life is Bigger than Beer' sustainability campaign behind the Tennent's brand. This €16m investment underpins our environmental pledges including the removal of single-use plastic from our manufacturing process by 2022 as well as being carbon neutral by 2025.

Further bolstering the brand's equity is our Wellpark Visitor Centre which welcomed an incremental +11k tour visitors to our Glasgow brewery site as well as hosting the presentation of several 'Tennent's Golden Can' awards to various local celebrity winners. The positive social/traditional media response to these initiatives has helped improve YouGov brand quality scores by 4.1 pts over the last 12 months^(viii).

As part of our strategy post the implementation of MUP, we launched our 'Direct to Store' solution for our convenience customers. Leveraging existing capacity within our in-house logistics fleet, this initiative capitalises on the improved channel mix following the introduction of MUP as we seek to gain proportionate increments in the value chain.

In response to emerging health conscious and wellbeing consumer trends, we strengthened our portfolio in the year with the launch of Tennent's Light in the Independent Free Trade channel. At only 114 calories per pint and 3.5% ABV, Tennent's Light is the UK's lowest calorie light lager.

Magners and GB cider portfolio

The Magners brand performed strongly in the period versus the market with volumes declining 2.4% and net revenues broadly flat at -0.4%. Leveraging our partnership with AB Inbev in the grocery channel, we gained share within the wider cider category.

Wholesale distribution and wine

Volumes have increased 2.2% despite service disruption in H1 from the implementation of a new warehouse management system at our Cambuslang depot. Measures to recover in the subsequent period, along with the launch of our direct-to-store convenience solution in the period, increased revenues by +11.8%.

Financial performance

Net revenues for the GB division increased 7.6% in the year with pricing and mix benefits offsetting modest volume declines. Operating profit was +1.9% with margins decreasing by 80 basis points vs last year, reflecting revenue growth in third party wholesale business.

Matthew Clark and Bibendum

€m					
Constant currency ⁽ⁱⁱⁱ⁾	FY2020 12 months	FY2020 11 months	FY2019 11 months	LFL Change %	Change %
Net revenue	1,119.6	1,036.4	1,024.4	1.2%	+9.3%
- Price / mix impact				+5.9%	+5.8%
- Volume impact				(4.7%)	+3.5%
Operating profit^(iv)	26.4	26.5	15.9	+66.7%	+66.0%
Operating margin	2.4%	2.6%	1.6%	+100bps	+80bps
IFRS16					
Operating profit^(iv)	29.0	29.1	15.9	83.0%	82.4%
Operating margin	2.6%	2.8%	1.6%	+120bps	+100bps
Volume - (Cases k 9L)	30,344	27,933	29,322	(4.7%)	+3.5%
(kHL)	2,731	2,514	2,639	(4.7%)	+3.5%

In aggregate, Matthew Clark and Bibendum form the UK's No.1 drinks distribution business to the UK licensed on-trade. Matthew Clark is the leading independent composite drinks distributor with unrivalled product breadth across all categories and serving a customer base of over 20,000 outlets from a national network of 12 warehouses. Bibendum is the leading premium wine and spirits specialist with an enviable reputation for product expertise and long-standing, trusted relationships with the UK's premium bars, restaurants and hotels. Together they serve the UK drinks market valued at €53.4 billion which grew at 1.5% by value last year^(viii).

Customers

Our focus on customer service and satisfaction levels remained a core focus in FY2020, building on the progress from acquisition. As at the end of February 2020, On Time in Full deliveries (OTIF) finished the year at 96.8% versus 96.2% last year. Our Net Promoter scores also remained consistently strong with full year scores of 53.6 at Matthew Clark and 52.8 at Bibendum.

The COVID-19 pandemic unfortunately presents an unprecedented crisis to many of our customers who may struggle to navigate through these challenges without external support. We have therefore endeavoured to provide support wherever possible to our customers.

Whilst we support the current lockdown measures in tackling this health pandemic, we look forward to their conclusion and a return to working alongside our customers again in offering our unrivalled range and service.

Suppliers

Throughout the year, our supplier base remained broadly supportive as we progressed with the simplification of our business model and working capital management. Our unparalleled scale and service capabilities allowed us to welcome a range of new suppliers to our supply chain network, from global brands to local craft producers whilst simultaneously strengthening our existing partnerships to further develop our core offering.

Since the virus outbreak, we have been working collaboratively with our supplier base. We have entered into payment plans where significant balances were owed to suppliers and we have aligned this with the profile of our debtor repayment plans where possible.

Cash and working capital

Throughout the year, our resolute focus on working capital management continued and we progressed well ahead of expectations at both Matthew Clark and Bibendum.

Financial performance

The progression of our Simplification and Optimisation programmes, as well as our wider commercial strategy, positively contributed to our margin objectives with the blended operating margin finishing the year at the upper

end of guidance at 2.4%. This is comprised of Matthew Clark's operating margin of 2.9% and Bibendum was break-even in the year.

Net revenue finished the year up 9.3% with the benefit of an additional month of ownership as well as benefitting from a more optimal customer and business mix. Operating profit of €26.4m is +€10.5m higher vs last year. We were also pleased that Bibendum was break-even for the first time since acquisition.

Volumes for Magners through Matthew Clark were +60% vs the prior year. C&C's ciders now represent 24% of cider volumes through Matthew Clark vs 13% last year.

Our future steady state operating margin target of +3% has obviously been adversely impacted by COVID-19 with the government lock-down of the on-trade channel significantly affecting our revenues but we are pleased to report the H2 blended operating margin was 2.8%, with Matthew Clark at 3.2% for that period. Our focus remains on prudent cash management and the long-term viability of both Matthew Clark and Bibendum.

International

€m			
Constant currency ⁽ⁱⁱ⁾	FY2020	FY2019	Change %
Net revenue	37.9	39.9	(5.0%)
- Price / mix impact			+0.5%
- Volume impact			(5.5%)
Operating profit^(iv)	6.3	6.5	(3.1%)
Operating margin	16.6%	16.3%	+30bps
IFRS 16			
Operating profit^(iv)	6.4	6.5	(1.5%)
Operating margin	16.9%	16.3%	+60bps
Volume – (kHL)	239	253	(5.5%)

Operating performance

In the year, we continued to rationalise our focus to a smaller number of more established markets where we have identified the greatest opportunity to build sustainable brand value. Whilst volumes declined overall in the period, the rate of decline has slowed significantly and profit remained broadly flat.

Europe and Africa

In our largest export market of Italy, we transitioned the distribution of Tennent's to AB InBev however volumes have continued to decline. We remain in collaborative dialogue with our distribution partner to try and reverse this trend. In Spain, the emergence of increased competitor activity as well as a reduction in British tourist numbers has had an adverse impact on Magners volumes. Overall, EMEA volumes were 109.7kHL, -3.6%.

Asia Pacific

Volumes were up in Australia following last year's transition to Coca-Cola Amatil (CCA) in Australia. Overall volumes were 30.4khl, +0.2%.

North America

Volumes overall were -9.2% in the period. In the year we launched a number of new products which offset declines in our core brands. Underlying profit was broadly flat in the year.

Financial performance

Operating profits for the International division were marginally down versus last year at €6.3m, with reduced cost infrastructure across both our North America and Export businesses offsetting the volume declines.

Notes to Operating Review are set out below.

- (i) FY2020 reported numbers excluding the impact of adoption by the Group of IFRS 16 *Leases*. Growth calculations based on FY2020 reported numbers, excluding the impact of IFRS 16 compared to FY2019 reported numbers which include the Matthew Clark and Bibendum businesses from date of acquisition by the Group, on 4 April 2018.
- (ii) FY2019 comparative adjusted for constant currency (FY2019 translated at FY2020 F/X rates).
- (iii) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, share of equity accounted investments' profit after tax, depreciation and amortisation charges. A reconciliation of the Group's operating profit to adjusted EBITDA is set out on page 16.
- (iv) Excludes exceptional items.
- (v) Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please see note 6 of the Consolidated Condensed Financial Statements.
- (vi) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €131.4m (2019:€152.6m) inflow in the period. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out on page 16.
- (vii) Net debt comprises borrowings (net of issue costs) less cash. Net debt, including the impact of IFRS 16, comprises borrowings (net of issue costs), lease liabilities capitalised less cash. Please see note 9 of the Consolidated Condensed Financial Statements.
- (viii) OUTLET On Trade Market model & CGA OPMS WE 25/01/20 (GB On Trade); AC Nielsen Total Business BWS Category Report to 07.03.20 (GB Off Trade); CACI NI Weekly OA Expenditure and Social Scene Profile 2018 (NI On Trade); Internal calculations (NI Off Trade).

Conference Call and Webcast details | Analysts & Institutional Investors

C&C Group plc will host a live conference call and webcast, for analysts and institutional investors, today, **03 June 2020, at 08:30 BST (03:30 ET)**. Dial in details are below for the conference call. The webcast can be accessed on the Group's website: www.candcgroupplc.com.

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For all conference call replay numbers, please contact FTI Consulting

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About C&C Group plc

C&C Group plc is a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits, and soft drinks across the UK and Ireland.

- C&C Group's portfolio of owned/exclusive brands include: Bulmers, the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; as well as a range of fast-growing, super-premium and craft ciders and beers, such as Heverlee, Menabrea, Five Lamps and Orchard Pig. C&C exports its Magners and Tennent's brands to over 60 countries worldwide.
- C&C Group has owned brand and contract manufacturing/packing operations in Co.Tipperary, Ireland; Glasgow, Scotland; and Vermont, US.
- C&C is the No.1 drinks distributor to the UK and Ireland hospitality sectors. Operating under the Matthew Clark, Bibendum, Tennent's and C&C Gleeson brands, the Group supplies over 35,000 pubs, bars, restaurants and hotels, and is a key route-to-market for major international beverage companies.
- C&C Group also has a minority investment in the Admiral Taverns tenanted pub group, which owns over 1,000 pubs across England & Wales and exports its Magners and Tennent's brands to over 60 countries worldwide.

C&C Group is a FTSE 250 company headquartered in Dublin and is listed on the London Stock Exchange.

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 page 20 that could cause actual results to differ materially from those anticipated.

Financial review

	Year ended 29 February 2020 ⁽ⁱ⁾	Year ended 29 February excl. IFRS16 2020 ⁽ⁱ⁾	Year ended 28 February 2019 ⁽ⁱ⁾	CC ⁽ⁱⁱ⁾ Year ended 28 February 2019 €m	Change 2019 %	Change excl. IFRS 16 %	CC ⁽ⁱⁱ⁾ excl. IFRS 16 Change %
Net revenue	1,719.3	1,719.3	1,574.9	1,594.6	9.2%	9.2%	7.8%
Operating profit	120.8	116.4	104.5	105.4	15.6%	11.4%	10.4%
Net finance costs	(19.8)	(16.3)	(15.6)				
Share of equity accounted investments' profit after tax	3.1	3.1	4.0				
Profit before tax	104.1	103.2	92.9		12.1%	11.1%	
Income tax expense	(12.3)	(12.0)	(10.8)				
<i>Effective tax rate⁽ⁱⁱⁱ⁾</i>	12.2%	12.0%	12.1%				
Profit for the financial year	91.8	91.2	82.1				
Basic EPS	2.9 cent	2.8 cent	23.4 cent		(87.6%)	(88.0%)	
Adjusted diluted EPS^(iv)	29.6 cent	29.4 cent	26.6 cent		11.3%	10.5%	

C&C is reporting net revenue of €1,719.3 million, operating profit⁽ⁱ⁾ of €120.8 million, adjusted diluted EPS^(iv) of 29.6 cent and FCF^{(i)(v)} of 101.0%. Basic EPS of 2.9 cent was impacted by exceptional items which are outlined in further detail below. Excluding the impact of IFRS 16 Leases which the Group adopted in the current financial year, the Group reports operating profit⁽ⁱ⁾ of €116.4 million, FCF^{(i)(v)} of 103.5%, adjusted diluted EPS^(iv) of 29.4 cent and basic EPS of 2.8 cent.

The Group's net revenue increased 7.8% on a constant currency⁽ⁱⁱ⁾ basis. Excluding the impact of IFRS 16 Leases operating profit⁽ⁱ⁾⁽ⁱⁱ⁾ increased 10.4% and adjusted diluted EPS^(iv) of 29.4 cent increased 10.5% delivering on our double digit EPS growth target. Basis EPS of 2.8 cent was impacted by exceptional items.

Cash generation was very strong at over 100% resulting in a Net Debt^(vi)/EBITDA^(vii) position at year end of 1.77x excluding Leases, which aligns with our banking covenant definition which also excludes leases, or 2.13x including Leases.

The COVID-19 pandemic is having a significant impact on our business and we are proactively taking measures to reduce operating costs, maximise available cash flow, and maintain and strengthen the Group's liquidity position.

In March 2020, the Group announced the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end. The Group also received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF') scheme. The Group had not drawn down on this facility as at 3 June 2020.

Given the absolute focus on liquidity with the high levels of uncertainty, the Group will not declare a final dividend for the current financial year.

Finance costs, income tax and shareholder returns

Net finance cost was €19.8 million for the year including IFRS 16 *Leases*. Excluding the impact of IFRS 16 *Leases* net finance costs were €16.3 million (FY2019: €15.6 million). The Group's Euro term loan was only drawn down in July last year as was the extension of the Group's receivables purchase programme to include Matthew Clark and Bibendum receivables. Costs associated with both increased year on year due to the fact they were in place for the full 12 month period.

The income tax charge in the year was €12.3 million excluding the credit in relation to exceptional items and equity accounted investments' tax charge. This also includes a charge of €0.3m with respect to IFRS 16 *Leases*. Excluding IFRS 16 *Leases*, the credit in relation to exceptional items and the equity accounted investments' tax charge the income tax charge in the year was €12.0 million. This represents an effective tax rate of 12.0%⁽ⁱⁱⁱ⁾ reflecting a decrease of 0.1 percentage point on the prior year. Included within the effective tax rate is a net benefit of €2.9m arising from an internal re-organisation. This benefit is made up of a current period tax charge offset mainly by deferred tax assets on future tax deductions. Excluding the impact of this reorganisation, the Group's effective tax rate would have been 14.9%⁽ⁱⁱⁱ⁾. The Group is established in Ireland and as a result it benefits from the 12.5% corporate tax rate on profits generated in Ireland. Excluding the impact of the reorganisation, the effective tax rate is higher than the standard corporate tax rate of 12.5% for the Group mainly as a result of a higher proportion of profits subject to taxation coming from outside of Ireland. The Group's effective tax rate is subject to a number of factors, such as local and international tax reform including the OECD's Base Erosion and Project Shifting project "BEPS", EU directives and initiatives and the consequences of Brexit. In any given financial year the effective tax rate reflects a variety of factors that may not be present in subsequent financial years and may be affected by changes in profit mix, challenges brought by tax authorities, amendments in tax law, guidance and related interpretations.

The Group paid an interim dividend of 5.50 cent per share but as noted previously will not declare a final dividend. Total dividends to ordinary shareholders in FY2020 amounted to €48.1 million, of which €29.7 million was paid in cash, €18.1 million or 37.6% (FY2019: 20.2%) was settled by the issue of new shares and €0.3 million (FY2019: €0.3 million) was accrued with respect to LTIP 2015 dividend entitlements.

In addition to increased dividends, we invested €22.7 million (€23.0 million including commission and related costs) in market share buybacks, to minimise the dilutive impact of scrip dividends, purchasing 5,625,000 of our own shares at an average Euro equivalent price of €4.03. Our stockbrokers, Davy, conducted the share buyback programme. All shares acquired during the current financial year were subsequently cancelled.

During the year, the Group took the decision to seek admission to the FTSE UK Index Series. This was deemed the most appropriate action based on a number of factors. Following the acquisition of Matthew Clark and Bibendum in 2018 the majority of the Group's revenues, earnings and activities are now derived in and from the United Kingdom ("UK"). The continued evolution of our shareholder base now results in the majority of the Group's shares being held by shareholders based in the UK and North America and the Group believes that over time the change in listing will increase awareness of the Group among the investor community. The move entailed cancelling the Group's listing on the Official List of Euronext Dublin with effect from 7 October 2019. From that date, C&C shares are traded solely on the London Stock Exchange in Sterling. The Group is listed on the premium segment of The London Stock Exchange and was included in the FTSE All-Share Index and the FTSE 250 indices in December 2019.

Exceptional items

Total exceptional items, pre the impact of taxation, of €92.5 million were incurred in the current financial year.

COVID-19

The Group has accounted for the COVID-19 pandemic as an adjusting event in the current financial year and has incurred an exceptional charge of €47.6 million at 29 February 2020 in this regard. In light of the closure of on-trade premises in both Ireland and the UK, the Group reviewed its recoverability of the debtor book and advances to customers and booked an expected credit loss provision directly associated with COVID-19 of €19.4 million and €5.8 million respectively. The Group also reviewed its stock balances and in particular stock that was due to expire in the short to medium term and booked a provision of €10.6 million. The balance of €11.8 million relates to trade and marketing contracts now deemed to be onerous €9.4 million and the write off of an IT intangible asset where the project will now not be completed, as a direct consequence of COVID-19, of €2.4 million.

Impairment of intangible assets

The Group impaired the Woodchuck suite of brands by €34.1 million at 29 February 2020. The success of the relatively new Hard Seltzers' category has squeezed the Cider and other categories in the US and resulted in less space being available for our brands. In the short and medium term the outlook is not positive for growth in Cider in the US and the COVID-19 crisis and linked restrictions has further restricted our ability to innovate and trade our way back to sustainable profit growth.

An impairment of €0.1m was also taken with respect to the Group's Matthew Clark Bibendum cash generating unit directly attributable to a discontinued brand.

Other

Other exceptional items in the current financial year include €4.4 million for the termination of a number of the Group's long term apple contracts which were deemed surplus to requirements; restructuring costs of €3.0 million primarily relating to restructuring following the prior year acquisition of Matthew Clark and Bibendum, incremental costs related to the dual running of warehouse management systems in Scotland due to system implementation delays of €0.6 million, acquisition related costs of €0.2 million and a €1.0 million net revaluation loss following an external valuation of property, plant & equipment. A net gain arising from the same revaluation exercise of €1.1 million was accounted for within Other Comprehensive Income.

During the current financial year, the Group disposed of its equity accounted investment in a Canadian company for cash proceeds of €6.1 million, realising a profit of €2.6 million on disposal. Also during the current financial year, the Group disposed of its investment and non-controlling interest in Peppermint Events Limited at a loss of €1.7 million.

Equity accounted investments' exceptional items

Property within Admiral Taverns are valued at fair value on the Balance Sheet, the result of the fair value exercise at 29 February 2020 resulted in a revaluation loss (the Group's share of this loss equated to €2.7 million) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €3.7 million) accounted for within Other Comprehensive Income. Also during the current financial year, the Group invested a further €10.7 million which gave rise to capital duties to be expensed in relation to the acquisition (the Group's share of this expense was €2.9 million). This was offset by recognition of the Group's share of an adjustment made by the investee to recognise a higher deferred tax asset in respect of timing differences on fixed assets in respect of prior years (the Group's share of this gain was €3.2 million).

Cash flow generation

Management reviews the Group's cash generating performance by measuring the conversion of EBITDA^(vii) to Free Cash Flow^(v) as we consider that this metric best highlights the underlying cash generating performance of the continuing business.

The Group's performance during the year resulted in an EBITDA^(vii) to Free Cash Flow^(v) conversion ratio pre-exceptional costs of 101.0%. Excluding the impact of IFRS 16 *Leases*, the Free Cash Flow conversion ratio pre-exceptional costs would have been 103.5%. The Group's year end cash position benefited from the Group's receivables purchase programme which contributed €131.4 million (2019: €152.6 million) to year end cash. A reconciliation of EBITDA^(vii) to operating profit⁽ⁱ⁾ is set out below.

Summary cash flow for the year ended 29 February 2020 is set out in the table below.

	2020 (including IFRS 16) €m	2020 (excluding IFRS 16) €m	2019 €m
Operating profit	29.8	25.4	96.7
Exceptional items	91.0	91.0	7.8
Operating profit before exceptional items	120.8	116.4	104.5
Amortisation and depreciation charge	32.8	15.5	15.5
Adjusted EBITDA^(vii)	153.6	131.9	120.0
Cash flow summary			
Adjusted EBITDA ^(vii)	153.6	131.9	120.0
Tangible / intangible IT net expenditure	(19.8)	(19.8)	(22.1)
Disposal proceeds property, plant & equipment	0.4	0.4	0.1
Advances to customers	(4.2)	(4.2)	(0.9)
Working capital movement	47.9	47.6	19.9
Income taxes paid	(8.0)	(8.0)	(8.6)
Exceptional items paid	(9.5)	(9.5)	(5.9)
Net finance costs	(17.4)	(14.0)	(12.5)
Pension contributions paid	(0.4)	(0.4)	(0.2)
Other*	3.0	3.0	1.2
Free Cash Flow^(v) (FCF)	145.6	127.0	91.0
FCF^(v) conversion ratio	94.8%	96.3%	75.8%
Free Cash Flow ^(v)	145.6	127.0	91.0
FCF ^(v) exceptional cash outflow	9.5	9.5	5.9
FCF ^(v) excluding exceptional cash outflow	155.1	136.5	96.9
FCF^(v) conversion ratio excluding exceptional cash outflow	101.0%	103.5%	80.8%
Reconciliation to Consolidated Condensed Cash Flow Statement			
Free Cash Flow ^(v)	145.6	127.0	91.0
Cash outflow re acquisition of equity accounted investments	(11.2)	(11.2)	-
Disposal of subsidiary/equity investment	5.1	5.1	-
Net proceeds from exercise of share options/equity Interests	0.4	0.4	-
Shares purchased under share buyback programme	(23.0)	(23.0)	(1.9)
Payment of issue costs	(0.5)	(0.5)	(5.0)
Dividends paid	(29.7)	(29.7)	(36.0)
Payment of lease liabilities	(18.6)	-	-
Drawdown of debt	192.6	192.6	736.0
Repayment of debt	(280.7)	(280.7)	(786.2)
Net decrease in cash	(20.0)	(20.0)	(2.1)

* Other relates to share options add back, pensions debited to operating profit and net profit on disposal of property, plant & equipment.

Retirement benefits

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 Consolidated Condensed Balance Sheet as retirement benefits.

At 29 February 2020, the Group is reporting a net pension deficit gross of deferred tax of €7.9m (28 February 2019: €3.2m). All schemes are closed to new entrants. There are 2 active members in the Northern Ireland ('NI') scheme and 55 active members (less than 10% of total membership) in the Republic of Ireland ('ROI') schemes. The Group has an approved funding plan in place, the details of which are disclosed in note 10 of the Consolidated Condensed Financial Statements. Arising from the formal actuarial valuations of the main schemes the Group has committed to contributions of 27.5% of pensionable salaries. In the short term deficit contributions are not required for the Group's staff defined benefit pension scheme. There is no funding requirement with respect to the Group's executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The funding requirement will be reviewed again as part of the next triennial valuation.

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

	€m
Net deficit at 1 March 2019	(3.2)
Employer contributions paid	0.4
Charge to Other Comprehensive Income	(4.4)
Charge to Income Statement	(0.7)
Net pension deficit at 29 February 2020	(7.9)

The increase in the deficit from €3.2 million at 28 February 2019 to a deficit of €7.9 million at 29 February 2020 is primarily due to an actuarial loss of €4.4 million over the year. The actuarial loss was driven by the reduction in the discount rates used to value the pension benefit obligation. The impact of the reduction in discount rates was partially offset by other actuarial gains such as higher than expected asset returns over the year, a reduction in the future benefit inflation assumptions, a change to the commutation assumption (ROI Staff) and other experience gains over the year.

Foreign currency and comparative reporting

		2020	2019
Translation exposure	Euro:Stg£	£0.872	£0.884
	Euro:US\$	\$1.113	\$1.166

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 year at current year average rates.

The impact of restating currency exchange rates on the results for the year ended 28 February 2019 is as follows:-

	Year ended 28 February 2019 €m	FX Transaction €m	FX Translation €m	Year ended 28 February 2019 Constant currency comparative €m
Revenue				
Matthew Clark and Bibendum	1,156.6	-	15.9	1,172.5
Ireland	318.3	-	0.9	319.2
Great Britain	482.7	-	6.6	489.3
International	39.7	-	1.1	40.8
Total	1,997.3	-	24.5	2,021.8
Net revenue				
Matthew Clark and Bibendum	1,010.5	-	13.9	1,024.4
Ireland	219.2	-	0.6	219.8
Great Britain	306.3	-	4.2	310.5
International	38.9	-	1.0	39.9
Total	1,574.9	-	19.7	1,594.6
Operating profit⁽ⁱ⁾				
Matthew Clark and Bibendum	15.7	-	0.2	15.9
Ireland	40.3	(0.1)	0.1	40.3
Great Britain	42.1	-	0.6	42.7
International	6.4	-	0.1	6.5
Total	104.5	(0.1)	1.0	105.4

Notes to the Finance Review are set out below.

- (i) Before exceptional items.
- (ii) FY2019 comparative adjusted for constant currency (FY2019 translated at FY2020 F/X rates). FY2020 excluding the impact of IFRS 16 *Leases*.
- (iii) Effective tax rate is calculated on the Group's Profit before tax, excluding exceptional items and excluding the share of equity accounted investments' profit after tax.
- (iv) Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please also see note 6 of the consolidated condensed financial statements.
- (v) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €131.4m (2019: €152.6m) inflow in the period. A reconciliation of FCF to net movement in cash per the Consolidated Condensed Cash Flow Statement is set out on page 16.
- (vi) Net debt comprises borrowings (net of issue costs) less cash. Net debt including finance leases comprises borrowings (net of issue costs) less cash plus leases capitalised under IFRS 16 *Leases*.
- (vii) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' profit after tax. A reconciliation of the Group's operating profit to EBITDA is set out on page 16.

Principal risks and uncertainties

During the year, the Audit Committee and the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties represent the principal uncertainties that the Board believes may impact the Group's ability to effectively deliver its strategy and future performance. The register of risks includes the potential impact of COVID-19 which is addressed in greater detail below. The list does not include all risks that the Group faces and it does not list the risks in any order of priority. The actions taken to mitigate the risks cannot provide assurance that other risks will not materialise and adversely affect the operating results and financial position of the Group. These principal risks are incorporated into the modelling activity performed to assess the ability of the Group to continue in operation and meet its liabilities as they fall due.

COVID-19

Prior to the year-end, the emergence of COVID-19 began to have an impact on global economies and on businesses generally. Our primary concern is for the welfare of our people, their families and the communities in which we operate. To that end, we have followed the advice from the respective governments at all times and will continue to do so to protect our people and our operations. This impact has increased significantly since the end of the 2020 financial year on 29 February. Similar to businesses across many sectors and specifically the drinks industry, Government imposed restrictions, while necessary to slow the spread of COVID-19, have had a significant impact on many of the Group's customers, principally the on-trade, as well as the Group's employees, many of whom have been furloughed. Our primary concern is for the welfare of our people, their families and the communities in which we operate. To that end, we have followed the advice from the respective governments at all times and will continue to do so to protect our people and our operations.

The Audit Committee and the Board have assessed the potential impact of COVID-19 on the business; and, worked closely with the executive team to put in place near-term measures to protect the business and its prospects in the best interests of all stakeholders. The Board has added COVID-19 to the register of principal risks and uncertainties; is closely monitoring the development of COVID-19 and the guidance of governments and health authorities; and is overseeing all business continuity actions being undertaken by the Group's management team.

Impact	Mitigation
COVID-19 The Group is exposed to the impact of the recent COVID-19 virus pandemic and the measures taken by governments to minimise the spread and immediate impact of Corona virus. With the Irish and UK governments passing legislation to close pubs, bars, restaurants and clubs, there is a significant risk to our on-trade business and the overall viability of the hospitality industry. Operations may be impacted as staff self-isolate if they or anyone within their homes develop symptoms. In addition, employees may be required to be temporarily or permanently furloughed during the period.	<p>The Group has acted quickly to respond to the emergence of the COVID-19 virus to protect the health and well-being of employees and the interests of all stakeholders; and ensure it is in compliance with local Government and health authority guidelines.</p> <p>The Group has implemented its business continuity planning and restricted all unnecessary access to its operations in line with government and health service guidelines and consistent with industry best-practice. All travel has been suspended unless business critical, gatherings (such as customer tastings) are suspended and visitors are no longer allowed on site. Staff are also not allowed to move between production facilities to minimise exposure risk.</p> <p>The Group is ensuring that all employees who can work from home are doing so. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing.</p> <p>The Group has strengthened its financial position through the drawdown of additional financial resources; and through the diversification of its funding sources.</p> <p>The Group has suspended all unnecessary capital expenditure, reduced marketing spend, reduced other operating costs and implemented a range of working capital controls to protect liquidity including furloughing all non-essential employees.</p> <p>The Group has put in place measures to help affected customers including a three month holiday on capital and interest repayments to loan customers, full credit or "new for old" on un-broached kegs, together with a dedicated helpline to offer advice and guidance</p>

around government support initiatives that have been introduced and how to access them.

The Group will continue to monitor guidance from governments and health authorities and implement measures in line with best practice.

Regulatory and social attitude changes to alcohol

The Group may be adversely affected by changes in government regulations affecting alcohol pricing (including duty), sponsorship or advertising.

The Group and Business Units continue to engage with trade bodies to ensure any proposed changes to legislation and restrictions are appropriate within the industry.

The Group is actively involved in BBPA and also complies with all Portman Group guidance.

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.

The Group is currently developing low alcohol options for brands in order to address legislation and possible duty increases as well as appeal to those consumers looking for a healthier choice.

Economic, political and environmental

Our business, financial results and operations may be adversely affected by economic or political instability and/or uncertainty, in particular relating to the impact of the COVID-19 pandemic.

The Group may also be impacted by the UK's exit from the European Union.

The Group's performance is also impacted by potential recessions, inflation, exchange rates, taxation rates and social unrest.

The Board and management will continue to consider the impact on the Group's businesses, monitor developments and engage with the UK, Irish and Scottish Governments to help ensure a manageable outcome for our businesses.

The Group has taken a number of immediate measures to respond to the impact of the emergence of COVID-19.

Group businesses are active members in respected industry trade bodies including being a steering committee member of the all-party UK Parliamentary Beer Group and the United States Association of Cider Makers.

On an ongoing basis, the Group seeks, where appropriate, to mitigate currency risk through hedging and structured financial contracts and take appropriate action to help mitigate the consequences of any decline in demand within its markets.

Sustainability

Failure to implement policies and meet required sustainability and ethical standards and social perceptions could significantly impact C&C's reputation as well as potentially impact future growth

The Group seeks to operate as efficiently and sustainably as possible. There are objectives in place to continually reduce emissions and become a carbon neutral company by 2025.

The Group is seeking to continually reduce waste levels and also the use of single use plastics. The Group continues to be proactive in conserving water usage and minimising energy usage.

Both Clonmel and Wellpark sites continue to be ISO14001 accredited for an effective environmental management system.

The Group ensures strong overall corporate social responsibility of suppliers is reviewed and assessed both on an ongoing basis and as part of new tenders to ensure sustainability and ethical practices are a fundamental part of the supply chain.

Change in customer and consumer dynamics and Group performance

Consumer preference may change, new competing brands may be launched and competitors may increase their marketing or change their pricing policies. Failure to respond to competition and/or changes in customer preferences could have an adverse impact on

Through diversification, innovation and strategic partnerships, we are developing our product portfolio to enhance our offering of niche and premium products to satisfy changing consumer requirements including the production of low and non-alcoholic variants of our brands.

sales, profits and cash flow within the Group.

COVID-19 may have an impact on the viability of a certain cohort of the Group's customers and on underlying consumer behaviour and preferences.

The Group has a programme of brand investment, innovation and product diversification to maintain and enhance the relevance of its products in the market.

The Group also operates a brand-led model in our core geographies with a comprehensive range to meet consumer needs.

In order to specifically assist customers manage the impact of COVID-19, the Group has introduced a three month holiday on capital and interest repayments to loan customers, full credit or "new for old" on un-broached kegs, together with a dedicated helpline to offer advice and guidance around government support initiatives that have been introduced and how to access them.

People and culture

The Group's performance is dependent on the skills and experience of its high-performing colleagues throughout the business, which could be affected by their loss or the inability to recruit or retain them.

Failure to continue to evolve our culture, diversity and inclusion could impact our reputation and delivery of our strategy.

The Group seeks to mitigate this risk through appropriate remuneration policies and succession planning.

The Group also seeks to ensure good employee relations through engagement and dialogue.

In respect of the impact of COVID-19 on employees, the Group has implemented an extensive range of measures to provide the safest working environment possible for our people.

These measures include reducing all unnecessary access to the Group's operating facilities and ensuring that all employees who can work from home are doing so. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing.

Health and Safety

A health and safety related incident could result in serious injury to the Group's employees, contractors, customers and visitors, which could adversely affect our operations and result in reputational damage, criminal prosecution, civil litigation and damage to the reputation of the Group and its brands.

The emergence of COVID-19 presents a new and specific risk to the health and welfare of the Group's employees.

The Group has a Safety, Health and Environmental (HSE) team who are responsible for ensuring that the Group complies with all environmental, health and safety laws and regulations with ongoing monitoring, reporting and training.

The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover.

The Group has enacted specific business continuity plans and a range of measures to protect the business and the health and well-being of employees including strict safety, hygiene and two metre social distancing measures. The safety and well-being of our employees has been and continues to be our overriding priority. Executive management are monitoring events closely with regular Board oversight evaluating the impact and designing appropriate response strategies.

Product Quality and Safety

The quality and safety of our products is of critical importance and any failure in this regard could result in a recall of the Group's products, damage to brand image and civil or criminal liability.

The COVID-19 virus presents additional risk to the safe production of the Group's products.

The Group has implemented quality control and technical guidelines which are adhered to across all sites. Group Technical continually monitor quality standards and compliance with technical guidelines.

The Group also has quality agreements with all raw material suppliers, setting out our minimum acceptable standards. Any supplies which do not meet the defined standards are rejected and returned.

The Group has enacted specific business continuity plans and a range of measures to protect the business in line with the advice of governments and local health authorities; and ensure the safe production and distribution of the Group's products.

Supply Chain Operations & Costs

Circumstances such as the prolonged loss of a production or storage facility, disruptions to its supply chains or critical IT systems and reduced supply of raw materials may interrupt the supply of the Group's products, adversely impacting results and reputation.

COVID-19 also poses the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities.

Also, there is a risk of increased input costs due to poor harvest and price of inputs.

The Group seeks to mitigate the operational impact of such an event through business continuity plans, which are tested regularly to ensure that interruptions to the business are prevented or minimised and that data is protected from unauthorised access, contingency planning, including involving the utilisation of third party sites and the adoption of fire safety standards and disaster recovery protocols. The Group seeks to mitigate the financial impact of such an event through business interruption and other insurance covers.

The Group has enacted specific business continuity plans including a range of measures to protect the integrity of production and distribution facilities and increased packaging capacity to meet increased take home demand. To date we have maintained strong levels of service into our customer base. We have taken action to ensure our facilities are staffed sufficiently, that our production plans optimise the capacity available at each of our sites and that we prioritise the SKUs that current consumer demand requires. The Group is also working closely with its suppliers to protect the integrity and consistency of supply of raw materials.

The Group seeks to minimise input 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.

Information Systems and Data Security

Failure of our IT infrastructure or key IT systems may result in loss of information, inability to operate effectively, financial or regulatory penalties, loss of financial control and negatively impact our reputation.

Failure to comply with legal or regulatory requirements relating to data security (including cybersecurity) or data privacy in the course of our business activities, may result in reputational damage, fines or other adverse consequences, including criminal penalties and consequential litigation, adverse impact on our financial results or unfavourable effects on our ability to do business.

COVID-19 also poses specific IT risks including the potential for key personnel to contract the virus, the Group's IT support services being unable to discharge their obligations due to the impact of the virus on their own operations or an increase in the number of malicious emails sent to colleagues working from home.

The Group has a number of IT security controls in place including gateway firewalls, intrusion prevention systems, security incident monitoring and virus scanning. Regular communications are sent out to colleagues containing advice on IT security particularly in relation to home working.

The Group's approach is one of ongoing enhancement of controls as threats evolve with the target being to align controls, and in particular to implement any new services or changes to the environment, with reference to the ISO 27001 international standard.

The Group also has a suite of information security policies in place including Data Protection (GDPR) and Electronic Information and Communications.

The Group has enacted specific business continuity plans including co-ordination with key third party IT suppliers and consideration of keyman risk for the Group's IT personnel.

Business growth, integration and change management

As the Group grows through acquisition, it is necessary to adjust to change and assimilate new business cultures. The breadth and pace of change can present strategic and operational challenges.

Business integration and change that are not managed effectively could result in unrealised synergies, poor project governance, poor project delivery, increased staff turnover,

Significant acquisitions have formal leadership and project management teams to deliver integration.

Regular Group communications ensure effective information, engagement and feedback flow to support cultural change.

The Executive Management Team oversees change management and integration risks through regular people, planning and products meetings.

erosion of value and failure to deliver growth.

Compliance with laws and regulations

The Group operates in an environment governed by strict and extensive regulations to ensure the safety and protection of customers, shareholders, employees and other stakeholders. These regulations include hygiene, health and safety, the rules of the London Stock Exchange and competition law. Changing laws and regulation may impact our ability to market or sell certain products or could cause the Group to incur additional costs or liabilities that could adversely affect its business. Moreover, breach of our internal global policies and standards could result in severe damage to our corporate reputation and/or significant financial penalty.

The Group has in place permanent Legal and Compliance functions that ensure the Group is aware of all new regulations and legislation, providing updated documentation, training and communication across the Group.

The Group has a Code of Conduct, which is approved by the Board and supported by a wide range of policies, including Modern Slavery, Anti-Bribery and Corruption and Diversity.

The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management.

Brand and Reputation

The Group faces considerable risk if we are unable to uphold high levels of consumer awareness, retain, attract key associates and sponsorships for our brands and inadequate marketing investment to support our brands.

Maintaining and enhancing brand image and reputation through the creation of strong brand identities is crucial for sustaining and driving revenue and profit growth.

The closure of on-trade outlets and a reduction in the Group's marketing and brand advertising due to COVID-19 may impact the Group's brand health scores.

To mitigate this risk, C&C has defined values and goals for all our brands. These form the foundation of our product and brand communication strategies.

Central to all our brand image initiatives is ensuring clear and consistent messaging to our targeted consumer audience.

Executive Management, Group Legal and internal/external PR consultants work together to ensure that all sponsorship and affiliations are appropriate and protect the position of our brands.

The Group is monitoring the impact of the rapidly changing trading environment on the Group's brands and will make necessary investment decisions to protect the Group's brand health scores and reputation.

Financial and Credit Risks

The Group is subject to a number of financial and credit risks such as adverse exchange and interest rate fluctuations, availability of supplier credit, credit management of customers and possible increase to pension funds deficits and cash contributions.

Non-conformities of accounting and financial controls could impair the accuracy of the data used for internal reporting, decision-making and external communication.

COVID-19 may have an impact on the Group's customers' ability to honour their obligations. COVID-19 may also impact the Group's ability to access supplier credit.

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.

In relation to pensions, continuous monitoring, taking professional advice on the optimisation of asset returns within agreed acceptable risk tolerances and implementing liability-management initiatives.

A range of credit management controls are in place and regularly monitored by management to minimise the risk and exposure.

A range of key internal financial controls, such as segregation of duties, authorisations and detailed reviews are in place with regular monitoring by management to ensure the accuracy of the data for reporting purposes.

The Group is working with all customers and suppliers to minimise the adverse impact of COVID-19 on the business.

Consolidated Condensed Income Statement
For the financial year ended 29 February 2020

	Notes	Year ended 29 February 2020			Year ended 28 February 2019		
		Before exceptional items €m	Exceptional items (note 4) €m	Total €m	Before exceptional items €m	Exceptional items (note 4) €m	Total €m
Revenue	2	2,145.5	-	2,145.5	1,997.3	-	1,997.3
Excise duties		(426.2)	-	(426.2)	(422.4)	-	(422.4)
Net revenue	2	1,719.3	-	1,719.3	1,574.9	-	1,574.9
Operating costs		(1,598.5)	(91.0)	(1,689.5)	(1,470.4)	(7.8)	(1,478.2)
Group operating profit/(loss)	2	120.8	(91.0)	29.8	104.5	(7.8)	96.7
Profit on disposal	4	-	0.9	0.9	-	-	-
Finance income		0.5	-	0.5	0.1	-	0.1
Finance expense		(20.3)	-	(20.3)	(15.7)	-	(15.7)
Share of equity accounted investments' profit/(loss) after tax		3.1	(2.4)	0.7	4.0	(3.3)	0.7
Profit/(loss) before tax		104.1	(92.5)	11.6	92.9	(11.1)	81.8
Income tax (expense)/credit		(12.3)	9.8	(2.5)	(10.8)	1.1	(9.7)
Group profit/(loss) for the financial year		91.8	(82.7)	9.1	82.1	(10.0)	72.1
Attributable to:							
Equity holders of the parent		91.8	(82.7)	9.1	82.3	(10.0)	72.3
Non-controlling interests		-	-	-	(0.2)	-	(0.2)
Group profit/(loss) for the financial year		91.8	(82.7)	9.1	82.1	(10.0)	72.1
Basic earnings per share (cent)	6			2.9			23.4
Diluted earnings per share (cent)	6			2.9			23.4

All of the results are related to continuing operations.

**Consolidated Condensed Statement of Comprehensive Income
For the financial year ended 29 February 2020**

	Notes	2020 €m	2019 €m
Other comprehensive income:			
Items that may be reclassified to Income Statement in subsequent years:			
Foreign currency translation differences arising on the net investment in foreign operations		1.4	13.2
Gain/(loss) relating to cash flow hedges		1.7	(1.8)
Deferred tax relating to cash flow hedges		(0.3)	0.3
Revaluation of property, plant & equipment		1.1	-
Deferred tax on revaluation of property, plant and equipment		(0.1)	-
Share of equity accounted investments' Other Comprehensive Income		3.7	7.1
Items that will not be reclassified to Income Statement in subsequent years:			
Actuarial loss on retirement benefits	10	(4.4)	(3.6)
Deferred tax credit on actuarial loss on retirement benefits		0.7	0.3
Gains transferred to inventory purchased during the year		-	0.4
Net profit recognised directly within Other Comprehensive Income		3.8	15.9
Group profit for the financial year		9.1	72.1
Comprehensive income for the financial year		12.9	88.0
Attributable to:			
Equity holders of the parent		12.9	88.2
Non-controlling interests		-	(0.2)
Comprehensive income for the financial year		12.9	88.0

Consolidated Condensed Balance Sheet
As at 29 February 2020

	Notes	2020 €m	2019 €m
ASSETS			
Non-current assets			
Property, plant & equipment*		223.4	144.5
Goodwill & intangible assets		652.9	683.7
Equity accounted investments		83.9	71.4
Retirement benefits	10	8.8	9.0
Deferred tax assets		11.9	4.0
Trade & other receivables		25.8	25.7
		<u>1,006.7</u>	<u>938.3</u>
Current assets			
Inventories		145.8	184.1
Trade & other receivables		166.0	162.6
Cash		123.4	144.4
		<u>435.2</u>	<u>491.1</u>
TOTAL ASSETS		<u>1,441.9</u>	<u>1,429.4</u>
EQUITY			
Capital and reserves			
Equity share capital		3.2	3.2
Share premium		171.0	152.6
Other reserves		102.4	96.4
Treasury shares		(36.6)	(37.1)
Retained income		315.4	383.7
		<u>555.4</u>	<u>598.8</u>
Equity attributable to equity holders of the parent		<u>555.4</u>	<u>598.8</u>
Non-controlling interests		-	(0.8)
Total Equity		<u>555.4</u>	<u>598.0</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	7	74.4	-
Interest bearing loans & borrowings		323.8	390.8
Retirement benefits	10	16.7	12.2
Provisions		5.1	11.1
Deferred tax liabilities		16.5	16.9
		<u>436.5</u>	<u>431.0</u>
Current liabilities			
Lease liabilities	7	18.9	-
Derivative financial liabilities		0.3	2.0
Trade & other payables		390.7	336.3
Interest bearing loans & borrowings		33.2	55.2
Provisions		4.1	4.6
Current income tax liabilities		2.8	2.3
		<u>450.0</u>	<u>400.4</u>
Total liabilities		<u>886.5</u>	<u>831.4</u>
TOTAL EQUITY & LIABILITIES		<u>1,441.9</u>	<u>1,429.4</u>

* Includes leased right-of-use assets with net carrying amount of €76.7m (see note 7).

**Consolidated Condensed Cash Flow Statement
For the financial year ended 29 February 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2020	2019
		€m	€m
Group profit for the financial year		9.1	72.1
Finance income		(0.5)	(0.1)
Finance expense		20.3	15.7
Income tax expense		2.5	9.7
Profit on share of equity accounted investment		(0.7)	(0.7)
Impairment of intangible asset	4	36.6	-
Impairment of property, plant & equipment	4	1.0	0.4
Depreciation of property, plant & equipment		30.3	13.1
Amortisation of intangible assets		2.5	2.4
Profit on disposal		(0.9)	-
Net profit on disposal of property, plant & equipment		(0.2)	(0.1)
Charge for equity settled share-based payments		2.5	1.9
Pension charged to the Income Statement less pension contributions paid	10	0.3	0.7
		102.8	115.1
Decrease/(increase) in inventories		38.6	(34.2)
(Increase)/decrease in trade & other receivables		(4.8)	137.2
Increase/(decrease) in trade & other payables		51.9	(81.8)
Increase/(decrease) in provisions		1.9	(2.2)
		190.4	134.1
Interest received		0.5	0.1
Interest and similar costs paid		(17.9)	(12.6)
Income taxes paid		(8.0)	(8.6)
Net cash inflow from operating activities		165.0	113.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(15.3)	(19.0)
Purchase of intangible assets		(4.5)	(3.1)
Net proceeds on disposal of property, plant & equipment		0.4	0.1
Proceeds from sale of equity accounted investment	4	6.1	-
Sale of business		(1.0)	-
Cash outflow re acquisition of equity accounted investments		(11.2)	-
Net cash outflow from investing activities		(25.5)	(22.0)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options/equity Interests		0.9	0.2
Drawdown of debt		192.6	736.0
Repayment of debt		(280.7)	(786.2)
Payment of lease liabilities	7	(18.6)	-
Payment of issue costs		(0.5)	(5.0)
Shares purchased to satisfy share options entitlement		(0.5)	(0.2)
Shares purchased under share buyback programme		(23.0)	(1.9)
Dividends paid	5	(29.7)	(36.0)
Net cash outflow from financing activities		(159.5)	(93.1)
Decrease in cash		(20.0)	(2.1)
Reconciliation of opening to closing cash			
Cash at beginning of year		144.4	145.5
Translation adjustments		(1.0)	1.0
Net decrease in cash		(20.0)	(2.1)
Cash at end of financial year		123.4	144.4

A reconciliation of cash to net debt is presented in note 9.

Consolidated Condensed Statement of Changes in Equity
For the financial year ended 29 February 2020

	Equity share capital	Share premium	Other capital reserves*	Cash flow hedge reserve	Share-based payments reserve	Currency translation reserve	Revaluation reserve	Treasury shares	Retained income	Total	Non-controlling interest	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
At 28 February 2019	3.2	152.6	25.7	(1.1)	3.8	57.6	10.4	(37.1)	383.7	598.8	(0.8)	598.0
Adjustment on initial application of IFRS 16, (note 1)	-	-	-	-	-	-	-	-	(6.2)	(6.2)	-	(6.2)
At 1 March 2019 (adjusted)	3.2	152.6	25.7	(1.1)	3.8	57.6	10.4	(37.1)	377.5	592.6	(0.8)	591.8
Profit for the financial year	-	-	-	-	-	-	-	-	9.1	9.1	-	9.1
Other comprehensive income/(expense)	-	-	-	1.4	-	1.4	1.1	-	(0.1)	3.8	-	3.8
Total comprehensive income/(expense)	-	-	-	1.4	-	1.4	1.1	-	9.0	12.9	-	12.9
Dividend on ordinary shares (note 5)	0.1	18.0	-	-	-	-	-	-	(48.1)	(30.0)	-	(30.0)
Exercised share options	-	0.4	-	-	-	-	-	-	-	0.4	-	0.4
Reclassification of share-based payments reserve	-	-	-	-	(0.5)	-	-	-	0.5	-	-	-
Sale of treasury shares/purchases of shares to satisfy employee share entitlements	-	-	-	-	-	-	-	0.5	(0.5)	-	-	-
Shares purchased under share buyback programme and subsequently cancelled	(0.1)	-	0.1	-	-	-	-	-	(23.0)	(23.0)	-	(23.0)
Disposal of Non-controlling interests (note 4)	-	-	-	-	-	-	-	-	-	-	0.8	0.8
Equity settled share-based payments	-	-	-	-	2.5	-	-	-	-	2.5	-	2.5
Total transactions with owners	-	18.4	0.1	-	2.0	-	-	0.5	(71.1)	(50.1)	0.8	(49.3)
At 29 February 2020	3.2	171.0	25.8	0.3	5.8	59.0	11.5	(36.6)	315.4	555.4	-	555.4

* Other capital reserve includes Other undenominated reserve of €0.9m and the capital reserve of €24.9m.

Consolidated Condensed Statement of Changes in Equity - continued
For the financial year ended 28 February 2019

	Equity share capital	Share premium	Other capital reserves*	Cash flow hedge reserve	Share-based payments reserve	Currency translation reserve	Revaluation reserve	Treasury shares	Retained income	Total	Non-controlling interest	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
At 28 February 2018	3.2	143.4	25.7	-	2.1	44.4	10.4	(37.3)	355.0	546.9	-	546.9
Profit/(loss) for the financial year	-	-	-	-	-	-	-	-	72.3	72.3	(0.2)	72.1
Other comprehensive (expense)/income	-	-	-	(1.1)	-	13.2	-	-	3.8	15.9	-	15.9
Total comprehensive (expense)/income	-	-	-	(1.1)	-	13.2	-	-	76.1	88.2	(0.2)	88.0
Dividend on ordinary shares (note 5)	-	9.2	-	-	-	-	-	-	(45.5)	(36.3)	-	(36.3)
Reclassification of share-based payments reserve	-	-	-	-	(0.2)	-	-	-	0.2	-	-	-
Sale of treasury shares/purchase of shares to satisfy employee share entitlements	-	-	-	-	-	-	-	0.2	(0.2)	-	-	-
Shares purchased under share buyback programme and subsequently cancelled	-	-	-	-	-	-	-	-	(1.9)	(1.9)	-	(1.9)
Non-controlling interests arising on acquisition (note 8)	-	-	-	-	-	-	-	-	-	-	(0.6)	(0.6)
Equity settled share-based payments	-	-	-	-	1.9	-	-	-	-	1.9	-	1.9
Total transactions with owners	-	9.2	-	-	1.7	-	-	0.2	(47.4)	(36.3)	(0.6)	(36.9)
At 28 February 2019	3.2	152.6	25.7	(1.1)	3.8	57.6	10.4	(37.1)	383.7	598.8	(0.8)	598.0

* Other capital reserve includes Other undenominated reserve of €0.8m and the capital reserve of €24.9m.

**Notes to the Consolidated Condensed Financial Statements
For the year ended 29 February 2020**

1. Basis of preparation and Accounting policies

The financial information presented in this report has been prepared in accordance with the listing rules of the London Stock Exchange and the accounting policies that the Group has adopted under International Financial Reporting Standards (IFRS) as approved by the EU Commission for the financial year ended 29 February 2020.

Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) Interpretations

The following new standards, interpretations and standard amendments became effective for the Group as of 1 March 2019:

- IFRS 16 *Leases*.
- IFRIC 23 *Uncertainty over Income Tax Treatments*.
- Amendments to IFRS 9 – *Financial Instruments – amended for prepayment features with negative compensation*.
- Amendments to IFRS 11 – *Joint Arrangements – amended for previously held interests in a joint operation*.
- Amendments to IAS 12 – *Income Taxes – amended for tax consequences of payments on financial instruments as equity*.
- Amendments to IAS 19 *Employee Benefits – amended for plan amendments, curtailments and settlements*.
- Amendments to IAS 23 *Borrowing Costs – amended for borrowing costs eligible for capitalisation*.
- Amendments to IAS 28 – *Investments in associates and joint ventures – amended for long-term interests in associates and joint ventures*.
- Annual Improvements to IFRSs: 2015 – 2017 Cycle – Amendments to IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 23 *Borrowing Costs*.

The new standards, interpretations and standard amendments did not result in a material impact on the Group's results, with the exception of IFRS 16 *Leases* which is detailed below.

IFRS 16 Leases

IFRS 16 *Leases* replaces IAS 17 *Leases*. The Group adopted IFRS 16 from 1 March 2019 by applying the modified retrospective approach. Under this method, the impact of the standard is calculated retrospectively, however, the cumulative effect arising from the new leasing rules is recognised in the opening balance sheet at the date of initial application. Accordingly, the comparative information presented for FY2019 has not been restated. As part of the initial application of IFRS 16, the Group choose to apply the relief option, which allows it to adjust the right-of-use asset by the amount of any provision for onerous leases recognised in the Balance Sheet immediately before the date of initial application. The Group recognises the right-of-use asset at the date of initial application at its carrying amount as if the Standard has been applied since the lease commencement date, but discounted using the incremental borrowing rate at the date of initial application, for the top twenty-five largest leases by lease liability value. The remaining leases recognise the right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Consolidated Balance Sheet immediately before the date of initial application. The Group applied the recognition exemption for both short-term leases and leases of low value assets.

The adoption of IFRS 16 *Leases* had a material impact on the Consolidated Condensed Financial Statements and certain key financial metrics, which is quantified in the table below:

Primary statement line item / financial metric / alternative performance measure

	Year ended 29 February 2020
	€m
Consolidated Condensed Income Statement	
EBITDA	+21.7
Depreciation	+17.3
Operating profit	+4.4
Finance costs	+3.5
Profit before tax	+0.9
Income tax expense	+0.3
Basic EPS (cent)	+0.1c
Adjusted diluted EPS (cent)	+0.2c

		As at 1 March 2019
		€m
Consolidated Condensed Balance Sheet	Property, plant & equipment	+81.9
	Lease liabilities; net debt	+99.6
	Provisions (onerous leases)	-8.5
	Retained earnings	-6.2
	Deferred tax asset	+1.5
	Accruals	-2.1
	Prepayments	-0.6
		Year ended 29 February
		2020
		€m
Consolidated Condensed Statement of Cash Flows	Operating cash flow	+18.6
	Cash flows from financing activities	-18.6
	Free cash flow	+18.6
	Free cash flow conversion ratio	-1.5%
	Free cash flow conversion ratio excluding exceptional cash outflow	-2.5%

Income Statement

Operating costs (excluding depreciation) have decreased by €21.7m, as the Group previously recognised operating lease expenses in operating costs. Depreciation has increased due to the capitalisation of a right-of-use asset which is depreciated over the term of the lease and finance costs have increased due to associated finance costs applied annually to the lease liability.

Certain lease payments which do not meet the criteria for capitalisation continue to be recorded as an expense within operating costs. The amount recognised within operating costs relating to short term leases was €2.1m for the year ended 29 February 2020.

Adopting IFRS 16 does not change the overall cash flows. Where the life of the right-of-use asset is deemed to be equal to the lease term, the total effect of IFRS 16 on the Consolidated Income Statement will be neutral over the life of the lease.

Balance Sheet

The Group has identified the lease payments outstanding and has applied the appropriate discount rate to calculate the present value of the lease liability and right-of-use asset recognised on the Consolidated Balance Sheet. The discount rates applied were arrived at using a methodology to calculate the incremental borrowing rates across the Group. The weighted average incremental borrowing rate applied to lease liabilities on the Consolidated Balance Sheet was 4.07% at 1 March 2019.

There is no effect on the Group's existing banking covenants as a result of implementing IFRS 16 which are calculated on a pre-adoption basis.

A reconciliation of the operating lease commitment previously reported under IAS 17 to the discounted liability as at 1 March 2019 under IFRS 16 Leases is as follows:

	As at 1 March 2019
	€m
Operating lease commitment under IAS 17	116.0
Other lease payments not included in discounted lease liability under IFRS 16*	(2.1)
Undiscounted lease liability under IFRS 16	113.9
Less impact of discounting	(14.3)
Discounted lease liability under IFRS 16	99.6

* Other lease payments not included in discounted lease liability under IFRS 16 include payments related to short-term leases which were included in operating lease commitment under IAS 17 but are exempt from capitalisation under IFRS 16.

Statutory accounts

The financial information prepared in accordance with IFRS as adopted by the European Union included in this report does not constitute the statutory financial statements for the purposes of Chapter 4 of Part 6 of the Companies Act 2014. Full statutory accounts for the year ended 29 February 2020 prepared in accordance with IFRS, upon which the auditors have given an unqualified report, have not yet been filed with the Registrar of Companies. Full accounts for the year ended 28 February 2019, prepared in accordance with IFRS and containing an unqualified audit report have been delivered to the Registrar of Companies.

The information included has been extracted from the Group's financial statements, which have been approved by the Board of Directors on 3 June 2020.

Reporting Currency

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:-

	2020	2019
Balance Sheet (Euro : Sterling closing rate)	0.853	0.858
Income Statement (Euro : Sterling average rate)	0.872	0.884
Balance Sheet (Euro : USD closing rate)	1.098	1.142
Income Statement (Euro : USD average rate)	1.113	1.166

2. Segmental analysis

The Group's business activity is the manufacturing, marketing and distribution of branded beer, cider, wine, spirits, soft drinks and bottled water. Four operating segments have been identified in the current and prior financial year; Ireland, Great Britain, International and Matthew Clark and Bibendum ("MCB").

The Group continually reviews and updates the manner in which it monitors and controls its financial operations resulting in changes in which information is classified and reported to the Chief Operating Decision Maker ("CODM"). The CODM, identified as the executive Directors, assesses and monitors the operating results of segments separately via internal management reports in order to effectively manage the business and allocate resources. Due to the acquisition of MCB on the 4 April 2018, an additional operating segment was identified in the prior financial year. MCB is run independently with its own Management team and its results are reviewed by the CODM independently of any other element of the Group's business.

The identified business segments are as follows:-

(i) Ireland

This segment includes the financial results from sale of own branded products on the Island of Ireland, principally Bulmers, Outcider, Tennent's, Magners, Clonmel 1650, Five Lamps, Heverlee, Roundstone Irish Ale, Linden Villiage, Dowd's Lane traditional craft ales, Finches and Tipperary Water. It also includes the financial results from beer, wines and spirits distribution, wholesaling, the results from sale of third party brands as permitted under the

terms of a distribution agreement with AB InBev and production and distribution of some private label third party brands.

(ii) Great Britain

This segment includes the results from sale of the Group's own branded products in Scotland, England and Wales, with Tennent's, Magners, Heverlee, Caledonia Best, Blackthorn, Olde English, Chaplin & Cork's, Orchard Pig and K Cider the principle brands. It also includes the financial results from AB InBev beer distribution in Scotland, third party brand distribution and wholesaling in Scotland, the distribution of the Italian lager Menabrea, the American lager Pabst, the Chinese beer Tsingtao and the production and distribution of some private label and third party brands.

(iii) International

This segment includes the results from sale of the Group's cider and beer products, principally Magners, Gaymers, Woodchuck, Wyders, Blackthorn, Hornsby's and Tennent's in all territories outside of Ireland and Great Britain. It also includes the production, sale and distribution of some private label and third party brands.

(iv) Matthew Clark and Bibendum ("MCB")

This segment includes the results from the Matthew Clark and Bibendum businesses. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 13,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark also has a number of exclusive distribution agreements for third party products (mainly wines) into the UK market and also has a limited range of own brand wines. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

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.

(a) Analysis by reporting segment

	2020			2019		
	Revenue	Net revenue	Operating profit	Revenue	Net revenue	Operating profit
	€m	€m	€m	€m	€m	€m
Ireland	327.1	227.7	40.5	318.3	219.2	40.3
Great Britain	516.9	334.1	44.9	482.7	306.3	42.1
International	38.8	37.9	6.4	39.7	38.9	6.4
Matthew Clark and Bibendum (MCB)	1,262.7	1,119.6	29.0	1,156.6	1,010.5	15.7
Total before exceptional items	2,145.5	1,719.3	120.8	1,997.3	1,574.9	104.5
Exceptional items (note 4)	-	-	(91.0)	-	-	(7.8)
Group operating profit	-	-	29.8	-	-	96.7
Profit on disposal	-	-	0.9	-	-	-
Finance income	-	-	0.5	-	-	0.1
Finance expense	-	-	(20.3)	-	-	(15.7)
Share of equity accounted investments' profit after tax before exceptional items	-	-	3.1	-	-	4.0
Share of equity accounted investments' exceptional items (note 4)	-	-	(2.4)	-	-	(3.3)
Total	2,145.5	1,719.3	11.6	1,997.3	1,574.9	81.8

Of the exceptional items in the current year of €91.0m, €7.2m relates to Ireland, €27.7m relates to Great Britain, €39.8m relates to International, €16.2m relates to MCB and €0.1m is unallocated as it does not relate to any particular segment. Of the exceptional items in the prior year of €7.8m, €0.8m related to Ireland, €1.1m related to Great Britain, €5.2m related to MCB, €0.2m related to International and €0.5m is unallocated as it does not relate to any particular segment.

Profit on disposal of €0.9m in the current financial year; €2.6m relates to the profit on disposal included within International offset by a loss with respect to the sale of Peppermint within MCB of €1.7m.

The share of equity accounted investments' profit after tax before exceptional items of €3.1m relates to Great Britain. In the prior financial year, the share of equity accounted investments' profit after tax of €4.0m related to Great Britain €3.9m and International €0.1m. The share of equity accounted investments' exceptional items of €2.4m relates to Great Britain (2019: €3.3m related to Great Britain).

Total assets for the year ended 29 February 2020 amounted to €1,441.9m (2019: €1,429.4m).

(b) Other operating segment information

	2020		2019	
	Tangible and intangible expenditure €m	Depreciation/amortisation/impairment €m	Tangible and intangible expenditure €m	Depreciation/amortisation/impairment €m
Ireland	8.5	5.4	6.0	7.6
Great Britain	6.7	12.2	10.2	4.4
International	1.2	39.5	1.8	1.3
Matthew Clark and Bibendum	3.4	13.3	4.1	2.6
Total	19.8	70.4	22.1	15.9

(c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2020 €m	2019 €m	2020 €m	2019 €m
Ireland	327.1	318.3	227.7	219.2
Great Britain	1,779.6	1,639.3	1,453.7	1,316.8
International	38.8	39.7	37.9	38.9
Total	2,145.5	1,997.3	1,719.3	1,574.9

The geographical analysis of revenue and net revenue is based on the location of the third party customers.

(d) Geographical analysis of non-current assets

	Ireland €m	Great Britain €m	International €m	Total €m
29 February 2020				
Property, plant & equipment*	73.6	136.5	13.3	223.4
Goodwill & intangible assets	158.5	469.2	25.2	652.9
Equity accounted investments	0.4	83.3	0.2	83.9
Total	232.5	689.0	38.7	960.2

* Includes IFRS 16 Leases in the current financial year of €76.7m (note 7).

	Ireland €m	Great Britain €m	International €m	Total €m
28 February 2019				
Property, plant & equipment	64.2	65.5	14.8	144.5
Goodwill & intangible assets	159.2	466.4	58.1	683.7
Equity accounted investments	0.3	67.6	3.5	71.4
Total	223.7	599.5	76.4	899.6

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 acquisition.

(e) Disaggregated net revenue

In the following table, net revenue is disaggregated by primary geographic market and by principal activities and products. Geography is the primary basis on which management reviews its businesses across the Group.

Principal activities and products – Net revenue

	Ireland €m	Great Britain €m	International €m	Total €m
29 February 2020				
Own brand alcohol	85.1	161.9	34.5	281.5
Matthew Clark and Bibendum	-	1,119.6	-	1,119.6
Other sources*	142.6	172.2	3.4	318.2
Total Group from continuing operations	227.7	1,453.7	37.9	1,719.3

* Other sources include wholesale (excluding MCB), own label, contracts and non-alcoholic beverages (NABs) revenues.

	Ireland €m	Great Britain €m	International €m	Total €m
28 February 2019				
Own brand alcohol	90.6	155.5	35.7	281.8
Matthew Clark and Bibendum	-	1,010.5	-	1,010.5
Other sources*	128.6	150.8	3.2	282.6
Total Group from continuing operations	219.2	1,316.8	38.9	1,574.9

* Other sources include wholesale (excluding MCB), own label, contracts and non-alcoholic beverages (NABs) revenues.

3. Cyclicalities of operations

Under a normal trading environment, C&C (excluding Matthew Clark and Bibendum) brands within our portfolio, particularly our cider brands, tend to have higher consumption during the summer months, which fall within the first half of our financial year. In addition, external factors such as weather and significant sporting events, which traditionally take place in the summer months, will have a greater impact on our first half trading. Accordingly, trading profit is usually higher in the first half than in the second.

For Matthew Clark and Bibendum, the most important trading year in terms of sales, profitability and cash flow has been the Christmas season, in which case the second half of the year will have a greater impact on our distribution business.

Operating profit, before exceptional items and the impact of IFRS 16 Leases, for the financial year ended 29 February 2020 was split H1: 55% and H2: 45%.

The impact of COVID-19 will distort results for the Group's financial year ending 28 February 2021.

4. Exceptional items

	2020	2019
	€m	€m
Operating costs		
COVID-19 (a)	(47.6)	-
Impairment of intangible assets (b)	(34.2)	-
Contract termination (c)	(4.4)	-
Restructuring costs (d)	(3.0)	(5.3)
Impairment of property, plant & equipment (e)	(1.0)	(0.4)
Acquisition related expenditure (f)	(0.2)	(2.1)
Other (g)	(0.6)	-
Operating profit exceptional items	(91.0)	(7.8)
Profit on disposal (h)	0.9	-
Share of equity accounted investments' exceptional items (i)	(2.4)	(3.3)
Loss before tax	(92.5)	(11.1)
Income tax credit (j)	9.8	1.1
Total loss after tax	(82.7)	(10.0)

(a) COVID-19

The Group has accounted for the COVID-19 pandemic as an adjusting event in the current financial year and has incurred an exceptional charge of €47.6m at 29 February 2020 in this regard. In light of the closure of on-trade premises in both Ireland and the UK, the Group reviewed its recoverability of its debtor book and advances to customers and booked an expected credit loss provision directly associated with COVID-19 of €19.4m and €5.8m respectively. The Group also reviewed its stock balances and in particular stock that was due to expire in the short to medium term and booked a provision of €10.6m. The balance of €11.8m relates to trade and marketing contracts now deemed to be onerous of €9.4m and the write off of an IT intangible asset where the project will now not be completed, as a direct consequence of COVID-19, of €2.4m.

(b) Impairment of intangible assets

To ensure that goodwill and brands considered to have an indefinite useful economic life are not carried at above their recoverable amount, impairment reviews are performed annually or more frequently if there is an indication that their carrying amount(s) may not be recoverable, comparing the carrying value of the assets with their recoverable amount using value-in-use computations.

With regard to the Group's North America segment and in particular the Woodchuck suite of brands, the projected cash flows no longer supported the carrying value of the brand and an impairment of €34.1m was taken at 29 February 2020. Despite some signs of volume growth last summer on the back of innovation launches, the Woodchuck brands continue to struggle in an ever more crowded market place. The overall Cider category remains under pressure and is declining in value terms. The success of the relatively new Hard Seltzers' category in particular has squeezed other categories and resulted in less space being made available for our brands. In the short and medium term the outlook is not positive for growth in Cider in the US and the COVID-19 crisis and linked restrictions has further restricted our ability to innovate and trade our way back to sustainable profit growth.

An impairment of €0.1m was taken with respect of the Group's Matthew Clark and Bibendum cash generating unit directly attributable to a discontinued brand.

(c) Contract termination

During the current financial year, the Group terminated a number of its long term apple contracts incurring a cost of €4.4m. These apple contracts were deemed surplus to requirements.

(d) Restructuring costs

Restructuring costs of €3.0m were incurred in the current financial year. These costs were primarily relating to severance costs arising from the acquisition and subsequent integration of Matthew Clark and Bibendum of €2.3m. Restructuring costs of €0.5m related to the centralisation of accounting services. Other restructuring initiatives across the Group in the current financial year resulted in a further charge of €0.2m.

In the prior financial year, restructuring costs of €5.3m were incurred primarily relating to severance costs arising from the acquisition and subsequent integration of Matthew Clark and Bibendum and the previously acquired Orchard Pig into the Group, of €3.4m and €0.5m respectively. Other restructuring initiatives across the Group in the prior financial year resulted in a further charge of €1.4m.

(e) Impairment of property, plant & equipment

Property comprising land & buildings and plant & machinery are valued at fair value on the Balance Sheet and reviewed for impairment on an annual basis. During the current financial year, the Group engaged external valuers to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow), Vermont (USA) and Portugal sites, along with the Group's various Depots. Using the valuation methodologies, this resulted in a net revaluation loss of €1.0m accounted for in the Income Statement and a net gain of €1.1m accounted for within Other Comprehensive Income.

In the prior financial year, the Group took the decision to impair an element of its IT system at a cost of €0.4m which had become redundant following a system upgrade.

(f) Acquisition related expenditure

During the current financial year, the Group incurred €0.2m of costs associated with a previous acquisition.

During the prior financial year, the Group incurred €2.1m of acquisition and integration related costs, primarily with respect to professional fees associated with the acquisition and subsequent integration of Matthew Clark and Bibendum into the Group.

(g) Other

Other costs of €0.6m were incurred during the current financial year with respect to incremental costs related to the dual running of warehouse management systems in Scotland due to system implementation delays.

(h) Profit on disposal

During the current financial year, the Group disposed of its equity accounted investment in a Canadian company for cash proceeds of €6.1m, realising a profit of €2.6m on disposal. Also during the current financial year, the Group disposed of its investment and non-controlling interest in Peppermint Events Limited at a loss of €1.7m.

(i) Share of equity accounted investments' exceptional items

Property within Admiral Taverns are valued at fair value on the Balance Sheet, the result of the fair value exercise at 29 February 2020 resulted in a revaluation loss (the Group's share of this loss equated to €2.7m) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €3.7m) accounted for within Other Comprehensive Income. Also during the current financial year, the Group invested a further €10.7m which gave rise to capital duties to be expensed in relation to the acquisition (the Group's share of this expense was €2.9m). This was offset by recognition of the Group's share of an adjustment made by the investee to recognise a higher deferred tax asset in respect of timing differences on fixed assets in respect of prior years (the Group's share of this gain was €3.2m).

In the prior financial year, the result of the fair value exercise at 28 February 2019 resulted in a revaluation loss (the Group's share of this loss equated to €3.3m) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €7.1m) accounted for within Other Comprehensive Income.

(j) Income tax credit

The tax credit in the current financial year with respect to exceptional items amounted to €9.8m (2019: €1.1m).

5. Dividends

	2020 €m	2019 €m
Dividends paid:		
Dividends charged to the Consolidated Condensed Income Statement:		
Final: paid 9.98c per ordinary share in July 2019 (2019: 9.37c paid in July 2018)	30.8	28.8
Interim: paid 5.50c per ordinary share in December 2019 (2019: 5.33c paid in December 2018)	17.3	16.7
Total equity dividends	48.1	45.5
Settled as follows:		
Paid in cash	29.7	36.0
Scrip dividend	18.1	9.2
Accrued with respect of LTIP 2015 (Part 1) dividend entitlements	0.3	0.3
	48.1	45.5

In order to achieve better alignment of the interest of share based remuneration award recipients with the interests of shareholders, shareholder approval was given at the 2012 AGM to a proposal that awards made and that vest under the LTIP 2015 (Part I) incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends during the vesting period. An amount of €0.3m (2019: €0.3m) was accrued during the current financial year in this regard.

The Directors have decided that due to the Group's focus on cash conservation in the current environment of COVID-19, no final dividend has been proposed (2019: 9.98 cent). Total dividend for the year is therefore 5.50 cent per share (2019: 15.31 cent).

Total dividends of 15.48 cent per ordinary share were recognised as a deduction from the retained income reserve in the year ended 29 February 2020 (2019: 14.70 cent).

Final dividends on ordinary shares are recognised as a liability in the financial statements only after they have been approved at an Annual General Meeting of the Company. Interim dividends on ordinary shares are recognised when they are paid.

6. Earnings per ordinary share

Denominator computations

	2020	2019
	Number	Number
	'000	'000
Number of shares at beginning of year	320,354	317,876
Shares issued in lieu of dividend	4,624	3,055
Shares issued in respect of options exercised	142	-
Share buyback and subsequent cancellation	(5,625)	(577)
Number of shares at end of year	319,495	320,354
Weighted average number of ordinary shares (basic)*	308,906	308,460
Adjustment for the effect of conversion of options	1,690	1,075
Weighted average number of ordinary shares, including options (diluted)	310,596	309,535

* Excludes 10.8m treasury shares (2019: 10.9m)

Profit attributable to ordinary shareholders

	2020	2019
	€m	€m
Group profit for the financial year	9.1	72.1
Loss attributable to non-controlling interest	-	0.2
Profit attributable to equity holders of the parent	9.1	72.3
Adjustments for exceptional items, net of tax (note 4)	82.7	10.0
Earnings as adjusted for exceptional items, net of tax and non-controlling interest	91.8	82.3
Basic earnings per share	Cent	Cent
Basic earnings per share	2.9	23.4
Adjusted basic earnings per share	29.7	26.7
Diluted earnings per share		
Diluted earnings per share	2.9	23.4
Adjusted diluted earnings per share	29.6	26.6

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and accounted for as treasury shares (at 29 February 2020: 10.8m shares; at 28 February 2019: 10.9m shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive 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. 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 as at the end of the reporting period (175,492 at 29 February 2020 and 1,222,812 at 28 February 2019). 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.

7. Leases

The Group adopted IFRS 16 *Leases* from 1 March 2019 and has lease contracts for various items of freehold land & buildings, plant & machinery and motor vehicles & other equipment. Set out below are the carrying amounts of right-of-use assets (included under property, plant & equipment) recognised and the movements during the year:

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Leased right-of-use assets				
At 1 March 2019, net carrying amount	40.1	1.7	40.1	81.9
Translation adjustment	0.3	-	0.2	0.5
Additions	1.4	-	10.7	12.1
Disposals	(0.5)	-	-	(0.5)
Depreciation charge for year	(6.1)	(0.4)	(10.8)	(17.3)
At 29 February 2020	35.2	1.3	40.2	76.7
Lease liabilities				
At 1 March 2019, net carrying amount	(55.3)	(1.7)	(42.6)	(99.6)
Translation adjustment	(0.3)	-	(0.2)	(0.5)
Addition to lease liability	(1.4)	-	(10.7)	(12.1)
Disposals	0.5	-	-	0.5
Payments*	9.5	0.4	12.1	22.0
Discount unwinding	(2.3)	-	(1.3)	(3.6)
At 29 February 2020	(49.3)	(1.3)	(42.7)	(93.3)
Lease liabilities classified within:				
Current liabilities				(18.9)
Non-current liabilities				(74.4)
				(93.3)

* Payments are apportioned between finance charges €3.4m and payment of lease liabilities of €18.6m in the Consolidated Condensed Cash Flow Statement.

The table below shows a maturity analysis of the discounted and undiscounted lease liability arising from the Group's leasing activities. The projections are based on the foreign exchange rates at the end of the relevant financial year and on interest rates (discounted projections only) applicable to the lease portfolio.

	As at 29 February 2020	
	Discounted	Undiscounted
	€m	€m
Within one year	(18.9)	(22.6)
Between one and two years	(18.4)	(21.6)
Between two and three years	(14.9)	(17.4)
Between three and four years	(9.7)	(11.8)
Between four and five years	(7.4)	(9.0)
After five years	(24.0)	(27.9)
Total	(93.3)	(110.3)

The Group avails of the exemption from capitalising lease costs for short-term leases and low-value assets where the relevant criteria are met. The following lease costs have been charged to the Consolidated Condensed Income Statement as incurred:

	2020
	€m
Expense related to Short-term leases (included within operating costs)	2.1
Total	2.1

8. Business combinations and non-controlling interests

Year ended 29 February 2020

In the current financial year, the Group disposed of its investment and non-controlling interest in Peppermint Events Limited which it acquired in the prior financial year as part of the acquisition of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiaries as outlined in further detail below (together "Matthew Clark and Bibendum"). A loss of €1.7m was incurred on disposal (note 4).

On disposal of Peppermint Events Limited the Group reversed the adjustment to Goodwill amounting to €0.6m for non-controlling interest.

Year ended 28 February 2019

On 4 April 2018, the Group acquired the entire share capital of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiary businesses, Catalyst, Peppermint (61% holding), Elastic and Walker & Wodehouse (together "Matthew Clark and Bibendum") for cash consideration of £1. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 13,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark also has a number of exclusive distribution agreements for third party products (mainly wines) into the UK market and also has a limited range of own brand wines. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

The Group had a non-controlling interest with respect to Peppermint, in which it had a 61% holding.

As outlined in the table below, the Group has recognised the non-controlling interest's proportionate share of net assets acquired, in which the carrying value approximates fair value.

Matthew Clark and Bibendum

The identifiable net assets acquired, including adjustments to final fair values were as follows:

	Initial value assigned	Adjustment to initial fair value	Revised final fair value
	€m	€m	€m
ASSETS			
Non-current assets			
Goodwill*	-	103.5	103.5
Property, plant & equipment	4.3	-	4.3
Brands	-	16.9	16.9
Intangible assets	2.2	8.1	10.3
Deferred tax assets	2.3	-	2.3
Total non-current assets	8.8	128.5	137.3
Current assets			
Cash	-	-	-
Inventories	61.2	-	61.2
Trade & other receivables	196.2	-	196.2
Current income tax assets	6.3	-	6.3
Current assets	263.7	-	263.7
LIABILITIES			
Trade & other payables	(274.3)	-	(274.3)
Borrowings	(116.5)	-	(116.5)
Provisions	(5.9)	-	(5.9)
Deferred tax liabilities	-	(4.3)	(4.3)
Total liabilities	(396.7)	(4.3)	(401.0)
Net identifiable (liabilities)/assets acquired	(124.2)	124.2	-
Non-controlling interest/adjustment to goodwill*	0.6	(0.6)	-
Equity holder of the parent (liabilities)/assets acquired	(124.8)	124.8	-
Total	(124.2)	124.2	-
Satisfied by:			
Cash consideration	-	-	-

* Total goodwill attributable to the equity holders of the parent on acquisition was €102.9m (€103.5m gross less non-controlling interest of €0.6m)

The principle factor contributing to the recognition of goodwill on acquisition entered into by the Group is the realisation of cost savings and other synergies with existing entities in the Group, which do not qualify for separate recognition as intangible assets. The acquired brands, were valued at fair value on the date of acquisition in accordance with IFRS 3 *Business Combinations* by independent professional valuers. The brands identified as part of the acquisition were predominately the Matthew Clark and Bibendum brands. The deferred tax adjustment is recognised with respect to these intangible assets.

Post-acquisition impact

The post-acquisition impact of acquisitions completed during the prior financial year on Group's prior year results was as follows:

	2019 €m
Revenue	1,156.6
Operating profit	15.7

The acquisition was completed on 4 April 2018, Operating profit of the Group for the financial year ended 28 February 2019 determined in accordance with IFRS as though the acquisition effected during the period had been at the beginning of the period would not have been materially different. The revenue of the Group for the financial year ended 28 February 2019 determined in accordance with IFRS as though the acquisition effected during the period had been at the beginning of the period would have been as follows:

	FY2019 acquisitions €m	C&C Group excluding FY2019 acquisitions €m	Pro-forma consolidated Group €m
Revenue	1,287.2	840.7	2,127.9

The gross contractual value of trade and other receivables as at the date of acquisition amounted to €196.2m. The fair value of these receivables is €196.2m, all of which is expected to be recoverable.

9. Analysis of net debt

	1 March 2019 €m	Translation adjustment €m	Additions/ Disposals €m	Cash flow, net €m	Non-cash changes €m	29 February 2020 €m
Interest bearing loans & borrowings	(446.0)	1.8	-	88.6	(1.4)	(357.0)*
Cash	144.4	(1.0)	-	(20.0)	-	123.4
Net debt excluding leases	(301.6)	0.8	-	68.6	(1.4)	(233.6)
Lease liabilities (note 7)**	(99.6)	(0.5)	(11.6)	22.0	(3.6)	(93.3)
Net debt including leases	(401.2)	0.3	(11.6)	90.6	(5.0)	(326.9)

* Interest bearing loans & borrowings at 29 February 2020 are net of unamortised issue costs of €3.7m.

** All leases capitalised under IFRS 16 have been included as lease liabilities in FY2020.

	1 March 2018 €m	Translation adjustment €m	Debt arising on acquisition €m	Cash flow, net €m	Non-cash changes €m	28 February 2019 €m
Interest bearing loans & borrowings	(383.1)	(0.5)	(116.5)	55.2	(1.1)	(446.0)*
Cash	145.5	1.0	-	(2.1)	-	144.4
	(237.6)	0.5	(116.5)	53.1	(1.1)	(301.6)

* Interest bearing loans & borrowings at 28 February 2019 are net of unamortised issue costs of €4.6m.

The non-cash changes to the Group's interest bearing loans & borrowings in the current financial year relate to the amortisation of issue costs of €1.4m (2019: €1.1m). The non-cash changes for the Group's lease liabilities in the current financial year relate to discount unwinding.

Borrowing facilities

The Group manages its borrowing requirements by entering into committed loan facility agreements.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank, and Ulster Bank.

During the current financial year, the Group availed of an option within the Group's multi-currency revolving loan facility agreement to extend the tenure for a further 364 days from termination date. The multi-currency facility agreement is therefore now repayable in a single instalment on 11 July 2024. The Euro term loan is repayable in instalments, with the last instalment payable on 12 July 2021.

Post year end, in March 2020, the Group completed the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end in addition to a waiver of a July 2020 repayment which now becomes payable with the last instalment in July 2021. The Group also received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF') scheme. The Group had not drawn down on this facility as at 3 June 2020.

Under the terms of the multi-currency facility and the Euro term loan, the Group must pay a commitment fee based on 35% 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 has further financial indebtedness of €17.6m at 29 February 2020 (2019: €29.1m), which is repayable by instalments with the last instalment payable on 3 April 2021. The Group pays variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%.

The Euro term loan and multi-currency revolving facilities 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 €200m, subject to agreeing the terms and conditions with the lenders. At 29 February 2020 the Group had €343.1m drawn down from the term loan and multi-currency revolving facilities (2019: €421.5m) and €17.6m from its non-bank financial indebtedness (2019:€29.1m).

All bank loans drawn under the Group's Euro term loan and multi-currency revolving loan facility are unsecured and rank pari passu. All borrowings of the Group are guaranteed by a number of the Group's subsidiary undertakings. The Euro term loan and multi-currency facilities agreement allows the early repayment of debt without incurring additional charges or penalties.

All borrowings of the Group at 29 February 2020 are repayable in full on change of control of the Group.

Covenants

The Group's Euro term loan and multi-currency debt facility incorporates the following 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 a half-year date falling in August 2018 and February 2019 will not exceed 3.75:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2019 and thereafter will not exceed 3.5:1

The Group also has covenants with respect to its non-bank financial indebtedness:

- 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 a half-year date will not exceed 3.5:1

The Group complied with all covenants at each reporting date in the current and prior financial year. The Group has received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

There is no effect on the Group's covenants as a result of implementing IFRS 16 *Leases* in the current financial year as all covenants are calculated on a pre IFRS 16 adoption basis.

10. Retirement benefits

The Group operates a number of defined benefit pension schemes for certain employees, past and present, in the Republic of Ireland (ROI) and in Northern Ireland (NI), 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 March 2006 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 Consolidated Condensed Income Statement.

The defined benefit pension scheme assets are held in separate trustee administered funds to meet long-term pension liabilities to past and present employees. The trustees of the funds are required to act in the best interest of the funds' beneficiaries. The appointment of trustees to the funds is determined by the schemes' trust documentation. The Group has a policy in relation to its principal staff pension fund that members of the fund should nominate half of all fund trustees.

There are no active members remaining in the Group's executive defined benefit pension scheme (2019: no active members) while there are 55 active members (2019: 57 active members), representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme and 2 active members in the NI defined benefit pension scheme (2019: 3 active members).

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. The most recent actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

The funding requirements in relation to the Group's ROI defined benefit pension schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. Arising from the formal actuarial valuations of the Group's staff defined benefit pension scheme, the Group has committed to contributions of 27.5% of pensionable salaries. There is no funding requirement with respect to the Group's ROI executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to any surplus remaining in these schemes in the event the scheme concludes.

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

	€m
Net deficit at 1 March 2019	(3.2)
Employer contributions paid	0.4
Charge to Other Comprehensive Income	(4.4)
Charge to Income Statement	(0.7)
Net pension deficit at 29 February 2020	(7.9)

The increase in the deficit from €3.2 million at 28 February 2019 to a deficit of €7.9 million at 29 February 2020 is primarily due to an actuarial loss of €4.4 million over the year. The actuarial loss was driven by the reduction in the discount rates used to value the pension benefit obligation. The impact of the reduction in discount rates was partially offset by other actuarial gains such as higher than expected asset returns over the year, a reduction in the future benefit inflation assumptions, a change to the commutation assumption (ROI Staff) and other experience gains over the year.

11. Related parties

The principal related party relationships requiring disclosure under IAS 24 *Related Party Disclosures* pertain to the existence of subsidiary undertakings and equity accounted investments, transactions entered into by the Group

with these subsidiary undertakings and equity accounted investments and the identification and compensation of, and transactions with key management personnel.

Transactions

Transactions between the Group and its related parties are made on terms equivalent to those that prevail in arm's length transactions.

Subsidiary undertakings

The Consolidated Condensed Financial Statements include the financial statements of the Company and its subsidiaries. Sales to and purchases from subsidiary undertakings, together with outstanding payables and receivables, are eliminated in the preparation of the Consolidated Condensed Financial Statements in accordance with IFRS 10 *Consolidated Financial Statements*.

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

	Joint ventures		Associates	
	2020	2019	2020	2019
	€m	€m	€m	€m
Net revenue	1.7	0.9	0.5	0.6
Trade & other receivables	0.4	0.2	-	-
Purchases	0.7	0.6	0.8	0.1
Trade & other payables	-	-	0.3	-
Loans	1.6	1.6	1.1	3.0

All outstanding trading balances with equity accounted investments, which arose from arm's length transactions, are to be settled in cash within 60 days of the reporting date.

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, permanent health insurance (or reimbursement of premiums paid into a personal policy) and death in service insurance programme. Executive Directors may also benefit from medical insurance under a Group policy (or the Group will reimburse premiums). No other non-cash benefits are provided. Non-executive Directors do not receive share-based payments or post-employment benefits.

Details of key management remuneration, charged to the Consolidated Condensed Income Statement, are as follows:

	2020	2019
	Number	Number
Number of individuals	10	11
	€m	€m
Salaries and other short term employee benefits	2.8	4.2
Post-employment benefits	0.4	0.4
Equity settled share-based payment charge and related dividend accrual	1.2	1.3
Termination payment	0.7	0.5
Total	5.1	6.4

During the current financial year, there were no transactions or balances between the Group and its key management personnel or members of their close family apart from:

- The Group sells stock to Tesco plc, of which Stewart Gilliland is a Non-Executive Director;
- The Group purchases stock from St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director; and

- The Group has been provided with consultancy services from Advanced Boardroom Excellence Limited, of which Helen Pitcher is a Director.

All transactions with related parties involve the normal supply of goods or services and are priced on an arm's length basis.

During the prior financial year, and pursuant to a contract for services effective as of 1 April 2014 between C&C IP Sàrl ('CCIP') and Joris Brams BVBA ('JBB'), (a company wholly owned by Joris Brams and family), CCIP paid fees of €91,550 to JBB in respect of brand development services provided by JBB to CCIP in relation to Belgian products. As part of a termination agreement a further €91,550 was paid to JBB.

12. Post balance sheet events

COVID-19 is having a material impact on the Group's business and the Group has accounted for this as an adjusting event in the current year's financial statements. Post year end COVID-19 continues to have an impact on the Group's financial statements. In response to this, the Group has implemented a series of measures to reduce operating costs, maximise available cash flow, and maintain and strengthen the Group's liquidity position.

In March 2020, the Group completed the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end in addition to a waiver of a July 2020 repayment which now becomes payable with the last instalment in July 2021. The Group also received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF') scheme. The Group had not drawn down on this facility as at 3 June 2020.

Post year end, the Group announced to the market, the decision of the Board to not declare a final dividend for the current financial year. While the Board recognises the importance of dividend income to shareholders it felt, given absolute focus on cash conservation, that it would be neither appropriate, nor prudent, to declare a final dividend for the current financial year.

There are no other events affecting the Group that have occurred since the year end which would require disclosure or amendment of the financial statements.

13. Approval of financial statements

These financial statements were approved by the Directors on 3 June 2020.