Trading Update

Dublin, London | 10 March, 2016: C&C Group plc ('C&C' or the 'Group'), the premium drinks company, issues a trading update for the 12 months to 29 February, 2016 ("FY16") ahead of its Capital Markets Day being held in London today, 10 March. Results for FY16 will be announced on 11 May, 2016.

Overview

FY16 Group operating profit is expected to be in the region of €103 million. Trading in the last quarter of the year provides grounds for optimism and the Board is confident in the earnings prospects of the Group in FY17.

Market Review

In ***Scotland***, general trading picked up in the last quarter as the impact of tighter drink driving legislation in December 2014 fell out of the comparatives. Share performance of the Tennent's brand in the key Independent Free Trade channel improved in the second half of the year.

The cider category in ***Ireland*** continues to lose share to other long alcohol drinks and the Bulmers brand has ceded ground to the distribution build of new arrivals. However, compelling rate of sale data for Bulmers should prove to be a key feature in performance stabilization in FY17. Meanwhile, distribution of Corona in the Republic and Heverlee and Clonmel 1650 in the North go from strength to strength.

Magners Original within ***C&C Brands*** shipped 1% more volume in FY16 than in the prior year, picking up share in the cider category. Retail data for Magners Original in the fourth quarter was strong in both channels of trade. Magners draught is also back in growth in the second half of the year. Increased brand investment plans for FY17 will build on this performance.

Export of own brands should deliver 20% volume growth in FY16. The Group recently put in place new distributor partnerships for the Magners brand with San Miguel in Thailand and Coca Cola Amatil in New Zealand. In South Africa, early indications from the launch of Tennent's in November are encouraging and plans are in place to increase distribution across a number of African countries. The Group is well positioned to sustain export momentum and deliver another year of solid growth in FY17.

In the ***US***, the new sales & marketing arrangements with Pabst Brewing Company commenced on 1 March and both parties are excited by the plans and the prospects. We are delighted to announce today that the relationship will be further extended through the appointment of C&C as exclusive distributor for the Pabst Brewing Company portfolio in the UK and Ireland.

Cost reduction, Cash Flow and Balance Sheet Strength

The cost reduction plans announced in October 2015 are well advanced and the targeted €15 million of savings will start to flow through in FY17.

FY16 should reflect another year of strong cash generation. Previous guidance on conversion of Free Cash Flow (FCF)/EBITDA of 70% should be achieved and will be further augmented by a new accounts receivable facility that improves working capital by circa €25m. The facility has the scope for further expansion in FY17.

There has been a significant amount of activity around capital returns in FY16. Of the €100 million share buy back programme announced in October 2015, 75% is complete with 20.5m shares acquired at an average price of €3.63 per share. This represents 6% of the Group's ordinary shares. The shares purchased have been cancelled. Total capital returned during FY16 by way of dividend and share buy back was €115 million.

The level of cash generated in FY16 should allow the €115m return of capital to be absorbed with minimal change to the net debt position, leaving the Group's balance sheet strength and flexibility intact.

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About C&C Group plc
C&C Group plc is a manufacturer, marketer and distributor of branded cider, beer, wine and soft drinks. The Group manufactures Bulmers, the leading Irish cider brand, Magners, the premium international cider brand, Gaymers cider and the Shepton Mallet Cider Mill range of English ciders and the Tennent's beer brand. C&C Group also owns Woodchuck and Hornsby's, two of the leading craft cider brands in the United States. The Group's Irish wholesaling subsidiary, Gleeson Group, owns and manufactures Tipperary Water and Finches soft drinks. The Group also distributes a number of beer brands in Scotland, Ireland and Northern Ireland, primarily for Anheuser-Busch Inbev, and owns Wallaces Express, a Scottish drinks wholesaler. For more information about C&C Group plc, please visit: www.candcgroupplc.com

Note regarding forward-looking statements
This announcement includes forward-looking statements, including statements concerning current expectations about future financial performance and economic and market conditions which C&C believes are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including those factors discussed on pages 14 to 15 of the Group's 2016 First Half Results Announcement that could cause actual results to differ materially from those anticipated.