c&c group plc

annual report 2015

ABOUT C&C GROUP

C&C Group is a manufacturer, marketer and distributor of branded cider, beer, wine and soft drinks.

C&C Group manufactures Bulmers the leading Irish cider brand, Magners the premium international cider brand, the C&C Brands range of English ciders and the Tennent's beer brand.

C&C Group also owns and manufactures Woodchuck and Hornsby's, two of the leading craft cider brands in the United States.

C&C 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.

The Group's Irish wholesaling subsidiary, Gleeson group, owns and manufactures Tipperary Water and Finches soft drinks.

C&C Group is headquartered in Dublin and its manufacturing operations are based in Co. Tipperary, Ireland; Glasgow, Scotland; Somerset, England; and Vermont, USA. C&C Group plc is listed on the Irish and London Stock Exchanges.

This report includes forward-looking statements, including statements concerning current expectations about future financial performance and economic and market conditions which C&C Group believes are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including those factors discussed on pages 18 and 19 that could cause actual results to differ materially from those anticipated.

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VIEW THIS REPORT ONLINE
candcgroupplc.com *or*
candc.annualreport15.com

Operating and Strategic Highlights

NET REVENUE

€683.9m

increased by 10.3%

OPERATING PROFIT

€115m

before exceptional items
down 9.2%

OPERATING MARGIN

16.8%

before exceptional items
down 3.6 ppts on prior year

NET DEBT

€157.8m

at the year-end giving a leverage ratio of net debt: EBITDA of 1.1x

ADJUSTED DILUTED EARNINGS PER SHARE

27.2 cent

per share
down 7.8%

PROPOSED FINAL DIVIDEND

7 cent

per share
an increase of 1.3 cent delivering 15% growth in full year dividend to 11.5 cent per share

FREE CASH FLOW CONVERSION

61.3%

before exceptional items
an increase of 9.2 ppts on prior year

Business & Strategy

...the strength of our core brands delivered highly creditable results in those territories. Internationally our brands continued to develop and offer attractive long term growth...

Read more in the Chairman's Statement on page 6

The Group's long term strategy of strong domestic brand geographic combinations providing the platform to participate in international cider growth remains unchanged...

Read more in the Group Chief Executive Officer's Review on page 8

IN THIS SECTION

Market Operation

IRELAND

Brands

Bulmers is ROI only.
Magners is NI only.

Distribution Rights

Budweiser is NI only.

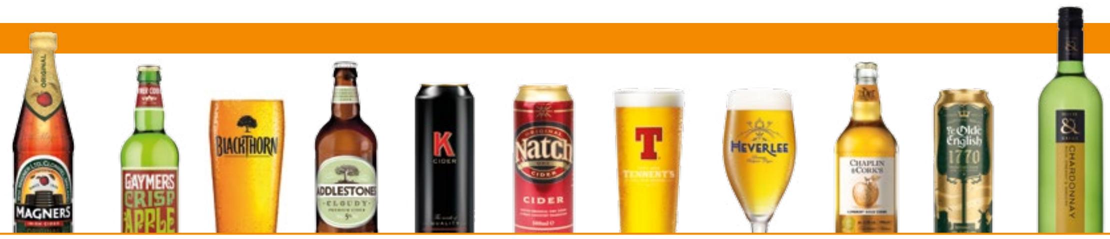
SCOTLAND

Brands

Distribution Rights

C&C BRANDS

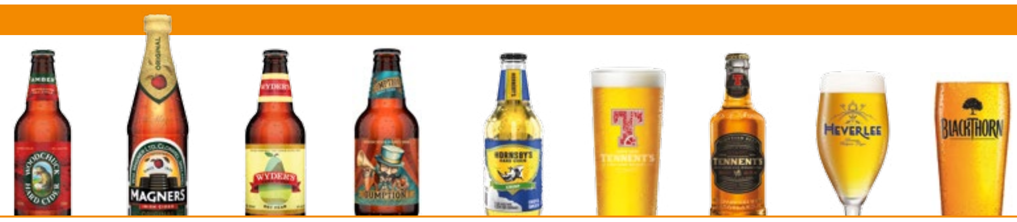
Brands



Distribution Rights

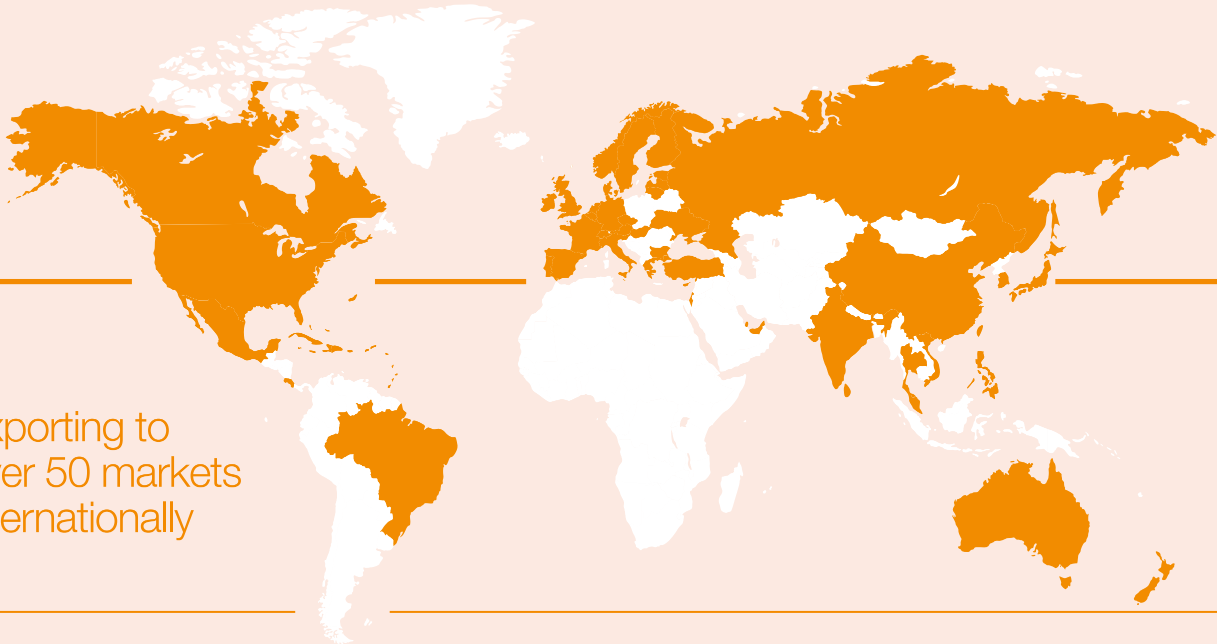
NORTH AMERICA

Brands



EXPORT

Brands



Exporting to over 50 markets internationally

Andorra
Australia
Austria
Bahamas
Bahrain
Bermuda
Brazil
Belgium
Bulgaria
Canada
Caribbean
China
Costa Rica
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Gibraltar
Greece
Hong Kong
Hungary
India
Israel
Italy
Japan
Latvia
Lithuania
Luxembourg
Malaysia
Malta
Mexico
Netherlands
New Zealand
Norway
Philippines
Portugal
Qatar
Russia
Singapore
South Korea
Spain
Sri Lanka
Sweden
Switzerland
Taiwan
Thailand
Turkey
UAE
Ukraine
United Kingdom
USA
Vietnam

IRISH CIDER BRANDS

Bulmers Original is a premium, traditional blend of Irish cider with an authentic clean and refreshing taste. Also in the range are Bulmers Pear and Bulmers Berry.

Magners is a premium, traditional blend of Irish cider with a crisp, refreshing flavour and a natural authentic character. Also in the range are Magners Orchard Berries and Magners Pear.

ENGLISH CIDER BRANDS

Gaymers is a clean, crisp, easy drinking medium cider made using the finest English apples.

Blackthorn is a West Country legend and one of the country's best known and widely drunk ciders due to its secret blend of bittersweet English cider apples. The range includes Blackthorn Gold, Blackthorn Dry and Black 'n Black.

Ye Olde English is a traditional medium dry cider made using a unique blend of dessert and cider apples to deliver a deliciously refreshing taste.

Addlestones is a naturally cloudy premium cider that is twice fermented but never filtered to deliver its unique, smooth taste.

Chaplin & Cork's is an award winning range of exquisite Somerset ciders made using pure juice from the finest English cider apples. The range includes Somerset Gold and Somerset Reserve.

K cider is a full strength, premium cider expertly pressed with a unique blend of English cider apples to deliver a full bodied flavour and rich golden colour.

Other English cider brands include Natch, Special VAT and Taunton Traditional.

AMERICAN CIDER BRANDS

Woodchuck Hard Cider is a premium hard cider handcrafted in Vermont, USA from the highest quality ingredients while offering an innovative range of ciders.

Wyder's Cider was formulated in 1987 by cider master Ian Wyder and is now available throughout the central and western United States.

Hornsby's is a cider which combines traditional cider-making techniques with an American heritage. It comes in two styles, Crisp Apple and Amber Draft. In the UK Hornsby's is sold in two flavoured varieties: Crisp Apple and Strawberry and Lime.

WINE AND SPIRIT BRANDS

The Group's portfolio of wine and spirit brands sold in the on-trade includes the Oliver & Greg's and Moondarra wine brands, Odessa Vodka and Squires Gin.

The Group also distributes a number of wine brands in the Republic of Ireland including Santa Rita, Blossom Hill, Carmen Discovery and Yellow Tail.

SOFT DRINKS

Tipperary Natural Mineral Water is filtered from the Devils Bit Mountain in County Tipperary and is bottled at source in the village of Borrisoleigh.

Finches is a range of premium soft drinks in orange and pink lemon flavours produced in Ireland with pure natural spring water.

BEER BRANDS

Tennent's Lager is brewed to the highest standards to create a lager with a crisp taste and refreshingly clean finish. Tennent's has been made with pride in the heart of Glasgow since 1885, but is famous far beyond its home city. Tennent's Lager is Scotland's best-selling lager.

Tennent's Black T is brewed in Glasgow using finest natural ingredients, including 100% Scottish barley. It is a golden lager with a well rounded flavour and a distinct smooth maltiness.

Caledonia Best is a modern, distinctive ale that is balanced, sweet and smooth, with a malty roast flavour and a pleasant hoppy bitterness.

Heverlee is a premium Belgian Beer, which is endorsed by the Abbey of the order of Prémontré, in the town of Heverlee in Leuven.

Clonmel 1650, named after one of the most historic events in the town of Clonmel, is a fine example of a pilsner style lager with a slightly fruity estery nose and a subtle hoppy character.

Other beer brands include Tennent's Beer aged with Whisky Oak, Tennent's Extra, Tennent's Scotch Ale, Tennent's 1885, Lemon T, Tennent's T2 and Roundstone.

Chairman's Statement

OPERATING RESULTS

Clearly this year has, in financial terms, proved relatively disappointing. Our reported outcome, however, should not obscure the Group's robust business characteristics with leading positions in our core geographies of Ireland and Scotland supplemented by brands with strong consumer resonance. This model and the strength of our core brands delivered highly creditable results in those territories. Internationally our brands continued to develop and offer attractive long term growth.

It is worth commenting on the two areas of our business which posed the greatest challenge during the year in review. Our Chief Executive will provide greater detail on the challenges and opportunities we face within his Report on pages 8 to 13.

In our C&C Brands segment, significant pressures in the off-trade channel from large supermarket retailers were compounded by increased competitive activity particularly through the increase in flavoured cider variants. We have now restructured our business in England and Wales to better address these challenges and to defend both our brand position and profitability.

In the United States, the cider category has continued to grow and other large beverage companies are committing heavy investment in new brand entrants. We remain confident in the longer term opportunity for our unique cider business which, with the opening of our new cidery in Vermont, has maintained its heritage position in the market and expect to see a more stable competitive landscape in a category that will continue to grow considerably over the next twelve months.

Our brand and commercial strategy remains unchanged and, while timescales may have altered, our strategic intent and ambitions remain undiminished.

DEVELOPMENT

This year has seen the continuing integration of our acquisitions of Gleeson in Ireland and Wallaces Express in Scotland into the Group. In terms of distribution and service these have strengthened our business model and opportunities but the integration challenges are substantial and the teams are to be complimented on their efforts in this regard. Integration and rationalisation of businesses, for the longer term benefit, comes at a cost in both people and effort. It is sometimes easy from a financial perspective to underestimate these efforts but as a Board we are all too aware of the considerable contribution of management and employees in achieving a smooth transition.

There was considerable speculation and comment regarding the Group's preliminary approach to the Spirit Pub Company. The preliminary nature of this approach and the manner in which it was initially reported presented some challenges for the Group in articulating the strategic rationale and benefits of a combination with Spirit. It is perhaps sufficient to say that the Group remained (and remains) fully committed to its existing strategy, capitalising on our strengths, particularly in terms of brands and distribution and focusing on driving returns for shareholders. Within that strategy, we are committed to looking at all options to build and sustain long term shareholder value.

PEOPLE

The challenges for all our businesses have been significant whether in the restructuring and integration of acquired businesses or in developing to meet new competition in the market place. The ultimate test, as always, is in the quality of people we retain, develop and recruit to meet these and future challenges. I believe we have made continuing progress in this regard.

REMUNERATION & BONUSES

Our long term incentive schemes have now come up for renewal and the detailed proposals are included in the Remuneration Report, for which we will be seeking shareholder approval at this year's AGM. We remain fully committed to the alignment of shareholder and executive management through long term equity incentive arrangements. Indeed we are enthusiastic about wider equity participation by all employees throughout the Group.

...this will bring the Group's full dividend to 11.5 cent, a 15% increase on last year, and is consistent with our commitment to provide certainty of value in the form of a progressive dividend stream.

There has been considerable effort by the Remuneration Committee in preparing these proposals to balance the Company needs with the justifiable observations of our shareholders. We have also updated our remuneration policy to reflect the provisions of the new share plans and, consistent with best-practice, will again be submitting this revised policy to an advisory vote of shareholders at the AGM.

Financial incentives have been used prudently in the past to reward effort. Indeed when we look at our historic bonus levels, one might observe that relative to our peers, pay outs have been modest. This year a limited number of bonuses are being paid in operational areas of the business, given some of their outstanding achievements. In commercial and sales areas we generally have not obtained our objectives and consequently bonuses have not been achieved. Our bonus system is quantitatively driven and even where the failure to achieve objectives is a function of market conditions, there is no award. Clearly at the Group level we did not realise our expectations and no bonuses are paid.

DIVIDENDS & FINANCING POLICY

Reflecting both the strength of the Group's balance sheet and free cash flow characteristics, we completed a €30 million share repurchase programme in FY2015. We are also proposing to pay a final dividend of 7 cent per share, subject to shareholder approval. If approved, this will bring the Group's full dividend to 11.5 cent, a 15% increase on last year, and is consistent with our commitment to provide certainty of value in the form of a progressive dividend stream. A scrip dividend alternative will also be available.

At the AGM, we will also be seeking authority for the Company to purchase its own shares. This authority will be exercised if the Board considers it would be in the best interests of shareholders generally.

GOVERNANCE & CORPORATE RESPONSIBILITY

The Board and senior management team are committed to maintaining the highest standards of governance and ethical behaviour throughout the business. A statement of our main Governance principles and practice is provided on pages 52 to 62 and reflect the requirements of the 2014 UK Corporate Governance Code and the Irish Corporate Governance Annex.

We take corporate responsibility seriously and our Corporate Responsibility Statement on pages 36 to 44 sets out our work this year in this area. Recognising the importance of shareholder engagement, I have also recently completed a series of meetings, focused solely on corporate governance, with a number of the Group's largest institutional shareholders.

Continued refreshment and development of the Board is an ongoing process. At the conclusion of this year's AGM, John Hogan will step down as Chairman of the Audit Committee and be succeeded by Emer Finnan. John will remain as a Director until the end of 2015 to ensure a smooth transition. I would like to thank John for his significant contribution in that role over many years.

Paul Walker, who has been the Group's Company Secretary since 2011, made the decision to retire during the year. I would like to thank Paul for the contribution he has made to the evolution of the Group during a time in which it was transformed both geographically and organisationally and wish him well in his retirement. David Johnston has joined us as Company Secretary from Paddy Power plc.

CONCLUSION

Looking forward, we have characterised FY2016 as a period of stabilisation and investment. Our balance sheet strength and cash generation capability provide a broad range of capital allocation opportunities including investment behind our iconic Bulmers, Magners and Tennent's brands. It also provides scope to deliver increased returns for shareholders and continued investment in our business to build durable value.

Sir Brian Stewart
Chairman

Group Chief Executive Officer's Review

OVERVIEW

This was a challenging year for your Company both strategically and operationally. The leaking of our preliminary discussion with Spirit caused significant disruption from a managerial and market perspective. For a period of time we were inhibited from providing shareholders with visibility of performance and there was ill-informed speculation on strategic intent. For the avoidance of doubt, management remain entirely focussed on a long term strategy of strong brand-geographic combinations providing a robust foundation for participation in international cider growth. The parameters for assessing any prospective acquisition remain unchanged as we look to cover cost of capital in the medium term. All capital deployment will be assessed on this basis.

Operationally our core trading segments of Ireland and Scotland delivered operating profit growth despite challenging trading conditions particularly in the second half of the year. However, our C&C Brands business and our US business performed well behind expectations.

In the US, the cider category continues its stellar growth, and with a settled high quality distributor network we had hoped to at last properly participate in this dynamic market. The optimism proved illusionary as new entrants crowded the category and put pressure on shelf space and consumer choice. We continue to invest in the long term in the US increasing both sales and marketing investment. The new cidery in Middlebury is now fully operational providing an authentic home for our hand crafted cider and our innovation now accounts for over 30% of Woodchuck brand volumes.

In our C&C Brands business the trading environment became more challenging and new entrant investment supported further market fragmentation. You will recollect that we had previously increased our sales and marketing resource to give greater focus to the niche and speciality sub-categories. Regrettably, against tough market conditions, this was a mistake and the linked cost structure inhibited our ability to react to the changing market. We addressed this issue in the final quarter and adjusted our infrastructure costs to better reflect our share of the cider profit pool.

The Great Britain (GB) cider market remains the biggest in the world and London continues to be at the centre of brand credibility. It is important for the Group that we meaningfully participate in the GB market and that the Magners brand remains at the heart of our long term thinking. With growth in Europe, the US, and Asia for the Magners brand, management will continue to pursue operational and strategic initiatives to reinforce our GB prospects.

Against this backdrop, we delivered an operating profit of €115 million which was an €11.7 million reduction on the previous year. The reduction in operating profit is largely due to the performance of our C&C Brands and US businesses. The Group has also undertaken an independent valuation of fixed assets and an impairment review of intangible assets. This has resulted in a one-off non-cash impairment of €150 million in respect of US intangible assets, which reflects current performance and future growth projections. Our cash conversion improved with a 61% conversion of EBITDA pre exceptional costs compared to 52% in the previous year. Given our continued strong balance sheet and cash generation, and in the absence of non-organic opportunities, we commenced share buy back activity in the year, repurchasing 2.6% of the issued share capital for a cash cost of €30 million at an average price of €3.29 per share. This highlights our commitment to capital deployment in pursuit of shareholder return.

The Group's long term strategy of strong domestic brand geographic combinations providing the platform to participate in international cider growth remains unchanged. During the year we have continued to integrate the wholesale business of Gleeson and Wallaces Express in Ireland and Scotland respectively, to create brand led wholesale platforms. These integration programmes encompass all facets of the business and require considerable management focus to deliver. In the medium term, the integrated brand led wholesale platforms will protect our strong brands and provide long term revenue growth opportunities.

The Group's long term strategy of strong domestic brand geographic combinations providing the platform to participate in international cider growth remains unchanged.

REVIEW BY OPERATING SEGMENT

Ireland

From a macro perspective, key economic measurements appear to be improving in Ireland. The country is emerging from the headwinds of recession and austerity and we believe the future trajectory is broadly positive rather than negative, albeit there may well be periods of volatility along the way.

In this financial year, although the long alcoholics drinks (LAD) category in the Republic of Ireland on-trade, grew by 1%, the cider category declined by 4%, partly due to the impact of an exceptionally strong summer in the previous year comparative. These trading conditions impacted the performance of the Bulmers brand relative to the previous year.

The Group launched Clonmel 1650, an authentic premium Irish lager during the year. The brand has made a promising start in both Northern Ireland and the Republic of Ireland with distribution levels in line with expectations. We are delighted that Clonmel 1650 won a gold medal at the recent International Brewing Awards. The adjudication panel for these awards is drawn from brewers and cider-makers and winning this award is a ringing endorsement of both Clonmel 1650's brand quality and the new craft brewery at Clonmel where the liquid is brewed.

Over the past 12 months, we have continued the integration of the Gleeson business. The Gleeson business allows C&C to provide customers with a multi-beverage portfolio encompassing Bulmers, Tennent's, Finches soft drinks, Tipperary water, as well as our owned wines and spirits brands and agency brands. There have been a number of changes to the customer base, as some brand owners have chosen to use alternative distributors for competitive reasons and the Group have secured new distribution agreements. During the year we have ceased distribution of the Bavaria and Coors brands in Ireland but have entered a new distribution agreement with AB InBev to distribute the premium global Corona brand in the Republic of Ireland. We look forward to working with AB InBev to drive future success for both parties.

Ultimately, the ambition for our Irish business is to be the pre-eminent brand led wholesaler in the Island of Ireland with enhanced customer service and geographic coverage such that we become the drinks supplier of choice to the licensed on and off-trade. The Island of Ireland delivers approximately half of the Group's profit and most of this converts to cash, explaining why we see the Irish business as one of the two domestic pillars of the overall Group.

Scotland

C&C's second domestic pillar is the Scottish business. During the year the Group completed the acquisition of the Wallaces Express wholesale business and the business now trades as Wallaces TCB. The underpinning strategy of transitioning to a brand led wholesale model is to provide greater earnings and cashflow sustainability and provide the platform for modest revenue and earnings growth in largely ex-growth geographies. This strategic logic applies to Scotland and Ireland.

Economically, Scotland is participating in the wider UK recovery with GDP growth, reduced unemployment and improved consumer confidence. The introduction of new "drink drive" legislation in December 2014 appears to have had a short term impact on consumption, although we expect trading patterns to normalise over time. The Group views Scotland as an attractive geography critical to the overall success of the Group.

The Tennent's brand remains very much at the heart of the brand led wholesale model in Scotland. We continue to innovate around the Tennent's brand with line extensions of Black T and Lemon T successfully launched in the year. In recent years, the strength of our brands in Scotland combined with our customer access have allowed us to successfully introduce new brands such as Caledonia Best and Heverlee, a premium imported lager proposition from Leuven, Belgium. These brands have continued to progress in the current year with Caledonia Best volume growth of 3.6%. Heverlee has grown on-trade distribution by 3% while volume has increased by an impressive 116%.

During the year, we continued to invest behind our brands with sponsorship of Glasgow Celtic Football Club (Magners), T in the Park, and Scottish Rugby (Caledonia Best) and Magners Summer Nights.

Group Chief Executive Officer's Review (continued)

Magners is our largest brand in the GB market and is our leading international cider brand and has strong consumer awareness – we will continue to invest behind it.

The Drygate Brewing Company, a craft brewing and bar restaurant facility adjacent to the Wellpark brewery opened during the year. This is a joint venture with Williams Bros Brewing Company, a leading family craft brewer, and facilitates access to the growing craft category. The facility is operated independently of Wallaces TCB management.

Following the acquisition of Wallaces Express, we have invested significant effort in the integration of TCB and Wallaces Express. Customer service is at the core of our integration plans and our objective is to have a single multi-beverage customer interaction in place for summer 2015. The scale of integration and management focus required to deliver successfully, should not be underestimated. Effectively we are combining two different business models into one platform and this involves major reorganisation and change to people, processes and systems in all areas of the business.

The TCB Wallaces platform will enable the Group to offer a portfolio of drinks to on and off-trade customers including Tennent's, Caledonia Best, Magners, Blackthorn, Heverlee, AB InBev brands for which we have the non-exclusive distribution rights as well as our owned wines and spirits brands and factored brands. In Scotland, there are approximately 10,000 pub licences and, as with Ireland, the independent free trade represents the majority of these licensees. This is a channel where we have dedicated significant financial and commercial resource because, plainly, it is an important part of the Scottish alcoholic drinks sector.

Our Scottish and Irish businesses deliver around 86% of the Group's earnings and cash. It is important that they are stable and well invested and we believe they are set-up for modest growth over the next few years.

C&C Brands
Despite improving macro conditions in the UK and positive forward steps in terms of economic recovery, the beer and cider market continues to be extremely competitive, particularly in England & Wales.

Distribution is highly consolidated with a small number of retail groups holding the majority of potential distribution points in the on and off-trade retail channels. During the year competition between off-trade retailers has been intense leading to aggressive retail pricing on cider. This retailer dynamic is compounded by the four global brewers fighting for share of distribution in the GB market. Over the years beer has become commoditised in the off-trade channel and we have experienced a similar trend in the cider category with pressure on brand owner operating margins.

The GB cider market was broadly flat in the financial year in volume terms (Nielsen/CGA). The on and off-trade experienced similar trends. In the on-trade volumes grew 1%, with apple down 1% and pear down by 17%, whilst flavoured ciders grew by 15%. In the off-trade volumes were flat with growth in flavoured ciders of 30%, offsetting decline in apple and pear of 3% and 29% respectively.

In recent years, the retail pricing environment and the number of major cider launches have impacted C&C Brands' position. The Magners brand has suffered volume erosion and pricing pressure. Against this backdrop, the business model and resulting fixed cost structure was no longer sustainable. The Group has therefore taken action to transition to a lower cost operating model. A new unified sales and marketing structure is already in place and we expect distribution savings from the second half of the year.

Magners is our largest cider brand in the GB market and is our leading international cider brand and has strong consumer awareness – we will continue to invest behind it.

Over the past 12 months there has been mixed progress on Shepton Mallet brands. K Cider, our premium strong cider, has had a challenging year with market pressures and local legislative changes impacting volume performance. Local heritage brands such as Blackthorn and Natch have experienced a stabilisation in performance while the newly launched premium Chaplin & Cork's offerings have won numerous awards and exhibit promising distribution growth.

We do not see the competitive environment in England & Wales improving in the short to medium term, and have taken action to transform our cost base to underpin operating margins and enable us to be competitive. We will continue to focus investment on pockets of the territory where sustainable value is clear and we can develop a profitable business, leveraging our cider and beer assets. Equally we will continue to evaluate strategic long term options to step change our participation in England & Wales.

North America

The cider category has grown by 54% in the year (IRI data) and now represents 1% of the LAD category. By contrast in the long established cider markets of GB and Republic of Ireland, cider is 16% and 13% of the LAD category. General consensus among industry experts is that the cider category will continue to enjoy dynamic growth for the foreseeable future.

During the financial year, we have suffered in volume and financial terms due to disruption from new entrants into the category. Our Woodchuck volume depletions declined 15% year on year. However, the Group continues to view the US cider category as attractive and retains belief that we can participate in category growth. This drives our long term approach to investment. During the year, we opened the new cidery in Middlebury, Vermont, having invested $34.5 million. The new cidery is an outstanding facility and cements our position as a founder of American cider and affirms our commitment to authentic craft cider making and investment in the future. We have maintained our track record for innovation launching new products such as Hopsation and Gumption during the year and have refreshed the Woodchuck brand image with new packaging and a new marketing campaign in the summer. These investments coupled with a more stable competitive landscape show some positive signs with month on month market share of Woodchuck, in the key off-trade channel, beginning to stabilise in recent months.

The Magners brand has benefited from a stable distributor platform with growth of 2% during the year while Blackthorn has experienced growth of 29% in the year with positive trends in distribution and rate of sale. The Hornsby's brand has continued to decline in the US although we have seen some success in markets outwith the US.

Despite the disappointing performance in the year, the Group's investment thesis remains valid in terms of cider internationalisation, and we believe that in time with continued investment, we will participate in US cider category growth.

Export

In volume terms, our key export markets outside North America are Spain, Italy and Australia. The business relies on strong distributor relationships and management of these relationships. We have limited exposure to areas of political instability and uncertainty.

In Australia, we had a year of transition between distributors which impacted shipments to the market. We now have a solid distributor platform and relationship with Bacardi Lion and had a strong finish to the year, so we are confident on prospects for this market as we enter the new financial year.

During the year, in volume terms the Magners brand grew internationally (excluding Australia) by 17%, with 14% growth in Europe and 35% growth in rest of the world.

In terms of beer, we are now exporting Tennent's, Caledonia Best, Heverlee, Tennent's Stout and Tennent's Beer aged in Whisky Oak. In Italy, our largest beer market, we experienced growth versus last year of 57%.

We also continue to grow in Asia, albeit from a small base, with positive volume momentum in Malaysia, Taiwan, and Thailand.

Looking forward, the Group sees further organic growth opportunities for our Export business in Europe, Asia and potentially Africa for both cider and beer assets. As an example, by 2030, Asia is projected to have 66% of the world's middle class population and currently 4 of the top 10 growth markets for beer are located in the region. As a consequence, we will increase investment, resource and executive management focus in these territories.

STRATEGY

Ireland and Scotland provide the bedrock for the Group both in terms of earnings and cash. We are able to utilise our brands and physical assets in these geographies to deliver stability to the rest of the Group as well as looking for moderate earnings growth in these territories, which are ultimately ex-growth in terms of the alcoholic drinks sector. Winning in these geographies requires local knowledge, superiority in customer service and strong brands. Both our Ireland and Scotland businesses display these characteristics.

For now, GB is still the world's largest cider market. We have a strong brand in Magners and in addition, a back catalogue of authentic cider brands and promising premium craft innovation.

Group Chief Executive Officer's Review (continued)

We will focus on actions to maximise profit in, what has become, a highly commoditised and cluttered cider category. At the same time, C&C will play in niche areas of growth such as craft and speciality cider by taking advantage of our English cider heritage.

The overall pursuit of cider internationalisation remains at the heart of C&C's strategy. Cider penetration of LAD in GB and Republic of Ireland is 16% and 13% respectively. This compares with just over 1% in the US despite spectacular category growth in recent years. The evolution of the consumer palate across various global markets from savoury to sweet and the preference for natural, gluten free, local and authentic brands places C&C in a strong position to exploit international cider growth. The US is likely to be the global cider market with the greatest potential in scale terms. We have invested significant shareholder capital in the US and have strong brands and a high quality distributor network. Despite competitor disruption, in the medium to longer term, we believe we are well positioned strategically to optimise value.

CASH AND BALANCE SHEET

Our balance sheet remains in robust health with a net debt to EBITDA ratio of 1.1x at the year-end. The Group finished the year with a net debt position of €158 million, after absorbing a €30 million share repurchase programme.

Free cashflow conversion in the year was 61% of EBITDA (excluding cash outflow from exceptional items) which was a 9 ppts improvement on the previous year. Ultimately, the Group's balance sheet and cash generation profile provide flexibility to invest in bolt-on acquisitions and capital projects with attractive returns, as well as consider options for return of value to shareholders.

PEOPLE

At C&C the model that we operate is that the Board allocates resources and assesses performance of the business divisions with the support of a head office of not more than 20 people, whilst each business division is equipped with the relevant people assets to ensure that we operate effectively in the market. Accordingly, each of our businesses has a local MD who has the associated capability to implement the agreed strategy and make day to day operational decisions for that business. In areas like procurement, planning and manufacturing, we seek to optimise our capability and run on a functional basis.

The Island of Ireland business is operated on a unitary basis with a management team headed by Tom McCusker. Tom has thirty years experience of the Irish drinks industry from his time at AB InBev and significant market as well as customer knowledge. Brian Calder previously manager and owner of Wallaces Express has assumed full responsibility for the Scottish business. This is entirely consistent with our vision to establish a brand led

> Our balance sheet remains conservatively geared providing scope for future investment focused on long term value creation or return of value to shareholders.

wholesale model delivering outstanding customer service. Brian has had four decades in the Scottish drinks industry and is a hugely respected figure in the trade.

Andrea Pozzi has taken on leadership of the C&C Brands business. Andrea will combine leadership of the new C&C Brands team with his existing Europe, Middle East & Africa responsibilities.

In the US, Dan Rowell leads the local management team closely supported by our International Director, Joris Brams. We bolstered the local US board with the addition of Christian McMahan as a non-executive director. Christian has extensive marketing experience in the beverage sector and in social media and will support the local US marketing team.

Billy Mason is the Operations Director with responsibility for manufacturing and logistics.

There continues to be significant coverage on executive rewards. In C&C we believe that the main management incentive should be around equity and we have a bias towards schemes that involve investment from the relevant employee or manager. Management remain largely incentivised through equity and we have employee-wide schemes in Ireland and the UK with average participation levels of 50% and above of eligible employees. Bonus arrangements for managers and employees focus on local objectives that are relevant for the creation of long-term sustainable shareholder value. All employees have the opportunity of participating in performance related bonus schemes.

CORPORATE RESPONSIBILITY

Corporate Responsibility (CSR) is an important part of our business and something that the Group takes very seriously. Shareholders should be proud of the lead we are taking on many industry initiatives and of the work we are doing with our communities. I am personally very proud of the work undertaken by employees to ensure that we nurture our environment and the communities in which we operate.

The Group has delivered a great deal across a broad range of CSR initiatives. During the last year the Group achieved an energy reduction target of 11%. This was ahead of our targets and we did not stop there. The Group also invested another €1 million in energy-saving initiatives in Scotland to reduce further our CO_2 emissions and energy consumption. The Group also worked hard to protect our precious environment including helping apple growers in Somerset protect against a repeat of last year's damaging floods. The environment is central to our business. We rely on high quality agricultural products and so our guardianship of the environment is also central to our business.

The Group focuses its CSR efforts on activities that strengthen our relationships with our customers and communities. Our work with the Scottish Government and with Best Bar None is directly helping to improve the quality of the night time economy in Scotland. Additionally, the Group is working with the Scottish, Irish and Northern Irish governments on the implementation of minimum unit pricing, which we believe will be an important step in improving the relationship some people have with alcohol.

Our Tennent's Training Academy continues to go from strength to strength with more courses across a wider spectrum of skills being offered at more locations resulting in over 16,000 people having now undergone training at the Academy. This is a major asset to the hospitality industry and one of which we are extremely proud.

We have also introduced initiatives that will bring the community closer to our business. The new craft breweries in Clonmel and Glasgow enable access to new groups of consumers for different occasions and our Visitor Centre in Glasgow is now in full operation as a leading tourist attraction.

We are also proud of our links to charities, big and small. Over the last year we have worked with the Irish Society for the Protection of Cruelty to Children, One Water offering clean water to the developing world and countless small charities including Friends of Chernobyl Children in Northern Ireland and the St Andrews Hospice in Scotland.

Our goal is to improve the lives of our communities and the quality of the environments in which we operate and during the last twelve months we have strengthened our position in both of these areas.

OUTLOOK

Despite the challenging financial performance in the current year we believe we continue to take actions in the best interests of long term shareholder value. Brand led wholesale models in core businesses should provide the financial stability to allow for continued investment in our growing international business. Our balance sheet remains conservatively geared providing scope for future investment focused on long term value creation or return of value to shareholders.

We are intensely proud of our brands and quality is at the heart of our brand ethos. As mentioned previously we have won awards this year for Clonmel 1650 lager and Chaplin and Cork's cider range. We have also won international brewing awards for Tennent's Gluten Free 1885 beer and the Woodchuck range in the US. This demonstrates the pride our cider makers and brewers have in developing new brands and our passion for quality in the production of our brand portfolio.

C&C are also extremely focussed on how we market our brands. We cannot compete directly with the global brewers in terms of headline marketing investment and therefore need to be smart with our investment choices. We invest heavily in social media and selectively use local sponsorship platforms which give the greatest activation potential. To bring this to life, a key KPI for the US business is 'likes' for the Woodchuck Facebook page and we supported Scottish rugby through our Caledonia Best sponsorship at recent international matches. Despite lower volume than expectation during the year, we maintained levels of marketing investment and have an upweighted investment plan in place for FY2016. This will protect the key brands in core businesses and promote brand growth internationally.

It is important to note that we are not just focussed on our own brands. We are now in the 5th year of a non-exclusive distribution agreement with AB InBev in Scotland and Northern Ireland. As previously mentioned we have recently been awarded the distribution contract for the global premium brand Corona in the Republic of Ireland. This is vindication of our capability to work successfully in long term partnership with third party brand owners, alongside our own portfolio.

Stephen Glancey
Group Chief Executive Officer

Strategic Report – Strategy and Business Model

GROUP STRATEGY

Our long term strategy is to build a sustainable international cider-led, multi-beverage business through a combination of organic growth and selective acquisitions.

THE MEDIUM-TERM STRATEGIC GOALS FOR THE GROUP ARE:

to maintain strong brand market combinations in core geographies through brand and customer investment and by developing our brand-led wholesale platforms

to transform our international business through investment in brands and infrastructure and through the development of strategic alliances and acquisitions

thus enhancing future earnings growth and maximising shareholder value. We seek to generate high free cash conversion and maintain a sound and efficient balance sheet.

BUSINESS MODEL

Cash Generation	Our core businesses are strongly cash generative. We therefore focus on cash. We critically review the value for money of all brand and capital investment. Our current emphasis is on investment at the customer interface, to drive revenue. Group management relentlessly drive to reduce costs – in production, distribution and commercial overheads.
Revenue Generation and Earnings Growth	In our core geographies of Ireland and Scotland, we seek revenue generation through a full-service brand-led wholesale model predominantly focused on brands and customers. In the rest of Great Britain and internationally we focus on volume growth. We seek to make brand innovations at low cost and exploit niche markets. We seek earnings growth through revenue generation, cost control and margin improvement.
Engagement	We engage with our workforce and incentivise them to ensure alignment with shareholders. Local management are incentivised with financial targets relevant to their local business unit. Where necessary, we are prepared to buy in expertise on a margin-sharing basis.
Strategic Capital	We seek local expansion in our core territories. Potential acquisitions must complement our business and meet our strategic objectives. We are prepared to make larger transformational acquisitions, and we are ready to seize opportunities as they arise. The strength of our balance sheet and experience at integrating businesses minimises execution risk. We will make disposals where they will enhance shareholder value. In the absence of capital investment opportunities we will return surplus cash to our shareholders.
Social Responsibility	Throughout the Group we seek to operate compliantly with the law and as good corporate citizens.

HOW WE ARE CONFIGURED

C&C has five business segments, which comprise:

C&C GROUP PLC

Ireland	Scotland	C&C Brands	North America	Export

IRELAND

This segment includes the sale of the Group's own branded products in the Island of Ireland, principally Bulmers, Magners, Tennent's, Clonmel 1650, Heverlee, Finches and Tipperary Water. It also includes the Gleeson beer, wine and spirits distribution and wholesaling business and the AB InBev brands distributed by the Group in Ireland. The Irish manufacturing plants are located in Clonmel and Borrisoleigh in Co. Tipperary.

SCOTLAND

This segment includes the sale of the Group's own branded products in Scotland, with Tennent's, Caledonia Best, Heverlee and Magners the principal brands. It also includes the Wallaces Express wholesale business in Scotland and the AB InBev brands distributed by the Group in Scotland. The Scottish manufacturing plant is located at the Wellpark Brewery in Glasgow.

C&C BRANDS

This segment includes the sale of the Group's own branded products in England & Wales, principally Magners, Tennent's, K cider and Chaplin & Cork's. It also includes the production and distribution of private label cider products. The C&C Brands manufacturing plant is located at Shepton Mallet in Somerset.

NORTH AMERICA

This segment includes the sale of the Group's cider and beer products in the US and Canada. The Vermont Hard Cider Company, LLC manufactures the Woodchuck, Wyder's and Hornsby's brands at its cidery in Middlebury, Vermont, which it distributes in North America alongside Magners, Tennent's and other C&C brands.

EXPORT

This segment includes the sale and distribution of the Group's own branded products, principally Magners, Gaymers, Blackthorn, Hornsby's and Tennent's outside of the UK, Ireland and North America, notably in continental Europe, Asia and Australia. It also includes the sale of some third party brands. The Group operates mainly through distributors in these markets.

Strategic Report – Strategy Achievements and Priorities

STRATEGIC ACHIEVEMENTS IN FY2015

Objective	During FY2015
Objective 1 to maintain strong brand market combinations in core geographies by investing in our customer proposition, brands and developing our brand-led wholesale platforms	• we completed the acquisition of, and commenced integration of, Wallaces Express to create a brand-led wholesale offering in Scotland • we continued to integrate the Gleeson business in Ireland with the creation of one back office function and depot rationalisation in Dublin • we created a unified sales and marketing organisation in our C&C Brands business to enhance commercial focus and reduce costs • we continued to invest in our premium brands, notably Bulmers, Tennent's, Magners and Woodchuck
Objective 2 to transform our international business through investment in brands and infrastructure and through the development of strategic alliances and acquisitions	• we opened the new $34.5 million state of the art cidery in Vermont • we refreshed the Woodchuck brand and launched new innovative craft ciders in the US • we established a solid distribution platform in Australia • we continued to open up new markets in Asia • we leveraged distributor relationships and brand strength to deliver growth in Europe

STRATEGIC PRIORITIES FOR FY2016

In FY2016 our core strategic objective continues to be to enhance future earnings growth. In FY2016 the focus will continue around our recently acquired businesses but with our balance sheet strength and high cash conversion, we are well positioned to take advantage of opportunities as they arise.

Core Objective	
Our core strategic objective continues to be to enhance future earnings growth	• In FY2016 the focus will continue to be around our recently acquired businesses • With our balance sheet strength and high cash conversion, we are well positioned to take advantage of opportunities as they arise

Strategic priorities	
Recently-acquired businesses	• To integrate the Tennent's and Wallaces Express businesses to achieve synergy benefits, creating an integrated brand-led wholesale business • To leverage our Island of Ireland integrated brand-led wholesale platform to drive revenue growth and reduce costs
Existing businesses	• To maintain the earnings of the C&C Brands business through improved sales execution and innovation • To grow international earnings
Cash conversion	• To maintain the strong cash conversion characteristics of the business and to invest either within the business or in returning value to shareholders • To maintain an appropriately leveraged balance sheet to achieve earnings growth
Corporate responsibility	• Targeting further sustainability improvements across the Group • Focusing our social responsibility agenda on engagement in the community • Achieving a continuous improvement in workforce health and safety

Strategic Report – Key Performance Indicators

FOR FY2015 AND FY2016

Strategic Priority	KPI	Definition (see also financial definitions on page 177)	FY2015 performance		FY2016 Focus	Links to other Disclosures
To enhance earnings growth	**Operating Profit**	Operating profit (before exceptional items)	FY2013 FY2014 FY2015	€114.6m €126.7m €115.0m	To seek continuing growth, through revenue enhancement, acquisition synergies and cost control	Group CFO Review page 30
	Operating Margin	Operating profit (before exceptional items), as a percentage of net revenue	FY2013 FY2014 FY2015	24.0% 20.4% 16.8%		
To enhance earnings growth	**Adjusted diluted earnings per share**	Attributable earnings before exceptional items divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY2013 FY2014 FY2015	27.9c 29.5c 27.2c	To achieve adjusted diluted eps growth in real terms	Group CFO Review page 30
To generate strong cash flows	**Free Cash Flow and**	Free Cash Flow is a non GAAP measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities	FY2013 FY2014 FY2015	€54.8m €61.6m €82.3m	To generate improved operating cash flows	Group CFO Review page 33
	Free Cash Flow Conversion Ratio	The conversion ratio is the ratio of free cash flow as a percentage of EBITDA before exceptional items	FY2013 FY2014 FY2015	40.2% 40.9% 58.8%		Group CFO Review page 33
To ensure the appropriate level of financial gearing and profits to service debt	**Net debt: EBITDA**	The ratio of net debt (Net debt comprises borrowings (net of issue costs) less cash) to Adjusted EBITDA	FY2013 FY2014 FY2015	0.85x 0.99x 1.13x	This ratio will be held consistent with free cash flow conversion and returns to shareholders	Group CFO Review page 32
To deliver sustainable shareholder returns	**Progressive dividend/return to shareholders**	Total dividend per share paid and proposed in respect of the financial year in question	FY2013 FY2014 FY2015	8.75c 10.0c 11.50c	The Group will continue to seek to enhance shareholder returns	Chairman's Statement page 7
	Dividend Cover	Dividend cover is Dividend/Adjusted diluted EPS	FY2013 FY2014 FY2015	31.4% 33.9% 42.3%		
To achieve the highest standards of environmental management	**Reduction in CO^2 emissions**	Tonnes of CO^2 emissions[1]	FY2013 FY2014 FY2015	39,938t 36,618t 37,955t	To achieve best practice across the Group, including acquired businesses	Corporate Responsibility Report page 38
To achieve the highest standards of environmental management	**Waste recycling**	Tonnes of waste sent to landfill[2]	FY2013 FY2014 FY2015	120t 113t 27.t	To achieve best practice across the Group, including acquired businesses	Corporate Responsibility Report page 39
To ensure safe and healthy working conditions	**Workplace safety accident rate**	The number of injuries that resulted in lost-work days, per 100,000 hours working time in production facilities[2]	FY2013 FY2014 FY2015	2.7 1.6 0.68	To achieve best practice across the Group, including acquired businesses	Corporate Responsibility Report page 44

[1] Clonmel, Wellpark and Shepton in FY2013, plus Vermont in FY2014 and FY2015. FY2015 includes the new cidery in Vermont and the new brewery at Clonmel
[2] Clonmel, Wellpark and Shepton

Strategic Report – Principal Risks And Uncertainties

Under Irish company law (Statutory Instrument 116/2005 European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005), the Group and the Company are required to give a description of the principal risks and uncertainties which they face.

The principal risks and uncertainties faced by the Group are set out below. The Group considers that currently the most significant risks to its results and operations over the short term are (a) strategic failures, (b) levels of competition in Great Britain ("GB") and the United States and (c) failure to attract and retain high-performing employees.

Risks and Uncertainties	Mitigation
RISKS AND UNCERTAINTIES RELATING TO STRATEGIC GOALS	
• The Group's strategy is to focus upon earnings growth through organic growth, acquisitions and joint ventures and entry into new markets. These opportunities may not materialise or deliver the benefits or synergies expected and may present new management risks and social and compliance risks.	The Group seeks to mitigate these risks through due diligence, careful investment and continuing monitoring and management post-acquisition.
RISKS AND UNCERTAINTIES RELATING TO REVENUE AND PROFITS	
• The GB off-trade and increasingly the GB on-trade continues to be highly competitive, driven by consumer pressure, customer buying power and the launch of heavily-invested competing products.	The Group seeks to mitigate the impact on volumes and margins through developing its multi-beverage brand portfolio and seeking cost efficiencies.
• The US cider market has also become highly competitive.	The Group is responding through brand investment and has strengthened its distributor network.
• Consumer preference may change, new competing brands may be launched and competitors may increase their marketing or change their pricing policies.	The Group has a programme of brand investment, innovation and product diversification to maintain and enhance the relevance of its products in the market.
• Seasonal fluctuations in demand, especially an unseasonably bad summer in Ireland could materially affect demand for the Group's cider products.	Geographical and brand diversification is helping to mitigate this risk.
• Customers, particularly in the on-trade where the Group has exposure through advances to customers, may experience financial difficulties.	The Group monitors the level of its exposure carefully.
RISKS AND UNCERTAINTIES RELATING TO COSTS AND PRODUCTION	
• Input costs may be subject to volatility and inflation and the continuity of supply of raw materials may be affected by the weather and other factors.	The Group seeks to mitigate some of these risks through long term or fixed price supply agreements. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.
• Circumstances such as the loss of a production or storage facility or disruptions to its supply chains or critical IT systems may interrupt the supply of the Group's products.	The Group seeks to mitigate the operational impact of such an event by the availability of multiple production facilities, fire safety standards and disaster recovery protocols, and the financial impact of such an event through business interruption and other insurances.

Risks and Uncertainties	Mitigation
FINANCIAL RISKS AND UNCERTAINTIES	
• The Group's reporting currency is the euro but it transacts in foreign currencies and consolidates the results of non-euro reporting foreign operations. Fluctuations in value between the euro and these currencies may affect the Group's revenues, costs and operating profits.	The Group seeks to mitigate currency risks, where appropriate, through hedging and structured financial contracts to hedge a portion of its foreign currency transaction exposure. It has not entered into structured financial contracts to hedge its translation exposure on its foreign acquisitions.
• The solvency of the Group's defined benefit pension schemes may be affected by a fall in the value of their investments, market and interest rate volatility and other economic and demographic factors. Each of these factors may require the Group to increase its contribution levels.	The Group seeks to mitigate this risk by continuous monitoring, taking professional advice on the optimisation of asset returns within agreed acceptable risk tolerances and implementing liability-management initiatives such as the reduction in member contractual benefits approved by the Pensions Board in February 2012.
FISCAL, REGULATORY AND POLITICAL RISKS AND UNCERTAINTIES	
• The Group may be adversely affected by changes in excise duty or taxation on cider and beer in Ireland, the UK, the US and other territories.	The Group is not able to materially mitigate this risk, which is outside its control.
• The Group may be adversely affected by changes in government regulations affecting alcohol pricing, sponsorship or advertising, and product types.	Within the context of supporting responsible drinking initiatives, the Group supports the work of its trade associations to present the industry's case to government.
LIABILITY-RELATED RISKS AND UNCERTAINTIES	
• The Group's operations are subject to extensive regulation, including stringent environmental, health and safety and food safety laws and regulations and competition law. Legislative non-compliance or adverse ethical practices could lead to prosecutions and damage to the reputation of the Group and its brands.	The Group has in place a permanent legal and compliance monitoring and training function and an extensive programme of corporate responsibility.
• The Group is vulnerable to contamination of its products or base raw materials, whether accidental, natural or malicious. Contamination could result in a recall of the Group's products, damage to brand image and civil or criminal liability.	The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover.
• Fraud, corruption and theft against the Group whether by employees, business partners or third parties are risks, particularly as the Group develops internationally.	The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management.
EMPLOYMENT-RELATED RISKS AND UNCERTAINTIES	
• The Group's continued success is dependent on the skills and experience of its executive Directors and other high-performing personnel, including those in newly acquired businesses, and could be affected by their loss or the inability to recruit or retain them.	The Group seeks to mitigate this risk through appropriate remuneration policies and succession planning.
• Whilst relations with employees are generally good, work stoppages or other industrial action could have a material adverse effect on the Group.	The Group seeks to ensure good employee relations through engagement and dialogue.

Operations Review

IRELAND

Constant Currency[i]	FY2015 €m	Ireland FY2014 €m	Change %
Revenue	403.2	399.2	1.0%
Net revenue	286.9	293.1	(2.1%)
Operating profit[iii]	59.1	58.2	1.5%
Operating margin (Net revenue)	20.6%	19.9%	
Volume – (kHL) Excluding Gleeson	976	971	0.5%

IRELAND

The Group's LAD volumes in the Island of Ireland, excluding Gleeson, were up 0.5% during the year. Off-trade volume was up 2.8% whereas on-trade volume declined by 3.8%. Despite volume growth, net revenue declined 2.1%. Strong performance in off-trade resulted in a negative price/mix impact, although underlying rates remain healthy in both the on and off-trade. The timing of changes in a number of distribution agreements resulted in lower Gleeson revenues during the year. The Group delivered savings through ongoing integration and cost focus. As a consequence, operating profit[iii] increased to €59.1million and operating margin increased to 20.6%.

CIDER

In FY2015, cider net revenue in the Island of Ireland decreased by 7.5% of which volume accounted for 4.1% and price/mix for 3.4%. The cider category in Republic of Ireland performed below the wider LAD category partly due to the one-off impact of the exceptional summer on cider in the previous financial year. As a consequence Bulmers brand volume as a percentage of LAD slipped to 8.8% (from 9.2% the previous year)[ii]. From a consumer and customer perspective the brand remains exceptionally strong with distribution at 95% in the on-trade and continued high scores in brand equity measures. During FY2015 we maintained marketing investment in the Bulmers brand and have recently launched an up-weighted FY2016 plan. The 'Not a Moment Too Soon' campaign has resonated exceptionally well with our target audience since it first aired on TV. The heavyweight campaign is structured around a programme of TV, radio, outdoor, cinema and digital advertising throughout the year.

BEER

Beer volumes were positive in the year with Tennent's, recent new product launches and ABI brands all doing well. The performance of the portfolio highlights the credential of the business for balancing and driving owned brands and third party partnership brands. Clonmel 1650, a premium Irish authentic lager brewed in the new craft brewery in Clonmel, was rolled out to over 500 targeted outlets across Ireland during the second half of the year. Encouraging rate of sale and growing distribution give reason to be optimistic on the outlook for the new brand. Clonmel 1650 and Heverlee have been particularly successful in gaining traction in Northern Ireland.

GLEESON

The Gleeson business has had a mixed year. Integration has significantly changed the business model in Ireland. The Irish business now services customers with one Island of Ireland sales force, from a new information technology platform and we are in the process of setting up a central telesales operation based in new offices in Belfast. Support functions have been consolidated and the restructured sales, marketing and finance functions have delivered cost savings in the year. There has been some pressure on Gleeson revenues as a consequence of gains and losses in distribution contracts. A number of brand owners made the decision earlier in the year to move to alternative distributors for competitive reasons. In the latter part of the year we won a number of new high quality contracts, most notably distribution rights for Corona lager in Ireland and a sizeable wine supply deal. Inevitably, there will be some volatility in revenue as old arrangements cease and new ones commence and the business continues to develop the operating model to mitigate the impact of revenue volatility.

For note references to the Operations Review please see page 29.

Operations Review

SCOTLAND

Constant Currency[i]	FY2015 €m	Scotland FY2014 €m	Change %
Revenue	332.2	253.5	31.0%
Net revenue	223.6	138.5	61.4%
Operating profit[iii]	39.2	38.5	1.8%
Operating margin (Net revenue)	17.5%	27.8%	
Volume – (kHL) Excluding Wallaces Express	1,300	1,357	(4.2%)

SCOTLAND

Operating profits[iii] in Scotland (including Wallaces Express) increased by 1.8% to €39.2million. The decline in operating margin is purely a function of moving from a branded model to a branded wholesale model where third party brands are sold at lower margins alongside own brands.

Operating profit growth would have been stronger had it not been for challenging trading conditions in the final quarter following the introduction of stricter "drink drive" legislation in Scotland. The Tennent's brand remains in robust health with a strong performance in both the on and off-trade channels. The Group increased brand investment on Tennent's in FY2015 and is planning a further increase in the next financial year.

Brands launched in recent years continue to make good progress. Caledonia Best, which has captured 22% of on-trade smooth draught ale since its launch[ii], grew 3.6% in the year. Equally, Heverlee, our authentic hand-crafted premium Belgian lager, continues to make great progress in Scotland with volume growth of 116% in the financial year.

Overall net revenue increased by 61.4% with the inclusion of Wallaces Express following acquisition.

Integrating the wider TCB and Wallaces Express business onto one platform has been a complex and time intensive process. Integration is well underway with sales force already merged, new information technology platform developed and a new distribution footprint established. A key element of the distribution footprint is an agreement with DHL, which will

drive significant cost savings. The most important integration changes will take place in the next few months with the new information technology platform and new distribution platform fully implemented and the critical transition to a one stop customer service offering. Completion is anticipated by summer 2015. The resulting single platform will reinforce our customer centric, brand led wholesale model and will enable the business to optimise revenue performance in the medium term and deliver cost synergies in FY2016.

The Drygate craft brewery opened in Glasgow during the year. This is a joint venture with Williams Bros which facilitates participation in the craft arena. The joint venture is operated independently of the Wallaces TCB business.

New lending in the year was €5.6million, down from €11.2million in the prior year. The business will continue to invest new money in support of the independent free trade.

For note references to the Operations Review please see page 29.

Operations Review

C&C BRANDS

Constant Currency[(i)]	FY2015 €m	C&C Brands FY2014 €m	Change %
Revenue	182.0	212.6	(14.4%)
Net revenue	107.0	131.1	(18.4%)
- Price /mix impact			(7.4%)
- Volume impact			(11.0%)
Operating profit[(iii)]	10.4	16.7	(37.7%)
Operating margin (Net revenue)	9.7%	12.7%	
Volume – (kHL)	1,435	1,613	(11.0%)

C&C BRANDS

The commercial environment in the C&C Brands segment remains challenging with intense competition as off-trade retailers fight for market share. This coupled with brand proliferation and range extensions on the supply side has led to a deflationary pricing environment and a squeeze on established brands. Our business has been impacted by these dynamics, experiencing a net sales revenue decline through volume and price/mix. As a consequence of operational gearing, volume and revenue performance has had a significant impact on the profitability of the business with operating profit[(iii)] falling to €10.4million.

The Magners brand remains our key brand within C&C Brands but its performance has been affected by both retailer and competitive headwinds. Volume was down 14.1% and price/mix down 6.5% in the year. Consumer affinity for the brand remained strong with the brand regaining number one in premium apple cider in the off-trade[(ii)]. However, economically the existing business model is not tenable. The business has therefore taken action to stabilise performance next year through cost reduction to support the competitiveness of the Magners brand. The Group will continue to focus on Magners as a value driver both domestically and internationally.

Performance of other brands in the portfolio was mixed. K Cider had a difficult year with volumes down 37% due to the loss of a key route to market customer. As we move into the new financial year, we have established a wider route to market base for K cider and volumes are recovering. There was an improvement in the performance of a number of our heritage brands. Across both the on and off-trade, Shepton Mallet Cider Mill branded volumes were down 1% versus a decline of 18% in the previous twelve months. At the same time, the brands moved into positive value growth in the off-trade after a period of re-branding and focus. The business is seeing some positive early signs in niche activity through the launch of Chaplin & Cork's, an awarding winning range of premium craft ciders.

The Group does not envisage any improvement in the competitive environment in the short to medium term and is therefore in the process of transitioning to a lower-cost operating model with a more focused brand portfolio approach. The first step in this process is rationalisation of the commercial cost base. This is now largely complete with a unified sales and marketing organisation assuming responsibility for the full brand portfolio in C&C Brands. This will deliver cost savings from the start of FY2016, and critically, will enable a more focussed approach to brand portfolio deployment. We will continue to review different strategic options for the long term.

For note references to the Operations Review please see page 29.

Operations Review

NORTH AMERICA

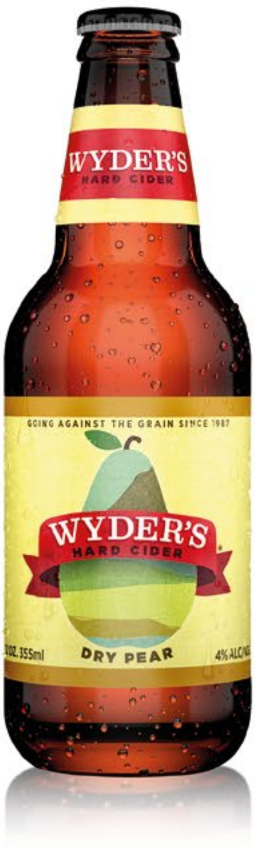
Constant Currency[i]	FY2015 €m	North America FY2014 €m	Change %
Revenue	47.5	59.5	(20.2%)
Net revenue	45.3	56.9	(20.4%)
- Price /mix impact			(2.8%)
- Volume impact			(17.6%)
Operating profit[iii]	1.5	10.9	(86.2%)
Operating margin (Net revenue)	3.3%	19.2%	
Volume – (kHL)	323	392	(17.6%)

NORTH AMERICA

United States

The cider category has experienced excellent growth with volume of 25.6million cases in calendar year 2014, up 54% on the previous year[ii]. For our cider business, however, the year was defined by severe market disruption as global and domestic brewers invested heavily to build a distribution footprint for their new brands. At the same time, a small but growing local craft cider movement has become a market feature. As a consequence our share of the category has come under pressure and Woodchuck brand depletions were down 15%.

During the year we have continued to invest in the US business. The new state of the art $34.5million cidery in Vermont was completed and is now in operation. The Woodchuck brand has been refreshed with new packaging and a new marketing campaign with activity focussed on selected States. The Group have also launched a number of innovative Woodchuck line extensions. The two most recent launches are Hopsation and Gumption and both have received positive feedback from distributors and consumers. In the last six months the Group has seen Woodchuck share of the key off-trade channel begin to improve in the month on month retail data[ii]. In addition, the distributor network has been stable and supportive during FY2015. These are encouraging signs as we move into FY2016.



Shipments of the Magners brand grew by 2% despite competitive pressure from new entrants. The brand now enjoys wider distribution across the United States which has helped deliver the volume growth. Blackthorn shipment volumes grew by 29% with a dry authentic English cider offering something different to the consumer. The Hornsby's brand continued to decline in the year as we focus on other brands in the portfolio.

Despite the number of new entrants to the category, the retail pricing environment has remained relatively stable with a price point similar to high end craft beer and well above the beer category average.

The business continued to invest in sales and marketing activities despite lower volumes with the combined investment now 27% of sales. At the same time, factory utilisation deteriorated due to the cessation of a major packaging contract towards the end of FY2014. The combined effect of volume decline, loss of contract packaging and increased investment in sales/marketing led to significant downward pressure on operating profit. The US asset is well invested, however, and as the competitive landscape stabilises any uplift in volume will flow through to bottom line profitability.

For note references to the Operations Review please see page 29.

Operations Review

EXPORT

Constant Currency[i]	FY2015 €m	Export FY2014 €m	Change %
Revenue	21.6	22.1	(2.3%)
Net revenue	21.1	21.9	(3.7%)
- Price /mix impact			(5.0%)
- Volume impact			1.3%
Operating profit[iii]	4.8	5.2	(7.7%)
Operating margin (Net revenue)	22.7%	23.7%	
Volume – (kHL)	155	153	1.3%

EXPORT

Export includes all markets outside of the UK, Ireland and North America. Volume in the Export segment grew by 1.3% relative to prior financial year. Overall performance was adversely impacted by Australia where shipment volumes declined 61% and net revenue declined by 70%. This was as a consequence of a difficult distributor transition with excess stock in the market limiting shipments and leading to price concessions to clear stock. The excess stock has now been cleared, shipments have resumed with a strong final quarter, and we have solid distribution platform with Bacardi Lion leading into FY2016.

Volumes excluding Australia grew by 17% with particular success in Europe where the business enjoyed 22% growth. This was driven by an excellent performance in Italy where volume increased by 57% driven by the Tennent's Extra brand. The Netherlands, Portugal and Germany contributed volume growth of 46%, 31% and 28% respectively.

Outwith Europe, the Group continued to develop its presence in Asia with volume growth of 39% excluding India. Thailand, Taiwan and Malaysia were the primary drivers of growth. The

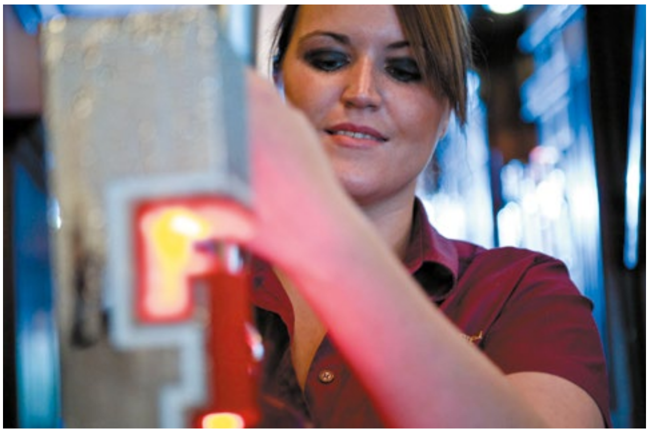
Group is also investing for the future, opening a regional office in Singapore and increasing commercial resource in the Asia region.

The Group is now exporting to over 50 countries with the top 3 accounting for circa 50% of sales.

During the year the Magners brand grew by 17% (excluding Australia) with double digit growth in Asia, Portugal and the Netherlands. The Tennent's brand grew by 37% with the uplift primarily coming from Italy.

The distributor transition in Australia impacted financial performance with FY2015 operating profit[iii] of €4.8million being 7.7% lower than the previous year. Excluding Australia, the export markets achieved modest profit improvement year on year.

Over the last 12 months, the cider category has shown some signs of fulfilling its potential with dynamic growth in a number of new markets in Europe and Asia. The export market opportunity for the Group is growing in scale and we intend deploying additional resource in FY2016 to start capitalising on it.



Notes to the Operations Review

(i) On a constant currency basis; constant currency calculation is set out on page 35.
(ii) Per Nielsen/CGA/IRI Data.
(iii) Operating profit and profit for the year attributable to equity shareholders is before exceptional items.

Group Chief Financial Officer's Review

RESULTS FOR THE YEAR

C&C is reporting net revenue of €683.9 million (up 10.3%), operating profit [i] of €115 million (down 9.2%) and adjusted diluted EPS[ii] of 27.2 cent (down 7.8%).

On a constant currency basis[iii], the net revenue is up 6.6% primarily as a result of the consolidation of the current year acquisition of Wallaces Express in the Group's numbers while operating profit[i] for the year was down 11.2%. Excluding Wallaces Express, net revenue and operating profits[i] are down 7.7% and 12.6% respectively on a constant currency basis.

The results for the year were disappointing, primarily driven by the performance in C&C Brands and the US. This resulted in the Group failing to achieve its guidance targets communicated last July. However, the Group did achieve guidance communicated in January for both operating profit and free cashflow conversion.

In C&C Brands, intense competition between off-trade retailers coupled with continuing brand proliferation, has led to significant pressure on both volumes and pricing, highlighting the need for structural change to the fixed cost base. Changes in this area are well advanced.

In the US, the disruptive element of new market entrants, attracted by the category growth resulted in volume decline in a business where we are investing in infrastructure. This has resulted in profit erosion. The destabilising impact of new entrants is reducing and we are now better positioned to share in the continued dynamic growth of the category. As a result of rebasing our profit expectations of the business we have reassessed the value of our intangible assets in the US and have taken an impairment charge of €150 million as at year end date. This non-cash adjustment has been treated as an exceptional cost.

In Ireland and Scotland the focus remains on building our brand led wholesale model. We completed the acquisition of Wallaces Express during the year and integration and restructuring of that business with the Group's existing business in Scotland has progressed well. We believe we have made significant progress and expect the integrated model to be in place in Scotland by summer 2015. We believe the branded wholesale model is the right business model for stable mature profitable territories such as Ireland and Scotland.

Currency has been positive for us in FY2015 and helped offset some of the decline in C&C Brands and the US. Cash generation has improved on last year and the business remains conservatively geared. This balance sheet strength allowed us to invest €30 million in a share buy-back programme in the latter half of the year, purchasing 9,025,000 shares at an average share price of €3.29. All shares acquired as part of the share buy-back programme are held as treasury shares.

The key financial performance indicators are set out on page 17.

ACCOUNTING POLICIES

As required by European Union (EU) law, the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), applicable Irish law and the Listing Rules of the Irish Stock Exchange and the UK Listing Authority. Details of the basis of preparation and the significant accounting policies are outlined on pages 102 to 113.

FINANCE COSTS, INCOME TAX AND SHAREHOLDER RETURNS

Net finance costs decreased to €8.8 million (2014: €11.0 million). This reflects a reduction in interest rates and the fact that drawn debt for the last two months of the year, post the negotiation of the Group's 2014 multi-currency facility, was predominately drawn in euro at more favourable interest rates than those payable under the

We completed the acquisition of Wallaces Express during the year and integration and restructuring of that business with the Group's existing business in Scotland has progressed well.

2012 facility when the bulk of the drawn debt was denominated in USD. Drawn debt for the period did not change materially from the prior year. Interest income in FY2015 was €0.2 million greater than FY2014. Net finance costs are also inclusive of an unwind of discount on provisions charge of €0.9 million (2014: €0.9 million).

The income tax charge in the year excluding the charge in relation to exceptional items and equity accounted investees amounted to €14.6 million. This represents an effective tax rate of 13.7%, an increase of 0.6 percentage points on the prior year. The Group has more profits taxed in the UK in the current year following the acquisition of Wallaces Express which has resulted in this increase year on year. The effective tax rate of 13.7% reflects the fact that the Group is established in Ireland's low tax environment, allowing the Group to avail of the 12.5% tax rate on profits generated in Ireland.

Subject to shareholder approval, the proposed final dividend of 7.0 cent per share will be paid on 10 July 2015 to ordinary shareholders registered at the close of business on 22 May 2015. The Group's full year dividend will therefore amount to 11.5 cent per share, a 15.0% increase on the previous year. The proposed full year dividend per share will represent a payout of 42.3% (FY2014: 33.9%) of the full year reported adjusted diluted earnings per share[ii]. This increase in both the dividend per share and payout ratio reflects confidence in the stability of earnings and cash generation capability of the core business.

A scrip dividend alternative will be available. Total dividends paid to ordinary shareholders in FY2015 amounted to €35.1 million, of which €29.5 million was paid in cash, €0.1 million was released with respect to previously accrued LTIP (Part I) dividend entitlements where the related LTIP (Part I) were deemed to have lapsed in the current financial year, while €5.7 million or 16% (FY2014: 10%) was settled by the issue of new shares.

In the current financial year, as part of the Group's capital allocation approach the Group undertook share re-purchases. The Group invested €30.0 million in on market share repurchases, purchasing 9,025,000 shares at an average price of €3.29. The Group's UK stockbrokers, Investec, conducted the share re-purchase programme. All shares acquired are held as treasury shares. At the AGM held on 3 July 2014, shareholders granted the Company and its subsidiaries authority to make market purchases of up to 10% of its own shares.

Exceptional items

FY2015 represented a year of revaluation, restructuring, integration and consolidation. Consequently costs of €173.4 million were incurred, which due to their nature and materiality were classified as exceptional items for reporting purposes, a presentation which, in the opinion of the Board, provides a more helpful analysis of the underlying performance of the Group.

The main items which were classified as exceptional include:-

(a) Impairment of intangible assets: Brand values and goodwill are assessed for impairment on an annual basis by comparing the carrying value of the assets with their recoverable amounts using value in use computations. A review of the carrying value of all intangible asset values was completed during FY2015 and as a result of this review an impairment charge of €150 million was taken with respect of the Group's intangible assets in the US. This represented a write down of 19% of the Group's intangible assets. The magnitude of the impairment charge is increased due to the strengthening of the dollar against the euro in the current financial year; a comparable impairment last year would have resulted in a charge of €122.7 million.

(b) Restructuring costs: Restructuring costs of €2.8 million comprising severance and other initiatives primarily arose from a reorganisation programme in England & Wales.

(c) Acquisition related costs: The Group completed the acquisition of Green Light Brands Ltd., Monuriki Drinks Ltd., and Monuriki Sales and Marketing Ltd. during the current financial year for €3.2 million. These were external consultancy entities that provided sales and marketing services to the Group's Shepton Mallet Cider Mill business and its International Wines & Spirits division. A decision was taken to bring these entities in-house as part of a rationalisation initiative of the Group's sales and marketing structure. The Group also incurred costs of €0.5 million with respect of the Group's preliminary approach for the Spirit Pub Group.

(d) Revaluation of property, plant & equipment: In line with Group policy, an external valuation of the Group's property plant & equipment was completed in FY2015. This resulted in a net revaluation loss of €10.5 million accounted for in the income statement and a gain of €5.3 million which was accounted for within other comprehensive income. Also during the year, in light of a material reduction in the utilisation levels of a bottling line located at the Group's Shepton Mallet cider manufacturing plant, a decision was taken to impair the bottling line by €3.3 million.

Group Chief Financial Officer's Review (continued)

(e) Impairment of investment in equity accounted investee: The Group impaired its investment in the Maclay Group plc as a result of the Maclay Group plc entering administration proceedings during the financial year. This resulted in an impairment of the Group's investment of €2.0 million and the impairment of related derivative financial instruments of €0.6 million which were accounted for within finance expense.

(f) Integration costs: Integration costs of €2.2 million were incurred in the financial year comprising professional and other related fees primarily attributed to the integration of the acquired Wallaces Express and Gleeson businesses with the Group's existing business.

(g) Profit on disposal of property, plant & equipment: A profit of €0.8 million was realised following the disposal of land & buildings which were surplus to requirements.

BALANCE SHEET STRENGTH, DEBT MANAGEMENT AND CASHFLOW GENERATION

Balance sheet strength provides the Group with the financial flexibility to pursue its strategic objectives. It is Group policy to ensure that a medium/long term debt funding structure is in place to provide the Group with the financial capacity to promote the future development of the business and to achieve its strategic objectives.

During the current financial year the Group amended and updated its committed €450 million multi-currency five year syndicated revolving loan facility. The facility agreement provides for a further €100 million in the form of an uncommitted accordion facility and permits the Group to have additional indebtedness to a maximum of €150 million, giving the Group debt capacity of €700 million. The debt facility matures on 22 December 2019. At 28 February 2015 net debt(iv) was €157.8 million representing a net debt:EBITDA(v) ratio of 1.1x.

Brand values and goodwill are assessed for impairment on an annual basis by comparing the carrying value of the assets with their recoverable amounts using value in use computations. As outlined above an impairment with respect to the US business was taken in the current financial year. All other business segments had sufficient headroom. No reasonable movement in any of the underlying assumptions would result in an impairment in the Ireland, Scotland, C&C Brands or Export business segments.

Cash generation

Management reviews the Group's cash generating performance by measuring the conversion of EBITDA(v) to Free Cash Flow(vi) 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(v) to Free Cash Flow(vi) conversion ratio of 58.8% (FY2014: 40.9%). A reconciliation of EBITDA to operating (loss)/profit and a summary cash flow statement are set out below.

A summary cash flow statement is set out in Table 2 on page 33.

Table 1 – Reconciliation of EBITDA(v) to Operating (loss)/profit	2015 €m	2014 €m
Operating (loss)/profit	**(58.4)**	106.0
Exceptional items	**173.4**	20.7
Operating profit before exceptional items	**115.0**	126.7
Amortisation/depreciation	**24.9**	24.0
EBITDA(v)	**139.9**	150.7

Table 2 – Cash flow summary	2015 €m	2014 €m
EBITDA(v)	**139.9**	150.7
Working capital	**(8.4)**	0.7
Advances to customers	**(3.1)**	(14.3)
Capital expenditure	**(21.9)**	(38.5)
Disposal proceeds	**17.8**	10.0
Net finance costs	**(9.1)**	(8.3)
Tax paid	**(12.8)**	(13.7)
Exceptional items paid	**(3.4)**	(16.9)
Pension contributions paid	**(6.4)**	(6.8)
Other(vii)	**(10.3)**	(1.3)
Free cash flow(vi)	**82.3**	61.6
Free cash flow conversion ratio	**58.8%**	40.9%
Free cash flow(vi)	**82.3**	61.6
Exceptional cash outflow	**3.4**	16.9
Free cash flow excluding exceptional cash outflow	**85.7**	78.5
Free cash flow conversion ratio excluding exceptional cash outflow	**61.3%**	52.1%
Reconciliation to Group Condensed Cash Flow Statement		
Free cash flow(vi)	**82.3**	61.6
Proceeds from exercise of share options	**1.0**	5.0
Net proceeds from the sale of shares held by Employee Trust	**-**	1.2
Shares purchased under share buyback programme	**(30.0)**	-
Drawdown of debt	**335.8**	76.2
Repayment of debt	**(337.6)**	(57.3)
Payment of issue costs	**(2.0)**	-
Acquisition of business/deferred consideration paid	**(13.6)**	(8.6)
Acquisition of equity accounted investees	**(0.5)**	(12.0)
Dividends paid	**(29.5)**	(27.9)
Net increase in cash & cash equivalents	**5.9**	38.2

Notes to the Chief Financial Officer's Review
(i) Operating profit is before exceptional items.
(ii) Adjusted basic/diluted earnings per share ('EPS') is before exceptional items. Please see Note 9 to the financial statements.
(iii) Constant currency calculation is set out on page 35.
(iv) Net debt comprises borrowings (net of issue costs) less cash & cash equivalents.
(v) EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and Equity accounted investees' (loss)/profit after tax.
(vi) Free Cash Flow is a non GAAP measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. Free Cash Flow highlights the underlying cash generating performance of the on-going business. A reconciliation of FCF to Net Movement in Cash & Cash Equivalents per the Group's Cash Flow Statement is set out above.
(vii) Other relates to share options add back, pensions charged to operating profit before exceptional items, net profit on disposal of property, plant & equipment and exceptional non-cash items less exceptional items add back.

Group Chief Financial Officer's Review (continued)

RETIREMENT BENEFIT OBLIGATIONS

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

The Group is reporting a retirement benefit obligation surplus of €3.7 million in relation to its NI defined benefit pension scheme and a deficit of €37.3 million in relation to its two ROI defined benefit pension schemes. All schemes are closed to new entrants. There are 4 active members in the NI scheme and 73 active members (less than 10% of total membership) in the ROI schemes. In line with a funding plan approved by the Pensions Board for the ROI schemes, the Group is committed to contributions of 14% of Pensionable Salaries to fund future pension accrual of benefits; a deficit contribution of €3.4 million; and an additional supplementary deficit contribution of €1.9 million. The Group reserves the right to reduce or terminate the supplementary benefit deficit contribution, on consultation with the Trustees and on advice from the scheme actuary that it is no longer required due to a correction in market conditions. The scheme actuaries advised that as at 31 December 2014 the schemes were on track to meet the minimum funding standard and risk reserve by 31 December 2016, the end of the funding period.

At 28 February 2015, the retirement benefit obligations on the IAS 19(R) Employee Benefits basis amounted to €33.6 million gross and €29.7 million net of deferred tax (FY2014: €21.4 million gross and €18.8 million net of deferred tax). The movement in the deficit is as follows:

	€m
Deficit at 1 March 2014	21.4
Employer contributions paid	(6.4)
Actuarial loss	20.7
Credit to the Income Statement	(1.9)
FX adjustment on retranslation	(0.2)
Net deficit at 28 February 2015	33.6

The increase in the deficit in the current financial year is primarily as a result of a reduction in the discount rate applied to liabilities: for the ROI scheme, discount rates reduced from 3.4% - 3.6% at 28 February 2014 to 1.7% - 1.9% at 28 February 2015 while for the NI scheme, the discount rate reduced from 4.4% at 28 February 2014 to 3.6% at 28 February 2015. The impact of this was partially offset by strong asset growth, inflation linked assumptions being more favourable (ROI: 1.5% compared to 2% in FY2014 and NI: 3.1% compared to 3.3% in FY2014) and employer contributions.

All other significant assumptions applied in the measurement of the Group's pension obligations at 28 February 2015 are broadly consistent with those as applied at 28 February 2014.

FINANCIAL RISK MANAGEMENT

The most significant financial market risks facing the Group continue to include foreign currency exchange rate risk, commodity price fluctuations, interest rate risk and creditworthiness risk in relation to its counterparties.

The Board of Directors set the treasury policies and objectives of the Group, the implementation of which is monitored by the Audit Committee. There has been no significant change during the financial year to the Board's approach to the management of these risks. Details of both the policies and control procedures adopted to manage these financial risks are set out in detail in note 22 to the financial statements.

Currency risk management

The Group's reporting currency and the currency used for all planning and budgetary purposes is the euro. However, as the Group transacts in foreign currencies and consolidates the results of non-euro reporting foreign operations, it is exposed to both transaction and translation currency risk.

Currency transaction exposures primarily arise on the sterling, US, Canadian and Australian dollar denominated sales of the Group's euro subsidiaries. The Group seeks to minimise this exposure, when economically viable to do so, by maximising the value of its foreign currency input costs and creating a natural hedge. When the remaining net exposure is material, the Group manages it by hedging an appropriate portion for a period of up to two years ahead. Forward foreign currency contracts are used to manage this risk in a non-speculative manner. The Group had no outstanding forward foreign currency contracts as at the year-end date.

The effective rate for the translation of results from sterling currency operations was €1:£0.795 (year ended 28 February 2014: €1:£0.846) and from US dollar operations was €1:$1.295 (year ended 28 February 2014: €1:$1.334).

Comparisons for revenue, net revenue and operating profit 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 FY2015 effective rates.

Table 3 – Constant Currency Comparatives	Year ended 28 February 2014 €m	FX Transaction €m	FX Translation €m	Year ended 28 February 2014 Constant currency comparative €m
Revenue				
Ireland	395.1	-	4.1	399.2
Scotland	238.2	-	15.3	253.5
C&C Brands	199.7	0.3	12.6	212.6
North America	57.8	-	1.7	59.5
Export	22.1	-	-	22.1
Total	912.9	0.3	33.7	946.9
Net revenue				
Ireland	289.7	-	3.4	293.1
Scotland	130.2	-	8.3	138.5
C&C Brands	123.2	0.3	7.6	131.1
North America	55.2	-	1.7	56.9
Export	21.9	-	-	21.9
Total	620.2	0.3	21.0	641.5
Operating profit				
Ireland	58.6	(1.1)	0.7	58.2
Scotland	36.2	-	2.3	38.5
C&C Brands	15.9	(0.6)	1.4	16.7
North America	10.7	(0.1)	0.3	10.9
Export	5.3	(0.1)	-	5.2
Total	126.7	(1.9)	4.7	129.5

Applying the realised FY2015 foreign currency rates to the reported FY2014 revenue, net revenue and operating profit rebases the comparatives as shown in Table 3 above.

Commodity price and other risk management

The Group is exposed to commodity price fluctuations, and manages this risk, where economically viable, by entering into fixed price supply contracts with suppliers. The Group does not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. It is Group policy to fix the cost of a certain level of its energy requirement through fixed price contractual arrangements directly with its energy suppliers.

The Group seeks to mitigate risks in relation to the continuity of supply of key raw materials and ingredients by developing trade relationships with key suppliers. The Group has over 60 long-term apple supply contracts with farmers in the west of England and has an agreement with malt farmers in Scotland for the supply of barley.

In addition, the Group enters into insurance arrangements to cover certain insurable risks where external insurance is considered by management to be an economic means of mitigating these risks.

Kenny Neison
Group Chief Financial Officer

Corporate Responsibility

HIGHLIGHTS

We are supporting the implementation of minimum unit pricing in Scotland, the Republic of Ireland and Northern Ireland.

We are campaigning for the changes in the tied pub laws that have been introduced in England and Wales to be applied in Scotland.

We are working with governmental bodies, Drinkaware and police forces on initiatives to improve the safety of the night time economy.

We are working to encourage the adoption of a new Cider Bill to help improve the quality of cider products in the US.

The Tennent's Training Academy continues to provide high quality hospitality industry training, now having trained over 16,000 people.

We have made significant charitable contributions at the local and national level.

We have invested €1 million at Wellpark to deliver energy efficiencies and reduce GHG emissions.

Our main production sites have reduced energy consumption by 12% compared to three years ago.

Health and Safety programmes have delivered a significant reduction in the number of injuries resulting in lost-work days.

We pay corporation tax in the main geographies which we operate in and pay substantial amounts of alcohol duty.

INTRODUCTION

The Group operates a corporate responsibility and sustainability policy which is designed to meet the demands of its stakeholders in as economically, environmentally and socially responsible way as possible in line with the key values of our organisation.

ENVIRONMENTAL IMPACT & ENERGY

Our operations teams in each of the Group's manufacturing facilities are actively working on reducing our impact on the environment. Their focus is reduction in consumption of energy, water and other raw materials as well as waste going to landfill and greenhouse gas (GHG) emissions. We also actively continue to review mechanisms whereby we can increase transportation efficiency.

Compared with FY2014, electricity used per hectolitre of product produced in our manufacturing sites at Clonmel, Shepton Mallet and Wellpark reduced by 3%. Total production volumes across these 3 sites were similar to the previous year. By FY2015 we reduced our energy usage at these sites by 12% compared with FY2012, exceeding our target of 11% previously set for this period. We continue to review our energy usage, and revise these targets annually.

Having introduced data collection processes at the Gleeson production sites in FY2015 we are now able to report on fuel and energy usage in this business for the first time, and these production sites will be included in the new targets being set.

Our manufacturing sites at Clonmel and Shepton Mallet continue to be accredited with the Environmental Management Standard ISO 14001; the facility at Clonmel also continues to be accredited to the Irish Energy Management Standard IS EN 16001:2009, and works closely with the Sustainable Energy Authority of Ireland (SEAI). Clonmel was reaccredited to the ISO 50001:2011 Energy Management Standard. These standards require us to demonstrate the systematic management of energy leading to a decline in GHG emissions. The Gleeson sites have their own environmental management system in place, and at Clonmel and Borrisoleigh 100% of the electricity provided by our electricity supplier comes from renewable sources. Our environmental management systems at Wellpark are aligned with Clonmel and Shepton Mallet and continued to meet their regulatory targets in FY2015. In the UK we continue to avail of the Government's small emitters opt out scheme.

Compared with FY2014, electricity used per hectolitre of product produced in our manufacturing sites at Clonmel, Shepton Mallet and Wellpark reduced by 3%.

In Vermont, following the introduction of our new cidery, 10% of our electricity usage was derived from renewable sources, including the "Cow Power" scheme which generates electricity from cow manure using methane digestors on dairy farms (and has achieved a reduction in carbon equivalent to planting 1,000 acres of pine forest), and purchases of electricity from regional solar power projects.

Significant investment has been made at our apple-crushing facility in Portugal to improve emissions from the boilers, optimise the treatment of effluent and improve the operating efficiency of the site. The most recent improvement was the construction of a new effluent discharge system.

SUSTAINABLE LOGISTICS

During FY2015, we began the process of consolidating our depots in Scotland for the newly integrated Tennent's and Wallaces Express businesses which is expected to deliver:

- Reduction in the number of depots from eight to five resulting in a reduction in the total depot footprint by 5,500 square metres.
- Reduction in the number of deliveries to customers who were previously supplied separately by each business by 50,000, which will equate to a subsequent saving of 700 tonnes of CO_{2e} per annum.
- Additional initiatives to increase delivery efficiency which will further reduce the number of deliveries by approximately 20,000, equating to 160,000 road kilometres.

Corporate Responsibility (continued)

We have systems in place across all manufacturing sites working towards maximising the recycling of waste we produce and hence minimise what we send to landfill.

The Gleeson integration in Ireland in FY2014 created opportunities to consolidate deliveries being made from our warehouse in Clonmel for both beer and cider in FY2015, resulting in an increase in loadfill levels. Plans are now in place to extend this initiative with consolidated deliveries to our major customers' despatch centres during FY2016.

In England, Downtons (a logistics partner) have upgraded 170 of their tractor units to Euro 6 standard, which have more fuel efficient engines. This has resulted in an 18% saving in fuel across 660,000 road kilometres, which is equivalent to a saving of 197 tonnes of CO_{2e}.

PACKAGING

We continue to benchmark our SKU's to ensure that we take every opportunity to light-weight our packaging and make full use of recyclable materials. We work with our multinational suppliers in this area to make best use of their expertise, and we also look at efficiencies in the supply chain. For example, we down-gauged a number of our can SKU's this year, reducing our aluminium requirement by 5%, and we also increased the number of cases of cans loaded onto pallets by 12.5%, resulting in improved transport efficiencies.

In one of our Gleeson plants we introduced shrink wrap packaging to replace trays and boxes for one of our 12 x 1,500ml packs, which resulted in a net annual reduction in packaging weight of 16 tonnes. We also reduced the weight of preform bottles enabling us to save 37 tonnes of PET plastic in FY2015.

At Wellpark, we introduced shrink wrap packaging which enabled us to reduce the total packaging weight by up to 34%, equating to 568 tonnes of cardboard for the year, and between 60% and 70% of the glass used in our bottles is recycled. We continue to participate in the Packaging Recycling Group Scotland where, along with Resource Efficient Scotland, we aim to make further advances in the recycling of packaging after a detailed analysis throughout our supply chain.

CARBON CONSUMPTION

The Group continuously monitors the impact of its operations on the climate and we look to reduce our GHG emissions. We assess and manage climate change related risks and opportunities, including the impact on the availability and security of our sources of raw materials, such as aquifers, orchards and maltings.

The Group has participated in the Carbon Disclosure Project (CDP) Supply Chain Programme for a number of years, and CO_2 emissions for the Group are evaluated annually. The Group has historically scored highly in the CDP Ireland Report, showing disclosure scores which are amongst the best in its sector. This year's disclosures to CDP will include data for Wallaces TCB and Gleeson for the first time, as we continue the ongoing process of expanding data collection and reporting across our more recently acquired businesses. Scope 1 and 2 CO_2 emissions in FY2015 are broken down across our manufacturing sites as follows:

Clonmel:	7,784t
Shepton Mallet:	8,321t
Wellpark:	18,876t
Gleeson:	9,501t
Vermont:	2,974t
Others:	3,687t

These emissions figures include the impact of the new cidery in Vermont, the new brewery at Clonmel, and also increased production volumes at Wellpark.

In FY2015 we invested €1 million in capital at Wellpark to deliver significant energy efficiencies across the site which is expected to reduce GHG emissions by around 2,000 tonnes per annum. Similar audits are now being carried out in other sites to identify further savings.

In Ireland and the UK, through our commitment to rural development, we support orchard growers who manage over 2,000 hectares of orchards for apples used directly in the production of our cider.

We ensure compliance with national packaging regulations for our products placed into the marketplace. In ROI we also recovered and recycled 2,556 tonnes of CO_2 produced by the cider fermentation process and used it to carbonate our products.

WASTE

We have systems in place across all manufacturing sites working towards maximising the recycling of waste we produce and hence minimise what we send to landfill.

In FY2015 both Clonmel and Wellpark sent zero waste to landfill. This was due to general waste reduction, increased waste stream segregation allowing more recycling, manual sorting of residual general waste to remove any recyclable materials and then sending the residue to a Refuse Derived Fuel (RDF) facility where electricity is generated. At Shepton Mallet, general waste volume for the year has dropped by 53% since FY2012 through improved segregation and recycling.

In FY2016 the same techniques employed at Wellpark and Clonmel will be implemented at Borrisoleigh and Shepton Mallet in order to reduce their waste going to landfill.

The management of waste from our apple-crushing facility in Portugal is now handled by professional third party contractors. Recycling schemes have been instigated to improve segregation and site awareness training programmes completed. We have also invested in optimising the treatment of effluent.

WATER

At all the Group's manufacturing sites, water preservation and management is an important business consideration and we continue to monitor the usage of water per hectolitre of finished product from each manufacturing facility and across our supply chain. Each year the Group participates in the CDP Water Disclosure initiative in ROI and the UK.

In FY2015, our total water usage at our Clonmel, Shepton Mallet and Wellpark sites dropped by 1%. This is equivalent to 3.5 hectolitres of water used per hectolitre (hl/hl) of product produced, which is significantly better than the recognised industry benchmark of 4 hl/hl. In Wellpark a number of initiatives were implemented resulting in a 12.7% reduction in water usage and an effluent reduction of 17.6%.

Our aquifer protection programmes in Clonmel and Borrisoleigh have resulted in us retaining our successful accreditation to the Irish IS 432:2005 standard at both sites. Across the Group, we continue with our projects on brewery condensate recovery, reclaiming pasteuriser and bottle rinse water, fruit processing, and minimising plant and process cleaning systems. We also recover biogas from our anaerobic waste water treatment plant in Clonmel for use as fuel in our boilers.

PROCUREMENT

Our Sustainable and Ethical Procurement Policy is being updated and sent out to suppliers. This Policy is monitored by the Board via the Group Operations Director, and each business unit is required to demonstrate compliance with this policy by providing access to its audit and review records, its procedure manuals and its staff training materials for audit purposes.

Our central teams in procurement and technical services actively review and assess our suppliers' track record in environmental management, health and safety, sustainability and corporate social responsibility through the tendering process and supplier reviews.

Corporate Responsibility (continued)

We seek to support our suppliers through entering into long term supply arrangements with our suppliers of apples and barley, our key raw materials. We also leverage the expertise and capabilities of our suppliers to ensure C&C optimises the materials we use and continuously reduce our impact on the environment.

Monitoring equipment has now been installed at our apple processing plant in Portugal to enable us to measure water consumption in key areas across the site.

GREEN PRODUCTION

In FY2015, we crushed 90,000 tonnes of apples and 3,000 tonnes of pears in our milling operations across the Group. The investment scheme launched by the Shepton Mallet Cider Mill in FY2013 has made significant progress. Around 40,000 trees have been procured during the first two years of the programme and planting is well underway.

We encourage sustainable agricultural practices and the preservation of biodiversity. In the UK we are actively involved in the National Association of Cider Makers (NACM) which takes the lead in adopting and working to sustainable principles both in the physical and social environment, and carries out annual climate change assessments. The NACM is the first drinks trade body to work with Business in the Community (BITC) to address sustainability, and we have worked with the pomology and technical experts in the NACM to develop our sustainability agenda.

COMMUNITY ENGAGEMENT

During the last year we continued with our strategy of transferring resources and efforts from national schemes to local initiatives that will have a more positive impact on the communities in which we operate. A significant part of this is our approach to charitable activities, where we aim to support charities that have a local impact.

The Group takes its responsibilities as a corporate citizen seriously. This includes respecting and complying with local tax laws and paying the required levels of tax in the different countries where we operate. We claim the allowances and deductions that we are properly entitled to, for instance on the investment and employment that we bring to our communities. We benefit from having always been an Irish company, established in ROI's low tax environment, with our major Irish cider production unit located in Clonmel and the Group headquartered in Dublin. The majority of the Group's profits are earned in ROI and the UK, which both have competitive corporation tax rates compared with the European average. In ROI and the UK we remit substantial amounts of duty on alcohol production.

Ireland

We support a diverse range of sporting events from horse racing to the Dublin and Cork city marathons. We are also supporters of live music events. Tennent's Vital is Northern Ireland's biggest music festival, and the annual sponsorship of this event by Tennent's NI helps bring world-class musicians to Northern Ireland. In ROI, we continue to support the Forbidden Fruit Festival, the Kilkenny Trad Festival and Bulmers Live at Leopardstown, which sees live music acts alongside evening racing events.

Our newly opened craft beer brewery on the site of our cider mill in Clonmel has now commenced production of our Irish beer products. This new brewery facility is helping us to capitalise on the growing craft beer category both in ROI and overseas, and it will also add additional investment and job security to the local community in Clonmel.

We also provide work experience at our Clonmel site for students in technical and manufacturing areas.

In Northern Ireland we have now raised £20,000 for the Friends of the Cancer Centre charity. In the Republic of Ireland we continue to use our brands to raise money for local charities.

The Tennent's Training Academy, which offers a wide range of training programmes with nationally recognised qualifications in all aspects of the hospitality industry, has now trained over 16,000 people.

During the last financial year we promoted, both in-store and in the media, the Irish Society for the Protection of Cruelty to Children and donated free Tipperary Water.

We have recently entered into a new charity partnership with Bumbleance through Tipperary Water. This charity provides a unique, child-centred professional ambulance transport service, catering for the needs of seriously ill children en route to and from the principal centres of care. We donated €15,000 as well as free stock of Tipperary Water, and we are working with the charity in the manufacture of a Bumble Bee soft toy. In addition we continue to donate to the Musical Youth Foundation, an organisation that provides music lessons to children in disadvantaged areas. We also donated around €5,500 worth of free stock of Finches and Tipperary Water to a wide range of local charities.

We are in discussions with the local Tipperary County Council about donating a strip of land at Clonmel beside the river Suir to develop a greenway along the river for cyclists and the general public.

Scotland
For many years we have provided financial support through trade lending facilities to enable our customers to improve their on-trade premises so that they remain vibrant parts of the local community. In FY2015, we advanced a gross total of approximately £4.5 million to our customers in Scotland.

We continued support for a number of charities including the Prince and Princess of Wales Hospice, St. Andrew's Hospice and raised £1,078 from the Tennent's staff Christmas party. In September 2013, as part of our partnership with Celtic FC, Magners Irish Cider announced an initiative to donate £150 for every goal scored to the Celtic FC Foundation. This raised over £18,000 for the good causes supported by the Foundation. Magners then offered fans the opportunity via a social media vote to determine how this money was split across the Foundation's four priority areas of Health, Equality, Learning and Poverty.

We provide valuable support to those setting out on a career in the pub and hospitality industry. The Tennent's Training Academy, which offers a wide range of training programmes with nationally recognised qualifications in all aspects of the hospitality industry, has now trained over 16,000 people. The Tennent's Training Academy has expanded its operations over the last 12 months offering a wider range of courses and improved new facilities such as the Innovation Suite. We continue to support the modern apprenticeship scheme, with four modern apprentices currently working at Wellpark.

Tennent's is a founding partner of T in the Park, one of the top music festivals in Europe, which helps bring some of the world's biggest music stars to Scotland. The festival is now in its 22nd year, making it one of the longest running music festivals with a single sponsor in the UK. We also continue to support Scotland's unsigned music talent, and this year 16 artists will be offered the chance to play on the T Break stage at T in the Park.

During FY2015, the Drygate Brewery opened on our site in Glasgow. This joint venture brings craft beer and a superb retail establishment to the east end of Glasgow. This provides a useful resource for people living and working in the area. It has hosted many cultural events such as music and comedy nights, which have proved very popular.

England
We are actively involved in the 'Keeping Somerset Orchards Alive' community orchard projects, and have allocated €50,000 to restore and plant traditional orchards and promote traditional orchard craft and local cider making, with several projects already completed and more to follow utilising the benefits of this funding.

We have continued our support for the local community through numerous local sponsorships, including sponsorship through our Blackthorn cider brand of Bristol City and Bristol Rovers Football clubs and Bristol Rugby club. We also support shows in the South West including the Mid Somerset Show and donate to various local groups and charities.

Corporate Responsibility (continued)

North America
In FY2015, Vermont Hard Cider Company donated over $80,000 to local groups and charities. The biggest recipient of our charitable donations continues to be Survivorship NOW, a cancer survivor and supporter organisation that helps bridge the gap between cancer treatment and recovery. We donated $30,000 to the organisation and are in our third year producing our Woodchuck Private Reserve Pink cider in their honour.

We have also upheld our commitment to our orchard partners in the state of Vermont. We donated $10,000 to the Working Lands Enterprise Initiative (WLEI), an organisation that invests in the growth of Vermont's agricultural landscape. The funds we donated to WLEI will contribute to studies regarding the growing of cider apples in the state. As part of our Earth Week social media campaign, we also donated over $5,000 to both the Vermont Tree Fruit Growers Association and the American Forests organisation.

One Water
In May 2014, we announced that we were to support One Water, the UK's leading ethical bottled water brand. As part of our community involvement programme, we have pledged to sell £1 million of One Water in the UK on-trade (pubs, clubs and hotels) through our distribution networks. All of One Water's profits are donated to The One Foundation charity which operates across Africa to provide water to some of the world's poorest communities. To date, One Water has raised over £10 million and has changed the lives of over 2.5 million people. http://onedifference.org/

RESPONSIBLE DRINKING

Public Policy Leadership
During the last twelve months we held the Chair of the National Association of Cider Makers (NACM) and we now have a seat on the board of that organisation. This has put us at the heart of many UK government discussions relating to the responsible use of alcohol. The NACM is also engaged with tax and regulatory departments and opinion-forming bodies having an interest in cider and/or alcohol generally. Through our leadership of the NACM, we helped secure a cider excise duty cut of 2% in the UK.

On the global cider stage we are active in the United States Association of Cider Makers (USACM) and we are represented on its board and legislative committee. We have worked on a revised definition for cider in the US allowing higher carbonation, which is more aligned to European levels. This change is currently progressing through the Senate in Washington and we are hopeful of legislation being concluded this year. If successful this will be an important boost for the growing American cider industry.

We donated $30,000 to the organisation and are in our third year producing our Woodchuck Private Reserve Pink cider in their honour.

Within Europe we are key influencers within the European Cider and Fruit Wine Association (AICV). Working with these and other organisations enables us to press for consistency in cider definitions across the world, which is important for our global expansion aspirations. We have joined this organisation as a corporate member.

Local Government
A large number of local authorities in England and Wales have implemented restrictions on the sale of high-strength beer and cider. We have a very small commercial interest in these products. We are working with local authorities, trade bodies and central government in order to ensure steps to tackle alcohol misuse are undertaken in a non-discriminatory fashion.

Public Health Responsibility Deal UK
We continue to support the eHealth responsibility deal pledges that were made in March 2012 and are delivering our commitments against these pledges. We have disposed of high-strength cider brands and launched lower alcohol strength products to deliver our units reduction pledge.

Review of Alcohol Trade Body Memberships
During FY2015 we completed a review of our trade body memberships. The basis of the review was to ensure that good value was achieved by us. The assessment was made by evaluating cost of membership versus the social benefits in terms of responsible drinking and associated community actions. In the case of four organisations we decided that we can achieve greater efficiency for our responsible drinking programmes and, as a result of this, we resigned our memberships of The Portman Group (UK), the British Beer and Pub Association (UK), Mature Enjoyment of Alcohol in Society (Ireland) and the Alcohol Beverage Federation of Ireland (Ireland).

Notwithstanding that we will have ceased to be members of these trade bodies, we will continue to adhere to their codes of conduct where appropriate, and we remain fully committed to the promotion of responsible drinking. We remain active members of Drinkaware, where we support their work to provide consumers with more information about responsible drinking.

Best Bar None
As part of our strategy of focusing on local customers and consumers with responsible drinking messages and activity we continue to be a member of the Best Bar None scheme. The aim of this scheme is to improve the night time economy of many Scottish high streets, making them safer and more enjoyable places to be.

Scottish Government Alcohol Industry Partnership (SGAIP)
Tennent's was a founding member of the SGAIP. The SGAIP has undertaken various initiatives over the last seven years towards achieving a reduction in alcohol misuse in Scotland. The notable achievements of the SGAIP over the last 12 months include doubling the availability of small wineglasses in the Scottish on-trade.

Legislation relating to Tied Pubs
The UK Small Business Enterprise and Employment Act 2015 includes provisions giving pub tenants the opportunity to opt out of the tied arrangements requiring them to buy beer and cider from the owner of the pub and to choose to pay market rent for the premises instead. These provisions currently only apply in England and Wales but we are engaging with the Scottish Government to seek to have similar legislation enacted in Scotland, which will be an important boost for Scottish pubs as it will give entrepreneurial tenants more opportunity to shape the future of their businesses.

Minimum Unit Pricing
The Scottish Government has passed legislation to introduce minimum pricing for alcohol. This legislation is now the subject of judicial review as third parties have brought a legal challenge. The Governments of the Republic of Ireland and Northern Ireland have also stated their intention to introduce minimum unit pricing for alcohol. We have been supportive of all of these initiatives provided they are fairly, reasonably and proportionately implemented and are part of a range of initiatives to help reduce the misuse of alcohol.

Responsible Drinking Initiatives
We have continued our commitment to promoting responsible drinking in all the markets in which we operate. In addition to adhering to the relevant guidelines and legislation, we have also implemented a number of additional programmes to promote responsible drinking.

We launched Tennent's Lemon T, a lighter Radler-style beer which contains only 2.8% alcohol, containing less than one unit of alcohol per bottle, and we are in the process of launching T2, a variant of Tennent's containing only 2% alcohol. In response to the lower drink-drive limit that was introduced in Scotland in December 2014 we launched Tennent's Hee Haw, a 0% alcohol beer, which gives consumers the choice of an alcohol-free beer. We also continued the development of our non-alcoholic product range, with increased marketing and promotion behind the Finches and Tipperary brands in Ireland, and we will shortly be launching our JWV+ soft drink product.

At T in the Park Tennent's once again operated 'Be Chilled' at T in the Park, which comprises a facility for consumers camping at the festival to pre-order and collect chilled Tennent's Lager to encourage trading down.

EMPLOYEES

Developing, engaging and rewarding employees fairly is fundamental to the success of our business and also to the relationships that we have with the local communities in which we work.

We are an equal opportunities employer. We aim to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. We have a formal equal opportunities policy that commits us to promoting equality of opportunity for all our staff and job applicants. For our operations in Northern Ireland this includes adherence to the MacBride Principles. Our policy states that we do not discriminate on the basis of age, disability, marital status, ethnicity, creed, sex or sexual orientation. The policy also requires our staff to treat customers, suppliers and the wider community in accordance with these principles as well.

Corporate Responsibility (continued)

As a direct result of these initiatives we were able to actively reduce our number of lost time accidents across all sites. Our site in Clonmel achieved zero lost time accidents last year...

Health and wellbeing of employees

FY2015 saw two distinct strategies implemented in our manufacturing plants to meet our safety, health and environmental objectives;

- Year-on-year improvements in staff engagement and involvement in health and safety.
- Initiatives that have been successful at Clonmel, Shepton Mallet and Wellpark rolled out into the Borrisoleigh production facility.

As a direct result of these initiatives we were able to actively reduce our number of lost time accidents across all sites. Our site in Clonmel achieved zero lost time accidents last year for the first time, with Shepton Mallet reducing their number of accidents by 80% in the same year. These achievements clearly demonstrate the direct correlation between employee engagement and management commitment to the reduction of lost time accident rates. Staff engagement levels indicators in safety and health have increased six-fold across the Group compared to FY2014.

Within our manufacturing sites, we recognised the need to educate staff to a higher level of competence within FY2015 in order to improve safety. Following on from Tennent's Caledonian Breweries' successful accreditation from the Royal Environmental Health Institute of Scotland (REHIS), accreditation has also now been gained to deliver the courses at Shepton Mallet. To date over 150 members of staff have successfully gained health and safety qualifications through the scheme.

Significant changes to health and safety practices have been enacted in Borrisoleigh. These include changes to the ways of working as well as substantial improvements in safety equipment such as access platforms, fire safety measures and improved pedestrian safety.

We encourage reporting as this is the most effective way to make our working environment safe for our employees.

During FY2015, in our apple-crushing facility in Portugal we have continued with a significant programme of improvements in health and safety with the key focus being on risk assessments, documenting safe work practices and investing in facilities to provide a safer working environment for employees. A full time role has now been appointed to the site management team to co-ordinate these improvements and develop strategic plans going forward into FY2016.

Following a comprehensive gap analysis across our manufacturing sites, a team manager training and development programme was launched in FY2015 in Wellpark, Shepton Mallet, Borrisoleigh and Clonmel. The key outcomes from this programme are to build leadership capability, further increasing focus on production efficiency, improving staff engagement and delivering key business objectives.

Occupational health services continue to be offered and improved at all our manufacturing sites to treat work related injuries, provide annual health checks and support health awareness programmes.

The manufacturing sites continually strive to improve employee engagement through an active programme of team briefs, team building days, safety days and social events which are used to support local clubs and charities.

Personal Development

A focus for FY2015 was on developing our people managers. Across each of our sites, our operation team managers participated in a management development programme, which focused on the areas of health and safety, quality, people development and operational efficiency. In our Irish business, all managers participated in a people management workshop focusing on the areas of managing performance, communicating effectively, managing change and influencing. The workshops have resulted in improved people management capability and similar workshops will be introduced across other areas of the business in FY2016.

Governance

We, as a Board, and a Company, take corporate governance very seriously, and consider that good conduct is the basis of good performance...

Directors' Statement of Corporate Governance on page 52

IN THIS SECTION

Board of Directors

BOARD COMMITTEES

Audit Committee
John Hogan (Chairman)
Emer Finnan
Richard Holroyd
Anthony Smurfit

Nomination Committee
Sir Brian Stewart (Chairman)
Breege O'Donoghue
Richard Holroyd

Remuneration Committee
Breege O'Donoghue (Chairman)
Stewart Gilliland
Richard Holroyd

Senior Independent Director
Richard Holroyd


1


2


3


4

1. SIR BRIAN STEWART*

Chairman

Brian Stewart (70) was appointed as a non-executive Director of the Group and as a member of the Nomination Committee in March 2010. He was appointed as Chairman of the Group in August 2010. He is a former Chairman of Standard Life plc and of Miller Group plc and a former Chairman and former Chief Executive of Scottish & Newcastle plc.

2. STEPHEN GLANCEY

Group Chief Executive Officer

Stephen Glancey (54) was appointed Group Chief Executive Officer in 2012. Prior to that, he was appointed Chief Operating Officer in November 2008 and Group Finance Director in May 2009. He qualified as a chartered accountant and was previously the Group Operations Director of Scottish & Newcastle plc.

3. KENNY NEISON

Group Chief Financial Officer

Kenny Neison (45) was appointed Chief Financial Officer in 2012. He joined the Group in November 2008 and was appointed to the Board as Group Strategy Director and Head of Investor Relations in November 2009. He qualified as a chartered accountant and has previously held a number of senior financial positions in Scottish & Newcastle plc, including UK Finance Director and Finance Director for Western Europe.

4. JORIS BRAMS

Managing Director, International division

Joris Brams (46) was appointed as Managing Director of the Group's International division in 2012 and was appointed to the Board in October 2012. He was previously Group Operations Director at Puratos Group, a Belgian company supplying the bakery, patisserie and chocolate sectors in more than 100 countries. He previously served as Group Technical and Development Director at Scottish & Newcastle plc and, prior to that, he held a number of commercial roles at Alken-Maes Breweries. He brings significant experience of international transactions as well as having production, supply-chain management and procurement expertise. He is a non-executive director of Democo NV, a Belgian construction company.

5. EMER FINNAN*

Emer Finnan (46) was appointed as a non-executive Director of the Company in May 2014 and joined the Audit Committee in June 2014. She is a Partner and Senior Managing Director of Kildare Partners, a private equity firm based in London and Dublin, where she is responsible for investment origination. After qualifying as a chartered accountant, she worked in investment banking at Citibank and ABN AMRO in London and then NCB Stockbrokers in Dublin. In 2005 she joined EBS Building Society in Ireland, becoming its Finance Director in early 2010. In September 2012, Emer re-joined NCB Stockbrokers to lead a financial services team in Ireland. She joined Kildare Partners in 2013. Emer is currently a non-executive Director of Dublin Port Company. She brings considerable financial expertise to the Board.

6. STEWART GILLILAND*

Stewart Gilliland (58) was appointed as a non-executive Director of the Company and a member of the Remuneration Committee in April 2012. From 2006 to 2010 he was Chief Executive Officer of Müller Dairy (UK) Ltd. Prior to that, he held positions at Whitbread Beer Company and at Interbrew SA in markets including the UK and Ireland, Europe and Canada. He is currently a non-executive Director of Booker Group plc, Vianet Group PLC, Tulip Limited, Natures Way Foods Limited, Mitchells & Butlers and Sutton & East Surrey Water Plc. He brings significant experience of the long alcohol drinks sector in international markets.

7. JOHN HOGAN*

John Hogan (74) was appointed as a non-executive Director of the Company in 2004 and is the Chairman of the Audit Committee. He was the managing partner of Ernst & Young in Ireland between 1994 and 2000 and was a member of its global board. He is currently a non-executive director of Prudential International Assurance plc, and other private companies. John has over 40 years of financial experience. The Board has determined that John is the financial expert on the Audit Committee.

8. RICHARD HOLROYD*

Richard Holroyd (68) was appointed as a non-executive Director of the Company in 2004 and is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He was previously the managing director of Colman's of Norwich and head of the global marketing futures department of Shell International. He has served as non-executive Director of several companies in the UK and continental Europe and was a member of the UK Competition Commission from September 2001 to April 2010. Richard Holroyd has many years' experience in the fast moving consumer goods sector.

9. BREEGE O'DONOGHUE*

Breege O'Donoghue (70) was appointed as a non-executive Director of the Company in 2004. She was appointed the Chairman of the Remuneration Committee in December 2012 and is a member of the Nomination Committee. She is an executive director of Penneys/Primark. She is Chair of the Labour Relations Commission, a member of the Outside Appointments Board of the Code of Standards and Behaviour for the Civil Service, a trustee of IBEC, and was previously a Director of An Post and Aer Rianta. Breege has many years' experience in the Irish and international retail sector.

10. ANTHONY SMURFIT*

Anthony Smurfit (51) was appointed as a non-executive Director of the Company and a member of the Audit Committee in April 2012. Anthony has been President and Chief Operations Officer of Smurfit Kappa Group since 2002 and will assume the role of Group Chief Executive Officer of SKG in September 2015. He previously held the role of Chief Executive of Smurfit France and then Smurfit Europe and has worked in a number of divisions in SKG both in Europe and the United States. He holds an honorary Doctorate of Business Administration for his contribution to business. He was awarded the Légion d'Honneur to recognise his work in France. Anthony has long-standing experience in global markets, managing an extensive portfolio of international operations serving a world-wide customer base.

For information on independence of the Directors, please see Directors' Statement of Corporate Governance on pages 52 to 62.

* Non-Executive Director

DAVID JOHNSTON

Company Secretary

David Johnston joined the Group in November 2014 as Company Secretary. Prior to that, he was Group General Counsel and Company Secretary for Paddy Power plc. After qualifying as a solicitor, David worked initially for McCann FitzGerald, one of Ireland's leading law firms and subsequently for O2 Ireland, where he was Chief Legal Counsel and Company Secretary.

Directors' Report

The Directors present the annual report and audited consolidated financial statements of the Group for the year ended 28 February 2015.

PRINCIPAL ACTIVITIES

The Group's principal trading activity is the production, marketing and selling of cider and beer, wine, soft drinks and bottled water.

On 18 March 2014 the Group acquired the outstanding balance of the ordinary share capital of Wallaces Express Limited, a wholesaler of beverages in Scotland.

There has been no other material change in the nature of the business of the Group.

RESULTS

For the year ended 28 February 2015, the Group reported Revenue of €986.5 million (2014: €912.9 million) and Net Revenue of €683.9 million (2014: €620.2 million). Operating profit before exceptional items amounted to €115.0 million (2014: €126.7 million).

The financial results for the year ended 28 February 2015 are set out in the Group Income Statement on page 94. Comprehensive reviews of the financial and operating performance of the Group are set out in the Operations Review on pages 20 to 29.

DIVIDENDS

An interim dividend of 4.5 cent per share for the year ended 28 February 2015 was paid on 23 December 2014. Subject to approval at the Annual General Meeting, it is proposed to pay a final ordinary dividend of 7.0 cent per share for the year ended 28 February 2015 to shareholders who are registered at close of business on 22 May 2015.

BOARD OF DIRECTORS

Since 20 May 2014, the date of the last Directors' Report, no change has occurred in the composition of the Board.

The names, functions and date of appointment of the current Directors, who give the responsibility statement on page 88, are as follows:

Director	Function	Appointment
Sir Brian Stewart	Chairman	2010
Stephen Glancey	Group Chief Executive Officer	2008
Kenny Neison	Group Chief Financial Officer	2009
Joris Brams	Executive Director	2012
Emer Finnan	Non-executive	2014
Stewart Gilliland	Non-executive	2012
John Hogan	Non-executive	2004
Richard Holroyd	Non-executive	2004
Breege O'Donoghue	Non-executive	2004
Anthony Smurfit	Non-executive	2012

INTERESTS OF DIRECTORS AND COMPANY SECRETARY

Information in relation to the beneficial and non-beneficial interests in the share capital of Group companies held by the Directors and Company Secretary who held office at 28 February 2015 is contained within the Report of the Remuneration Committee on Directors' Remuneration on page 84.

RESEARCH AND DEVELOPMENT

Certain Group undertakings are engaged in ongoing research and development aimed at improving processes and expanding product ranges.

FURTHER INFORMATION ON THE GROUP

The information required by section 13 of the Companies (Amendment) Act 1986 (as amended) to be included in this report with respect to:

(a) the review of the development and performance of the business and future developments is set out in the Operations Review on pages 20 to 29 and the Strategic Report on pages 14 to 19;

(b) the principal risks and uncertainties which the Company and the Group faces are set out in the Strategic Report on pages 18 and 19;

(c) the key performance indicators relevant to the business of the Group, including environmental and employee matters, are set out in the Strategic Report on page 17 and in the Group Chief Financial Officer's review on pages 30 to 35; and further information in respect of environmental and employee matters is set out in the Report on Corporate Responsibility on pages 36 to 44;

(d) the financial risk management objectives and policies of the Company and the Group, including hedging activities and the exposure of the Company and the Group to financial risk, are set out in the Group Chief Financial Officer's Review on pages 30 to 35 and note 22 to the financial statements.

ACCOUNTING RECORDS

The measures taken by the Directors to secure compliance with the requirements of Section 202 of the Companies Act, 1990 with regard to the keeping of proper books of account are to employ accounting personnel with appropriate expertise and to provide adequate resources to the finance function. The books of account of the Company are maintained at Group offices in Bulmers House, Keeper Road, Crumlin, Dublin 12.

POLITICAL DONATIONS

No political donations were made by the Group during the year that require disclosure in accordance with the Electoral Acts, 1997 to 2002.

CORPORATE GOVERNANCE

The corporate governance statement of the Company for the year, including the main features of the internal control and risk management systems of the Group, is contained in the Directors' Statement on Corporate Governance on pages 52 to 62.

DIRECTORS' REMUNERATION

The Report of the Remuneration Committee on Directors' Remuneration, including the Company's policy on Directors' remuneration, is set out on pages 63 to 87.

SUBSTANTIAL HOLDINGS

As at 28 February 2015 and 13 May 2015, details of interests over 3% in the ordinary share capital carrying voting rights which have been notified to the Company are:

As far as the Company is aware, other than as stated below, no other person or company had at 28 February 2015 or 13 May 2015 an interest in 3% or more of the Company's share capital carrying voting rights.

SHARE PRICE

The price of the Company's ordinary shares as quoted on the Irish Stock Exchange at the close of business on 28 February 2015 was €3.861 (28 February 2014: €4.922). The price of the Company's ordinary shares ranged between €3.230 and €4.936 during the year.

AUDITOR

In accordance with Section 160(2) of the Companies Act, 1963, the auditor, KPMG, Chartered Accountants, Statutory Audit Firm, will continue in office.

ISSUE OF SHARES AND PURCHASE OF OWN SHARES

At the Annual General Meeting held on 3 July 2014, the Directors received a general authority to allot shares. A limited authority was also granted to Directors to allot shares for cash otherwise than in accordance with statutory pre-emption rights. Resolutions will be proposed at the Annual General Meeting to be held on 2 July 2015 to allot shares to a nominal amount which is equal to approximately one-third of the issued ordinary share capital of the Company. In addition, a resolution will also be proposed to allow the Directors allot shares for cash otherwise than in accordance with statutory pre-emption rights up to an aggregate nominal value which is equal to approximately 5% of the nominal value of the issued share capital of the Company, and in the event of a rights issue. If granted, these authorities will expire at the conclusion of next year's Annual General Meeting or 2 October 2016, whichever is the earlier.

	No. of ordinary shares held as notified at 28 February 2015	% at 28 February 2015	No. of ordinary shares held as notified at 13 May 2015	% at 13 May 2015
Franklin Templeton Institutional, LLC	34,787,209	10.25%	34,787,209	10.25%
Wellington Management Company, LLP	28,084,652	8.27%	23,518,363	6.93%
FMR LLC	27,929,433	8.23%	30,435,550	8.96%
Prudential plc*	19,938,900	5.87%	18,676,900	5.50%
Morgan Stanley	Below notifiable threshold	Below 3%	17,003,561	5.01%
Investec Asset Management Limited	16,403,623	4.83%	16,403,623	4.83%
Schroder Investment Management Limited	14,392,561	4.24%	14,392,561	4.24%
Invesco Limited	13,568,817	4.00%	13,568,817	4.00%
FIL Limited	13,476,360	3.97%	13,476,360	3.97%
Setanta Asset Management Limited	10,749,813	3.17%	10,749,813	3.17%
State Street Global Advisors Ireland Limited	10,555,402	3.11%	10,555,402	3.11%

* M&G Investments Funds ("M&GIF") has notified the Company that it is interested in 4.87% of the Company's ordinary share capital carrying voting rights. M&GIF is an open ended investment company managed by M&G Investment Management Limited (a wholly owned subsidiary of Prudential plc), which has direct fund management control over the shares held by M&GIF. Accordingly, M&GIF's interest is included in the 5.50% shareholding as at 13 May 2015 notified by Prudential plc. The 4.87% holding being disclosed in this notification is therefore encompassed in the 5.50% being disclosed under the Prudential plc group of companies and is NOT in addition to it.

Directors' Report (continued)

The Directors have currently no intention to issue shares pursuant to these authorities except for issues of ordinary shares under the Company's share option plans and the Company's scrip dividend scheme. At the Annual General Meeting held on 3 July 2014 authority was granted to purchase up to 10% of the Company's Ordinary Shares. 9,025,000 of the Company's Ordinary Shares were purchased by the Group in the year under review.

Special resolutions will be proposed at the Annual General Meeting to be held on 2 July 2015 to renew the authority of the Company, or any of its subsidiaries, to purchase up to 10% of the Company's Ordinary Shares in issue at the date of the Annual General Meeting and in relation to the maximum and minimum prices at which treasury shares (effectively shares purchased and not cancelled) may be re-issued off-market by the Company. If granted, the authorities will expire on the earlier of the date of the Annual General Meeting in 2016 and the date 18 months after the passing of the resolution. The minimum price which may be paid for shares purchased by the Company shall not be less than the nominal value of the shares and the maximum price will be 105% of the average market price of such shares over the preceding five days. The Directors will only exercise the power to purchase shares if they consider it to be in the best interests of the Company and its shareholders.

Options to subscribe for a total of 3,770,576 Ordinary Shares are outstanding, representing 1.11% of the Company's total voting rights. If the authority to purchase Ordinary Shares were used in full, the options would represent 1.24% of the Company's total voting rights.

DILUTION LIMITS AND TIME LIMITS

All employee share plans with the exception of the Joint Share Ownership Plan, which was specifically approved by shareholders in December 2008, contain the share dilution limits recommended in institutional guidance, namely that no awards shall be granted which would cause the number of Shares issued or issuable pursuant to awards granted in the ten years ending with the date of grant, but excluding awards granted on or prior to admission to the Irish Stock Exchange in 2004, (a) under any discretionary or executive share scheme adopted by the Company (other than the Joint Share Ownership Plan) to exceed 5%, and (b) under any employees' share scheme adopted by the Company (other than the Joint Share Ownership Plan) to exceed 10%, of the ordinary share capital of the Company in issue at that time.

In the ten year period up to the date of this report, commitments to issue new shares or re-issue treasury shares under discretionary share schemes (net of lapsed and forfeited commitments and excluding the Joint Share Ownership Plan which was specifically approved by shareholders in December 2008) amounted to 2.31% of the Company's issued ordinary share capital as at the date of this report. No additional commitments to issue shares have been made under non-discretionary schemes.

THE EUROPEAN COMMUNITIES (TAKEOVER BIDS (DIRECTIVE 2004/25/EC)) REGULATIONS 2006

Structure of the Company's share capital

At 13 May 2015 the Company has an issued share capital of 348,563,538 ordinary shares of €0.01 each and an authorised share capital of 800,000,000 ordinary shares of €0.01 each.

At 28 February 2015 and at the date of this report the trustee of the C&C Employee Trust held 7,473,173 ordinary shares of €0.01 each in the capital of the Company, including shares held jointly by it under the terms of the C&C Joint Share Ownership Plan (further information on which is contained in note 4 (Share Based Payments) to the financial statements). Shares held by the trustee of the C&C Employee Trust are accounted for as if they were treasury shares. These shares are, however, included in the calculation of Total Voting Rights for the purposes of Regulation 20 of the Transparency (Directive 2004/109/EC) Regulations 2007 ("TVR Calculation").

As at 28 February 2015 and as at the date of this report, a subsidiary of the Group held 9,025,000 shares in the Company, which were acquired under the authority granted to the Company and its subsidiaries to purchase up to 10% of the Company's ordinary shares approved at the 2014 Annual General Meeting. These shares are not included in the TVR Calculation and are accounted for as treasury shares.

Details of employee share schemes, and the rights attaching to shares held in these schemes, can be found in note 4 (Share Based Payments) to the financial statements and the Report of the Remuneration Committee on Directors' Remuneration on pages 63 to 87. Details of the rights attaching to shares issued under the Joint Share Ownership Plan are set out in note 4 (Share Based Payments) to the financial statements.

The Company has no securities in issue conferring special rights with regard to control of the Company.

Details of persons with a significant holding of securities in the Company are set out on page 49.

Rights and obligations attaching to the Ordinary Shares

All Ordinary Shares rank pari passu, and the rights attaching to the Ordinary Shares (including as to voting and transfer) are as set out in the Company's Articles of Association ("Articles"). A copy of the Articles may be obtained on request to the Company Secretary.

Holders of Ordinary Shares are entitled to receive duly declared dividends in cash or, when offered, additional Ordinary Shares. In the event of any surplus arising on the occasion of the liquidation of the Company, shareholders would be entitled to a share in that surplus pro rata to their holdings of Ordinary Shares.

Holders of Ordinary Shares are entitled to receive notice of and to attend, speak and vote in person or by proxy, at general meetings having, on a show of hands, one vote, and, on a poll, one vote for each Ordinary Share held. Procedures and deadlines for entitlement to exercise, and exercise of, voting rights are specified in the notice convening the general meeting in question. There are no restrictions on voting rights except in the circumstances where a "Specified Event" (as defined in the Articles) shall have occurred and the Directors have served a restriction notice on the shareholder. Upon the service of such restriction notice, no holder of the shares specified in the notice shall, for so long as such notice shall remain in force, be entitled to attend or vote at any general meeting, either personally or by proxy.

Holding and transfer of Ordinary Shares
The Ordinary Shares may be held in either certificated or uncertificated form (through CREST). Save as set out below, there is no requirement to obtain the approval of the Company, or of other shareholders, for a transfer of Ordinary Shares. The Directors may decline to register (a) any transfer of a partly-paid share to a person of whom they do not approve, (b) any transfer of a share to more than four joint holders, and (c) any transfer of a certificated share unless accompanied by the share certificate and such other evidence of title as may reasonably be required. The registration of transfers of shares may be suspended at such times and for such periods (not exceeding 30 days in each year) as the Directors may determine.

Transfer instruments for certificated shares are executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. Transfers of uncertificated shares may be effected by means of a relevant system in the manner provided for in the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 (the "CREST Regulations") and the rules of the relevant system. The Directors may refuse to register a transfer of uncertificated shares only in such circumstances as may be permitted or required by the CREST Regulations.

Rules concerning the appointment and replacement of the Directors and amendment of the Company's Articles
Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than two or more than 14. Subject to that limit, the shareholders in general meeting may appoint any person to be a Director either to fill a vacancy or as an additional Director. The Directors also have the power to co-opt additional persons as Directors, but any Director so co-opted is under the Articles required to be submitted to shareholders for re-election at the first Annual General Meeting following his or her co-option.

The Articles require that at each Annual General Meeting of the Company one-third of the Directors retire by rotation. However, in accordance with the recommendations of the UK Corporate Governance Code, the Directors have resolved they will all retire and submit themselves for re-election by the shareholders at the Annual General Meeting to be held this year.

The Company's Articles may be amended by special resolution (75% majority of votes cast) passed at general meeting. A special resolution will be proposed at the Annual General Meeting to adopt revised Articles to take account of the comprehensive consolidation, with amendments, of company law in Ireland to be effected by the Companies Act 2014, which Act will commence with effect from 1 June 2015, and to make some consequential and 'housekeeping' changes.

Powers of Directors
Under its Articles, the business of the Company shall be managed by the Directors, who exercise all powers of the Company as are not, by the Companies Acts or the Articles, required to be exercised by the Company in general meeting.

The powers of Directors in relation to issuing or buying back by the Company of its shares are set out above under "Issue of Shares and Purchase of Own Shares".

Miscellaneous
Certain of the Group's borrowing facilities include provisions that, in the event of a change of control of the Company, could oblige the Group to repay the facilities. Certain of the Company's customer and supplier contracts and joint venture arrangements also contain provisions that would allow the counterparty to terminate the agreement in the event of a change of control of the Company, but none of these are considered to be significant in terms of their potential impact on the business of the Group as a whole. The Company's Executive Share Option Scheme and Long Term Incentive Plan each contain change of control provisions which allow for the acceleration of the exercise of share options/awards in the event of a change of control of the Company.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid in excess of their normal contractual entitlement.

ANNUAL GENERAL MEETING
Your attention is drawn to the letter to shareholders and the notice of meeting accompanying this report which set out details of the matters which will be considered at the Annual General Meeting.

Signed
On behalf of the Board

Sir Brian Stewart
Chairman
13 May 2015

Stephen Glancey
Group Chief Executive Officer

Directors' Statement of Corporate Governance

Dear Shareholder

We, as a Board, and a Company, take corporate governance very seriously, and consider that good conduct is the basis of good performance. The Board sets the tone for the rest of the Company. We believe that effective governance is the foundation of a successful and sustainable organisation and should be based upon an appropriate level of oversight, clear communication and a commitment to transparency. Governance is the framework within which we focus on the health and growth of the business.

In this report we provide an overview of our corporate governance practices, describing how the main principles of the UK Corporate Governance Code and Irish Annex are applied throughout the year. Information is given about the Board, its members and committees, and their work. An overview of the Company's internal controls is also given.

We have continued our focus on Board succession issues and in that context, at the conclusion of this year's Annual General Meeting, John Hogan will step down as Chairman of the Audit Committee and be succeeded by Emer Finnan. John will remain as a Director until the end of 2015 to ensure a smooth transition. In considering Board appointments, we continue to have regard to the degree of diversity of experience and background of the Board.

We are complying this year with the new edition of the UK Corporate Governance Code published by the Financial Reporting Council in September 2014 (the 'UK Code') and the Irish Corporate Governance Annex (the 'Irish Annex').

Sir Brian Stewart
Chairman
13 May 2015

COMPLIANCE STATEMENT

C&C Group plc is incorporated and resident in Ireland and is subject to Irish company law. It has a primary listing on the Irish Stock Exchange ('ISE') and a listing in the Premium Listing segment of the Official List of the United Kingdom Listing Authority ('UKLA') and its shares are quoted on the ISE and the London Stock Exchange ('LSE'). C&C Group plc also has a Level 1 American Depository Receipt (ADR) programme.

The Directors are committed to maintaining high standards of corporate governance and to reviewing governance best-practice on a continuing basis to ensure that we adapt and evolve in what is an environment of constant change. The Listing Rules of the ISE require every company listed on the Main Securities Market of the ISE to state in its annual report how the principles of the UK Code have been applied and whether the company has complied with all relevant provisions of the UK Code and the Irish Annex, which implements additional requirements for companies with a primary equity listing on the Main Securities Market of the ISE.

The Group has complied with the provisions of the UK Code and Irish Annex throughout the period under review. This Corporate Governance statement describes the Group's policy on corporate governance during the financial year ended 28 February 2015.

BOARD OF DIRECTORS

Role

The Board is responsible for the oversight, leadership and control of the Group and its long-term success. There is a formal schedule of matters reserved to the Board for decision. This includes approval of Group strategic plans, annual budgets, financial statements, significant contracts and capital expenditure items, major acquisitions and disposals, changes to capital structure, circulars, Board appointments, and the review of the Group's corporate governance arrangements and system of internal control, and approval of policies including corporate responsibility and health and safety. The Board is also responsible for instilling the appropriate culture, values and behaviour throughout the Group. The Directors acknowledge that they are responsible for the proper stewardship of the Group's affairs, both on an individual and collective basis. The matters and agenda reserved for Board consideration reflect this responsibility.

The roles of the Chairman and the Group Chief Executive Officer are separate with a clear division of responsibility between them, which is set out in writing and which has been approved by the Board. The Chairman has responsibility for the management of the Board, the performance of Directors and their induction, development and performance evaluation, ensuring there are effective relations with shareholders and for the AGM. The Chief Executive is responsible, within the authority limits delegated by the Board, for business strategy and management, investment and financing, risk management and controls, timely reporting, making recommendations on remuneration policy and on the appointment of executive directors, setting Group HR policies and leading the communications programme with shareholders.

The Board delegates responsibility for the management of the Group through the Group Chief Executive Officer to executive management. The Board also delegates some of its responsibilities to Board Committees, details of which are set out below. The responsibilities of the Chairman are covered in detail below.

The Chief Executive has full day-to-day operational and profit responsibility for the Group and is accountable to the Board for all authority delegated to executive management. His overall brief is to execute agreed strategy, to co-ordinate and maintain the continued profitability of the Group and to oversee senior management responsible for the day-to-day running of the business.

Non-executive Directors are expected to constructively challenge management proposals and to examine and review management performance in meeting agreed objectives and targets. In addition, they are expected to draw on their own specific experience and knowledge in respect of any challenges facing the Group and in relation to the development of proposals on strategy.

Individual Directors may seek independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as Directors.

The Group has a policy in place which indemnifies the Directors in respect of certain legal actions taken against them.

Board Composition, Membership and Renewal
The Board considers that, between them, the Directors bring a range of skills, knowledge and experience so as to provide leadership, control and oversight of the Group and discharge their responsibility to all shareholders. The biographical details of the current Directors are set out on pages 46 and 47. The Company's Articles of Association require that the number of Directors shall be not less than two and not more than 14. The Board regards the number of non-executive Directors currently appointed to the Board as sufficient to ensure satisfactory oversight of the Group's management and to enable its Committees to operate without undue reliance on individual non-executive Directors. The Board has an ongoing programme for Board refreshment and renewal, recognising the need for independence and diversity, including gender diversity, on the Board.

As at 28 February 2015, the Board was comprised of ten Directors, of whom three were executive and seven were non-executive Directors (including the Chairman). Consistent with our commitment to Board refreshment and development, at the conclusion of this year's Annual General Meeting, John Hogan will step down as Chairman of the Audit Committee and be succeeded by Emer Finnan. John will remain as a Director until the end of 2015 to ensure a smooth transition. Emer is a qualified chartered accountant and will bring considerable financial expertise to the role of Audit Committee Chairman.

Board Independence
In line with the UK Code, it is Board policy that at least half the Board, excluding the Chairman, shall consist of independent non-executive Directors. The Board has reviewed the composition of the Board and has determined that of the Directors as at 28 February 2015, John Hogan, Richard Holroyd, Breege O'Donoghue, Stewart Gilliland, Anthony Smurfit and Emer Finnan were independent.

The independence of Board members is considered annually. In determining the independence of non-executive Directors, the Board considered the principles relating to independence contained in the UK Code and the guidance provided by a number of shareholder voting agencies. Those principles and guidance address a number of factors that might appear to affect the independence of Directors, including former service as an executive of the Group, extended service to the Board and cross-directorships. However, they also make clear that a Director may be considered independent notwithstanding the presence of one or more of these factors. This reflects the Board's view that independence is determined by a Director's character and judgement. The Board considers that each of the non-executive Directors brings independent judgement to bear. In the case of Richard Holroyd, Breege O'Donoghue and John Hogan, the Board has considered their length of service but is satisfied that their independence is not compromised. As part of this assessment, the Board considers that, while each of them has served on the Board of the Company since 2004, none of them has served for more than nine years concurrently with the same executive Directors. As set out in the table below, each has served on the Board concurrently with the Group's Chief Executive, the longest serving executive Director, for 6.5 years. The Board recognises the principles of the Code and guidelines on tenure but is satisfied that the objectivity, judgements and independence of each of the Directors is not compromised by tenure on the Board. The Board also has an ongoing programme of Board refreshment and renewal and has appointed three new Directors in the past three years.

The Board has also noted that Anthony Smurfit is a shareholder and director of Smurfit Kappa Group plc, which provides packaging materials to the Group on normal commercial terms, and is satisfied that it is not a material transaction for either company and that his independence is not compromised. In the case of Sir Brian Stewart, the Board was satisfied that he was independent on his appointment as referred to below.

	Independent/Non-Independent	Tenure (Years)	Concurrent Tenure* (Years)
Sir Brian Stewart	Independent (Chairman)	5	5
Joris Brams	Non-Independent (Executive)	2.5	2.5
Emer Finnan	Independent	1	1
Stewart Gilliland	Independent	3	3
Stephen Glancey	Non-Independent (Executive)	6.5	6.5
John Hogan	Independent	11	6.5
Richard Holroyd	Independent	11	6.5
Kenny Neison	Non-Independent (Executive)	5.5	5.5
Breege O'Donoghue	Independent	11	6.5
Anthony Smurfit	Independent	3	3

*Note: Concurrent tenure means tenure on the Board concurrently with the Group's CEO, the longest serving executive Director.

Chairman
Sir Brian Stewart has been Chairman of the Group since August 2010. The Chairman is responsible for the efficient and effective working of the Board. He is responsible for ensuring that the Board considers the key strategic issues facing the Group and that the Directors receive accurate, timely, relevant and clear information. He also ensures that there is effective communication with shareholders and that the

Directors' Statement of Corporate Governance (continued)

Board is apprised of the views of the Group's shareholders. As part of this process, the Chairman recently completed a series of meetings, focused solely on corporate governance, with a number of the Group's largest institutional shareholders.

While the Board has determined that Sir Brian Stewart was independent on appointment to the Board, it recognises that previous working relationships with the Group's senior executives is a consideration in determining independence as set out by the UK Code and by some shareholder voting agencies. Consequently, while the Board was satisfied as to Sir Brian's independence, he stepped down from his position as a member of the Remuneration Committee on his appointment as Chairman. During the period under review there was no change in the other significant commitments of the Chairman.

Senior Independent Director
Richard Holroyd was appointed Senior Independent Director in July 2007. He is available to shareholders who have concerns for which contact through the normal channels of Chairman, Group Chief Executive Officer or Group Chief Financial Officer has failed to resolve or for which such contact is inappropriate. He is also available to meet major shareholders on request.

Audit Committee Financial Expert
The Audit Committee has determined that John Hogan, who also chairs the Committee, is the Audit Committee financial expert. He is a qualified chartered accountant and was the managing partner of Ernst & Young in Ireland between 1994 and 2000. He was also a member of the Ernst & Young global board. Emer Finnan, who will assume the role of Audit Committee Chair following the 2015 AGM, is a qualified chartered accountant and has recent and relevant financial expertise.

Company Secretary
David Johnston is the Company Secretary. All Directors have access to the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with. The appointment and removal of the Company Secretary is a matter for the Board.

Appointment, Retirement and Re-election
The non-executive Directors are engaged under the terms of letters of appointment, details of which are set out in the Report of the Remuneration Committee on Directors' Remuneration. Copies of the letters of appointment are available on request from the Company Secretary.

The Company's Articles of Association require that at least one-third of the Directors subject to rotation shall retire by rotation at the Annual General Meeting in every year. Directors appointed by the Board must also submit themselves for election at the first annual general meeting following their appointment. However, in accordance with the recommendations of the UK Code, the Directors have resolved that they will all retire and submit themselves for re-election by the shareholders at the Annual General Meeting this year.

Induction and Development
A comprehensive tailored induction programme is arranged for each new Director. The aim of the programme is to provide the Director with a detailed insight into the Group. The programme involves meeting with the Chairman, Group Chief Executive Officer, Group Chief Financial Officer, Company Secretary and key senior executives. It covers areas such as strategy and development, organisation structure, succession planning, financing, corporate responsibility and compliance, investor relations and risk management. The Board receives regular updates from its external legal and other advisers in relation to regulatory and accounting developments. Throughout the year, Directors meet with key executives and meet with local management teams, and a site visit for all Board Directors to one of the Group's production facilities is usually scheduled annually.

Newly-appointed members of the Audit Committee will meet with the key members of the external audit, internal audit and finance teams. New members of the Remuneration Committee will meet with the Committee's remuneration consultants in the year of their appointment to the Committee.

External non-executive directorships
The Board recognises that there can be benefit if executive Directors accept a non-executive directorship with other companies to broaden their skills, knowledge and experience. Joris Brams is currently a non-executive director at Democo NV, a Belgian construction company.

Apart from him, currently none of the executive Directors has such an appointment. The Remuneration Committee determines whether Directors should be permitted to retain any fees paid in respect of such appointments. The Remuneration Committee has determined that Joris Brams is permitted to retain fees from his appointment.

Meetings
During the period under review there were ten scheduled meetings of the Board and a further two short notice meetings. Details of Directors' attendance at these meetings are set out in the table on page 60. Several ad hoc meetings without notice were held during the year for share allotment and other administrative matters in accordance with the Board's procedures. In addition, a meeting of members of the Board was held without the executive Directors present to provide an opportunity for non-executive Directors and the Chairman to assess their performance, and a further meeting of the non-executive Directors led by the Senior Independent Director was held without the Chairman being present to assess the Chairman's performance. The Board usually makes at least one visit a year to one of the operating subsidiaries, and this year the Board visited the Wellpark Brewery, Glasgow.

The Chairman sets the agenda for each meeting in consultation with the Group Chief Executive Officer and the Company Secretary. The agenda and Board papers, which provide the Directors with relevant information to enable them to fully consider the agenda items in advance, are circulated prior to each meeting. Directors are encouraged to participate in debate and constructive challenge. While Directors are expected to attend all scheduled meetings, in the event a Director is unable to attend a meeting, his or her view on all agenda items is sought and conveyed to the Chairman in advance of the meeting. In addition, following the meeting, matters discussed and decisions made at the meeting are conveyed to the Director.

Performance evaluation
The Board recognises the importance of a formal and rigorous evaluation of the performance of the Board and its Committees. The Chairman conducts an annual review of corporate governance and the operation and performance of the Board and its Committees. In the year under review the Chairman has reviewed the performance of individual Directors and, within the remit of the Nomination Committee,

succession planning, identifying in this process the experience and qualities required by the Group for the future implementation of its strategy.

The Chairman conducts one to one discussions each year with each Director to assess his or her individual performance. Performance is assessed against a number of criteria, including his or her contribution to Board and Committee meetings; time commitments; contribution to strategic developments; and relationships with other Directors and management.

The Senior Independent Director and the other non-executive Directors review the Chairman's performance and the Board's performance each year, the results being reported back to the Chairman with any recommendations.

In addition to the internal reviews and evaluations described above, during the year, the Board also engaged an external advisor to complete an independent evaluation of the performance and effectiveness of the Board and each of the Committees. This evaluation is in line with the recommendations of the UK Code which requires an external Board evaluation to be conducted at least once every three years. The company engaged to perform the evaluation has no business connection or relationship with the Group, its directors or senior management.

Remuneration
Details of remuneration paid to Directors (executive and non-executive) are set out in the Report of the Remuneration Committee on Directors' Remuneration on pages 63 to 87.

Non-executive Directors are remunerated by way of a Director's fee. Additional fees are also payable to the Chairman of the Audit Committee, Chairman of the Remuneration Committee and to the Senior Independent Director. Non-executive Directors' fees and additional fees payable to Committee Chairmen and the Senior Independent Director have not been increased since 2008.

It is Board policy that non-executive Director remuneration does not comprise any performance-related element and, therefore, non-executive Directors are not eligible to participate in the Group's bonus schemes, option plans or share award schemes. Non-executive Directors' fees are not pensionable and non-executive Directors are not eligible to join any Group pension plans. Executive Directors' remuneration is inclusive of any Director's fee.

The current limit under the Articles on Directors' ordinary remuneration (i.e. directors' fees, not including executive remuneration) is €1,000,000, pursuant to a resolution passed at the 2013 Annual General Meeting.

The report of the Remuneration Committee and the policy on Directors' Remuneration will be presented to shareholders for the purposes of a non-binding advisory vote at the Annual General Meeting on 2 July 2015. Our policy on Directors' remuneration has been updated to reflect the provisions of the new share incentive plans that we are putting to shareholders this year and we will therefore again be presenting this policy to shareholders for an advisory vote at the Annual General Meeting. While there is no legal obligation for the Group to put such resolutions to a vote of shareholders at the Annual General Meeting, the Board recognises that such resolutions are now considered good governance practice.

Share ownership and dealing
The Company has introduced share ownership guidelines for the executive Directors to ensure the interests of executive Directors are aligned with those of shareholders. In summary, the guidelines are that the current market value of shares in the Company held by the relevant Director should be at least two times salary for the Chief Executive and one times salary for other executive Directors. If share ownership guidelines are not met, then individuals must retain up to 50% of vested share awards (net of tax). Further information including details of Directors' shareholdings is set out on page 84.

The Group has a policy on dealing in shares that applies to all Directors and senior management. This policy adopts the terms of the Model Code as set out in the Listing Rules published by the UK Listing Authority and the Irish Stock Exchange. Under this policy, Directors are required to obtain clearance from the Chairman (or in the case of the Chairman himself, from the Senior Independent Director) before dealing. Directors and senior management are prohibited from dealing in the Company's shares during close periods and at any other time when the individual is in possession of Inside Information (as defined by the Market Abuse (Directive 2003/6/EC) Regulations 2005).

COMMITTEES

The Board has established three permanent committees to assist in the execution of its responsibilities. These are the Audit Committee, the Nomination Committee and the Remuneration Committee. The current membership of each committee is set out on page 46. Attendance at meetings held is set out in the table on page 60.

Each of the permanent Board Committees has terms of reference under which authority is delegated to them by the Board. These terms of reference are available on the Company's website www.candcgroupplc.com. Minutes of all Committee meetings are circulated to the entire Board.

The Chairman of each committee attends the Annual General Meeting and is available to answer questions from shareholders.

The Board has also established a Disclosure Committee comprising the Chairman, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary. The Head of Investor Relations may also participate where required. The main responsibilities of the Disclosure Committee include:

- determining whether information constitutes inside information;
- determining a consistent approach and policy to disclosure;
- reviewing and approving material announcements;
- monitoring leaks, rumours, speculation and market expectations, and taking appropriate action;
- monitoring the materiality of any variance between the Group's performance and its own forecasts;
- maintaining a record of C&C's regulatory disclosures.

Ad hoc committees are formed from time to time to deal with other specific matters.

Directors' Statement of Corporate Governance (continued)

THE AUDIT COMMITTEE

Message from the Chairman of the Audit Committee

Dear Shareholder

On behalf of the Board, I am pleased to report on the work of the Audit Committee for the financial year ended 28 February 2015.

During the year, the Committee received and reviewed a number of internal audit reports, reviewed and approved reports in relation to the Group's financial performance and engaged with the external auditor. One of our principal duties is to review the report of the external auditor on the year end audit and to consider and approve key accounting treatments together with underlying financial judgements and assumptions. Full details are included later in this report.

In addition in the current financial year a key focus for the Committee was with respect to the integration and restructuring of the acquired Wallaces Express business in Scotland and the continued integration of the Gleeson group acquired in FY2014.

The members of the Committee, all independent non-executive Directors, each contribute their own financial experience to the Committee's work. We are glad to record the full and continuing co-operation of the executive team in support of the Committee's work.

I am pleased to have served in the position of Chairman of the C&C Group Audit Committee and will pass the role on to Emer Finnan who will take up the Chairmanship following the 2015 AGM.

Yours sincerely

John Hogan
Chairman of the Audit Committee

Composition and Meetings

The constitution of the Audit Committee requires that its membership shall consist only of independent, non-executive Directors. The members are John Hogan (Chairman), Richard Holroyd, Anthony Smurfit and Emer Finnan who joined the Committee in June 2014. As set out on page 54, the Audit Committee has determined that John Hogan, who also chairs the Committee, is the Audit Committee financial expert.

The Committee meets a minimum of four times a year. During the period under review it met eight times. Attendance at meetings held is set out in the table on page 60.

The Group Chief Financial Officer attends Audit Committee meetings as appropriate, while the internal auditor and the external auditor attend as required and have direct access to the Audit Committee Chairman. The Group Head of Finance is the secretary of the Audit Committee.

Constitution and terms of reference

The role, responsibilities, authority and duties of the Audit Committee are set out in written terms of reference. The current terms of reference are available under the Board Committees section of the Group's website at www.candcgroupplc.com.

The Audit Committee's responsibilities include:

- monitoring the integrity, truth and fairness of the financial statements of the Group, including the Annual Report, interim report, interim management statements, preliminary results and other formal announcements relating to the Group's financial performance, and reviewing significant financial reporting judgements contained in them;
- ensuring that the information presented in the financial statements of the Group and other announcements is fair, balanced and understandable and provides the information necessary for the Company's shareholders to assess the Group's performance, business model and strategy and advising the Board accordingly;
- monitoring the statutory audit of the annual and consolidated accounts;
- reviewing the adequacy and effectiveness of the Group's internal financial controls and risk management systems;
- reviewing the effectiveness of the Group's internal audit function;
- reviewing the adequacy and security of the Group's arrangements for its employees raising concerns, its procedures for detecting fraud, the Group's systems and controls for the prevention of bribery, and the Group's whistleblowing arrangements;
- making recommendations to the Board in relation to the appointment and removal of the Group's external auditor, their remuneration and terms of engagement;
- evaluating the performance of the external auditor including their independence and objectivity;
- reviewing the annual internal and external audit plans and reviewing the effectiveness and findings of the external audit with the external auditor;

- ensuring compliance with the Group's policy on the provision of non-audit services by the external auditor;
- reporting to the Board on how it has discharged its responsibilities; and
- reviewing the annual financial statements of the pension funds where not reviewed by the Board as a whole.

The Committee undertakes, in conjunction with the Chairman of the Board, an annual assessment of its performance and a review of the Committee's constitution and terms of reference.

The activities undertaken by the Committee in fulfilling its key responsibilities in respect of the year ended 28 February 2015 are set out below.

Financial Statements
In respect of the year ended 28 February 2015 the Audit Committee reviewed:

- the Interim Management Statements issued in July 2014 and January 2015;
- the Financial Report for the six months ended 31 August 2014;
- the preliminary results announcement and the Annual Report and financial statements for the year ended 28 February 2015.

In particular the Committee addressed the going concern status of the Company and the matters referred to in the Financial Review contained in the 2015 Annual Report. It reviewed the post-audit report from the external auditor identifying any accounting or judgemental issues requiring its attention.

In carrying out these reviews, the Committee considered:

- the consistency of, and any changes to, accounting policies both on a year on year basis and across the Group;
- whether the Group had applied appropriate accounting policies and practices and made appropriate estimates and judgements, taking into account the views of the external auditor;
- the methods used to account for significant or unusual transactions where different approaches are possible;
- whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy;
- the clarity and completeness of disclosures and compliance with relevant financial reporting standards and corporate governance and regulatory requirements; and
- the significant areas in which judgement had been applied in preparation of the financial statements in accordance with the accounting policies.

The significant issues considered by the Committee in relation to the accounts for the year to 28 February 2015 and how these were addressed are outlined below. Each of these areas received particular focus from the external auditor, who provided detailed analysis and assessment of the matter in their report to the Committee.

Goodwill & intangible assets impairment testing
The Committee considered the carrying value of goodwill and intangible assets as at the year end date to assess whether or not it exceeded the expected recoverable amounts for these assets. In particular the Committee reviewed the value-in-use financial models used to support the valuation and the key assumptions and judgements used by management underlying these models. The key assumptions used in the financial models and consequently the key focus areas for the Committee relate to future volume, net revenue and operating profit growth and the achievability of same, the growth rate in perpetuity and the discount rate applied to the resulting cash flows.

The Committee considered the outcome of the financial models and in all instances concluded that the outcome was appropriate, including the recognition of, and magnitude of, an impairment charge with respect to the US business. In all other segments the Committee considered the level of headroom and the sensitivity analysis applied to the key assumptions and concluded that the carrying values were appropriate.

Valuation of property, plant & equipment
The Group values its land and buildings and plant machinery at market value/depreciated replacement cost (DRC) and consequently carries out an annual valuation. The Group engages external valuers to value the Group's property, plant & machinery every three years or as at the date of acquisition for assets acquired as part of a business acquisition. The Group completed an external valuation in the current financial year for its Irish assets (with the exception of Gleesons' which were valued on acquisition in the prior year), the Group's UK assets and the Group's US assets (with the exception of the recently built cidery). An internal assessment was completed for assets which were outside the scope of the external valuation.

In assessing the reasonableness of the external and internal valuations, the Committee reviewed the key assumptions and judgements underlying the valuations, in particular considering the impact of gross replacement cost price movements, depreciation rates reflecting age of asset and physical and functional obsolescence and forecast utilisation levels across the Group's production sites included in the valuation, and is satisfied that carrying value is appropriate.

Internal control and risk management systems
The Group's system of internal control and risk management is described below.

The terms of reference of the Audit Committee require it to conduct an annual assessment of internal financial controls and financial risk management systems. The risks facing the Group are reviewed regularly by the Audit Committee with executive management. Specific annual reviews of the risks and fundamental controls of each business unit are undertaken. The results and recommendations are reported to and analysed by the Audit Committee and a programme for action agreed with the business units. In carrying out these responsibilities during the year, the Committee reviewed reports issued by both the internal audit function and the external auditor and held regular

Directors' Statement of Corporate Governance (continued)

discussions with the Head of Internal Audit and representatives of the external auditor. The Committee also reviewed the outcome of an assessment of the Group's internal financial controls which had been coordinated by the internal audit function.

Internal Audit

The Committee is responsible for monitoring and reviewing the operation and effectiveness of the internal audit function including its focus, plans, activities and resources.

The Group's internal audit function reports to the Audit Committee and the Audit Committee has approved its terms of reference. The Group's internal auditor is engaged on a programme of work, which includes, inter alia, maintaining the Group's risk register and examining the fundamental controls of the Group.

During the year, the Committee reviewed and approved the internal audit plan for the year and considered the adequacy of staffing levels and expertise within the function. There was a change in personnel during the year and a short period during the year where no internal auditor was in place but this was resolved before year end and had no material impact on the internal audit function during the year.

The Committee received regular reports from the Head of Internal Audit summarising findings of the team's work and the responses from management to deal with the findings. The Committee monitors progress on the implementation of the action plans on significant findings to ensure these are completed satisfactorily.

External Auditor

The Committee manages the relationship with the Group's external auditors on behalf of the Board. The Committee carries out an annual assessment of the external auditor including a review of the external auditor's internal policies and procedures for maintaining independence and objectivity and consideration of their approach to audit quality. The external auditor is professionally required to rotate the audit partner responsible for the Group audit every five years. The current audit partner has been in place since 2012.

External audit process

The Committee also reviewed and approved the external audit plan as presented by the external auditor and assessed the qualifications and expertise of their resources. The Committee also reviewed the external auditor's engagement letter and recommended the level of remuneration of the external auditor to the Board having reviewed the scope and nature of the work to be performed. The Committee assessed the effectiveness of the external audit process by monitoring performance against the agreed audit plan and noting the results of post-audit interviews with management and the Audit Committee Chairman.

Length of service of auditors

KPMG have been the external auditor of the Company since the Company's formation and flotation in 2004. The UK Code recommends that listed companies of the size of the Group should put the external audit contract out to tender at least every ten years. The external audit contract was put out to tender in FY2014. The Committee concluded that KPMG continued to provide an effective audit service and there were no compelling reasons for change that would outweigh the advantages of continuity and consequently recommended the re-appointment of KPMG. The recommendation was accepted by the Board.

Hiring of former employees of auditor

In order to ensure the independence and objectivity of the external auditor, the prior approval of the Audit Committee is required before any individual is appointed to a senior managerial position in the Group, if such individual has within three years prior to such proposed appointment been employed by the external auditor.

Non-Audit Services by auditor

The Group has a policy in place governing the provision of non-audit services by the external auditor in order to ensure that the external auditor's objectivity and independence is safeguarded.

Under this policy the auditor is prohibited from providing non-audit services if the auditor:

- may, as a result, be required to audit its own firm's work;
- would participate in activities that would normally be undertaken by management;
- would be remunerated through a "success fee" structure or have some other mutual financial interest with the Group;
- would be acting in an advocacy role for the Group.

Other than above, the Company does not impose an automatic ban on the external auditor providing non-audit services. However, the external auditor is only permitted to provide non-audit services that are not, or are not perceived to be, in conflict with auditor independence and objectivity, if it has the skill, competence and integrity to carry out the work and it is considered by the Audit Committee to be the most appropriate to undertake such work in the best interests of the Group. The engagement of the external auditor to provide non-audit services must be approved in advance by the Audit Committee or entered into pursuant to pre-approved policies and procedures established by the Audit Committee and approved by the Board.

The nature, extent and scope of non-audit services provided to the Group by the external auditor and the economic importance of the Group to the external auditor are also monitored to ensure that the external auditor's independence and objectivity is not impaired. The Audit Committee has adopted a policy that, except in exceptional circumstances with the prior approval of the Audit Committee, non-audit fees paid to the Group's Auditor should not exceed 100% of audit fees in any one financial year.

During the year, KPMG provided non-audit advisory services, being advice on taxation and other related matters. In approving KPMG to provide these services the Committee was of the opinion that KPMG's knowledge of the Group was an important factor. The Committee was also satisfied that the fees paid to KPMG for non-audit work did not compromise their independence or integrity. Details of the amounts paid to KPMG during the year for audit and other services are set out in note 2 to the financial statements.

Whistle-blowing procedures

In line with best practice, the Group supports an independent and confidential whistle-blowing service which allows UK and ROI employees to raise any concerns about business practice in a confidential manner. During the year, a similar service was rolled out to VHCC employees in the US.

THE NOMINATION COMMITTEE

Composition and Meetings

The Nomination Committee is chaired by the Group Chairman and its constitution requires it to consist of a majority of independent, non-executive Directors. The members during the year were Sir Brian Stewart (Chairman), Breege O'Donoghue and Richard Holroyd.

The Committee meets a minimum of twice a year and met twice in the year ended 28 February 2015. Attendance at meetings held is set out in the table on page 60. In addition, several ad hoc meetings were held to progress initiatives.

Constitution and terms of reference

The Nomination Committee's responsibilities include:

- reviewing the structure, size and composition of the Board (including the balance of skills, experience, independence, knowledge and diversity (including gender)) and making recommendations regarding any changes;
- overseeing succession planning for the Board and senior management and the leadership needs of the organisation;
- responsibility for the identification of suitable candidates for appointment to the Board;
- making recommendations to the Board on membership of Board Committees.

Main activities during the year

During the period under review the Nomination Committee considered:

- ongoing search for potential candidates for recruitment as non-executive Directors;
- longer-term succession planning for non-executive directors, recognising the need for ongoing Board refreshment and renewal and the need for independence and diversity on the Board;
- succession plans for executive Directors and senior management.

Diversity

The Nomination Committee and the Board recognise the importance of ensuring diversity and the key role that a diversified Board plays in ensuring effectiveness. Suitable candidates are selected on the basis of their relevant experience, employment background, skills, knowledge and insight, having due regard for the benefits of diversity to the Board.

The Committee and Board further realise that diversity extends beyond the Board and in this regard seeks to ensure that all recruitment decisions are fair and non-discriminatory.

Independent consultants

The Nomination Committee is empowered to use the services of independent consultants to facilitate the search for suitable candidates for appointment as non-executive Directors.

During the year, the Committee appointed Spencer Stuart, an independent executive search firm, to assist in a search process for non-executive director candidates with relevant experience and skills. Spencer Stuart has no other connection with the Group.

Directors' Statement of Corporate Governance (continued)

THE REMUNERATION COMMITTEE

The Remuneration Committee comprises solely of independent, non-executive Directors. The Chairman was Breege O'Donoghue, and the other members were Richard Holroyd and Stewart Gilliland.

The Remuneration Committee meets at least twice a year. During the period under review the Remuneration Committee met seven times. Attendance at meetings held is set out in the table below.

The Remuneration Committee's terms of reference, which are available on the C&C website www.candcgroupplc.com, include:

- determining and agreeing with the Board the framework or broad policy for the remuneration packages of the Chairman, Chief Executive Officer and other executive Directors, the Company Secretary and any other designated members of the executive management.
- within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer, as appropriate, determining the total individual remuneration package of each of the above persons, including bonuses, incentive payments and share options or other share awards;
- reviewing and having regard to the remuneration trends across the Group;
- approving the design of, and determining targets for, any performance related pay schemes and the total annual payments made under such schemes;
- reviewing the design of all share incentive plans and the performance targets to be used;
- ensuring that contractual terms on termination, and any payments made, are fair, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- overseeing any major changes in employee benefits structures throughout the Group.

ATTENDANCE AT MEETINGS OF THE BOARD AND ITS COMMITTEES

Attendance at Board meetings and Board committee meetings during the year was as set out in the table below.

In the attendance table below the numerator in each fraction represents the number of meetings actually attended by each Director in respect of the Board and each Board committee of which he or she was a member, whilst the denominator represents the number of such meetings that the Director was scheduled to attend.

In addition, the non-executive Directors including the Chairman met to evaluate the performance of the executive Directors, and the non-executive Directors, led by the Senior Independent Director, without the Chairman present, met to evaluate the performance of the Chairman. Several ad hoc meetings were held during the year for administrative matters in accordance with the Board's procedures.

	Scheduled Board Meetings	Short Notice Board Meetings	Audit Committee Meetings	Nomination Committee Meetings	Remuneration Committee Meetings
Sir Brian Stewart	10/10	2/2		2/2	
Joris Brams	10/10	2/2			
Emer Finnan	9/9	1/2	6/6		
Stewart Gilliland	9/10	1/2			7/7
Stephen Glancey	9/10	2/2			
John Hogan	10/10	2/2	8/8		
Richard Holroyd	10/10	2/2	7/8	2/2	7/7
Kenny Neison	9/10	2/2			
Breege O'Donoghue	10/10	2/2		2/2	7/7
Anthony Smurfit	8/10	2/2	7/8		

COMMUNICATIONS WITH SHAREHOLDERS

The Group attaches considerable importance to shareholder communications and has an established investor relations programme.

There is regular dialogue with institutional investors with presentations given to investors at the time of the release of the Group's first half and full year financial results and when other significant announcements are made. Interim Management Statements were issued in July 2014 and January 2015. The Board is briefed regularly on the views and concerns of institutional shareholders. The Chairman has also recently completed a series of meetings, focused solely on corporate governance, with a number of the Group's largest institutional shareholders.

The Group's website, www.candcgroupplc.com, provides the full text of the Annual Report and financial statements, the Interim Report and other releases. News releases are also made available immediately after release to the Stock Exchange. Presentations given to investors and at conferences are also made available on the Company's website.

General Meetings

The Company operates under the Companies Acts 1963 to 2013. These Acts provide for two types of shareholder meetings: the Annual General Meeting ('AGM') with all other meetings being called extraordinary general meetings ('EGM').

The Company must hold a general meeting in each year as its AGM in addition to any other general meetings held in that year. Not more than 15 months may elapse between the date of one AGM and the next. An AGM was held on 3 July 2014, and this year's AGM will be held on 2 July 2015. The Directors may at any time call an EGM. EGMs may also be convened on the requisition of members holding not less than five per cent of the voting share capital of the Company.

The notice period for an AGM and an EGM to consider any special resolution (a resolution which requires a 75% majority vote, not a simple majority) is 21 days. The Company may call any other general meeting on 14 days' notice subject to obtaining shareholder authority to do so. The Directors consider that it is in the interests of the Company to retain this flexibility, and intend to seek annually such authority. As a matter of policy, the 14 day notice period will only be utilised where the Directors believe that it is merited by the business of the meeting and the circumstances surrounding the business in question.

In accordance with UK Code recommendations, the Annual Report and the notice of AGM are sent to shareholders at least 20 working days before the AGM.

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote shall be a quorum.

Only those shareholders registered on the Company's register of members at the prescribed record date, being a date not more than 48 hours before the general meeting to which it relates, are entitled to attend and vote at a general meeting.

The Acts require that resolutions of the general meeting be passed by the majority of votes cast (ordinary resolution) unless the Acts or the Company's Articles of Association provide for 75% majority of votes cast (special resolution). The Company's Articles of Association provide that the Chairman has a casting vote in the event of a tie.

Any shareholder who is entitled to attend, speak and vote at a general meeting is entitled to appoint a proxy to attend, speak and vote on his or her behalf. A proxy need not be a member of the Company.

At meetings, unless a poll is demanded, all resolutions are determined on a show of hands, with every shareholder who is present in person or by proxy having one vote. On a poll every shareholder who is present in person or by proxy shall have one vote for each share of which he/she is the holder. A shareholder need not cast all votes in the same way. At the meeting, after each resolution has been dealt with, details are given of the level of proxy votes lodged for and against that resolution and also the level of votes withheld on that resolution.

The Company's AGM gives shareholders the opportunity to question the Directors. The Company must answer any question a member asks relating to the business being dealt with at the meeting unless answering the question would interfere unduly with the preparation for the general meeting or the confidentiality and business interests of the Company, or the answer has already been given on a website in the form of an answer to a question, or it appears to the Chairman of the meeting that it is undesirable in the interests of good order of the meeting that the question be answered.

The business of the Company is managed by the Directors who may exercise all the powers of the Company unless they are required to be exercised by the Company in general meeting. Matters reserved to shareholders in general meeting include the election of directors; the payment of dividends; the appointment of the external auditor; amendments to the Articles of Association; measures to increase or reduce the share capital; and the authority to issue shares.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company's Memorandum of Association sets out the objects and powers of the Company. The Articles of Association detail the rights attaching to each share class; the method by which the Company's shares can be purchased or reissued; the provisions which apply to the holding of and voting at general meetings; and the rules relating to the Directors, including their appointment, retirement, re-election, duties and powers. Any amendment of the Company's Articles of Association requires the passing of a special resolution.

Further details in relation to the purchase of the Company's own shares are included in the Directors' Report.

Directors' Statement of Corporate Governance (continued)

CORPORATE RESPONSIBILITY

As part of its overall remit of ensuring that effective risk management policies and systems are in place, the Board examines the significance of environmental, social and governance (ESG) matters to the Group's business and it has ensured that the Group has in place effective systems for managing and mitigating ESG risks. It also examines the impact that such risks may have on the Group's short and long-term value, as well as the opportunities that ESG issues present to enhance value. The Board receives the necessary information to make this assessment in regular reports from the executive management.

Corporate responsibility is embedded throughout the Group. Group policies and activities are summarised on pages 36 to 44 and the Group's corporate responsibility report is available on the Group's website www.candcgroupplc.com.

INTERNAL CONTROL

The Board has overall responsibility for the Group's system of internal control, for reviewing its effectiveness and for confirming that there is a process for identifying, evaluating and managing the significant risks affecting the achievement of the Group's strategic objectives. The process which has been in place for the entire period accords with the Turnbull Guidance (revised guidance published in October 2005) and involves the Board considering the following:

- the nature and extent of the key risks facing the Group;
- the likelihood of these risks occurring;
- the impact on the Group should these risks occur;
- the actions being taken to manage these risks to the desired level.

The key elements of the internal control system in operation are as follows:

- clearly defined organisation structures and lines of authority;
- corporate policies for financial reporting, treasury and financial risk management, information technology and security, project appraisal and corporate governance;
- annual budgets for all business units, identifying key risks and opportunities;
- monitoring of performance against budgets on a weekly basis and reporting thereon to the Board on a periodic basis;
- an internal audit function which reviews key business processes and controls; and
- an audit committee which approves plans and deals with significant control issues raised by internal or external audit.

This system of internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss. The terms of reference of the Audit Committee require it to review the adequacy and effectiveness of the Group's internal financial controls and risk management systems. The risks facing the Group are reviewed regularly by the Audit Committee with the executive management team. Specific annual reviews of the risks and fundamental controls of each business unit are undertaken on an ongoing basis, the results and recommendations of which are reported to and analysed by the Audit Committee with a programme for action agreed by the business units.

The preparation and issue of financial reports, including consolidated annual financial statements is managed by Group Finance with oversight from the Audit Committee. The key features of the Group's internal control procedures with regard to the preparation of consolidated financial statements are as follows:

- the review of each operating division's period end reporting package by the Group finance function;
- the oversight, review and validation of consolidation journals by the Group Chief Financial Officer;
- the challenge and review of the financial results of each operating division with the management of that division by the Group Chief Financial Officer;
- the review of any internal control weaknesses highlighted by the external auditor, by the Group Chief Financial Officer, Head of Internal Audit and the Audit Committee; and the follow up of any critical weaknesses to ensure issues highlighted are addressed.

The Directors confirm that, in addition to the monitoring carried out by the Audit Committee under its terms of reference, they have reviewed the effectiveness of the Group's risk management and internal control systems up to and including the date of approval of the financial statements. This review had regard to all material controls, including financial, operational and compliance controls that could affect the Group's business. The Directors considered the outcome of this review and found the systems satisfactory.

GOING CONCERN

The principal risks and uncertainties facing the Group are set out in this report on pages 18 and 19. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Group Chief Financial Officer's Review on pages 30 to 35. A description of the business of the Group is set out in the Group Chief Executive Officer's Review on page 8 to 13 and the Operations Review on pages 20 to 29.

An explanation of the basis on which the Group generates and preserves value over the longer term (the business model) and the strategy for delivering its objectives are set out in the Group Chief Executive Officer's review on pages 8 to 13. A statement of the Group's strategy is set out on page 14. The Group's long term strategy is to build a sustainable cider-led multi-beverage business through a combination of organic growth and selective acquisitions. The Group's business model seeks growth through brand/market combination combining brand investment with a focus on local markets.

The Group has significant revenues, a large number of customers and suppliers across different geographies, and considerable financial resources. For these reasons, the Directors have a reasonable expectation that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. Consequently they continue to adopt the going concern basis in preparing the financial statements.

Report of the Remuneration Committee on Directors' Remuneration

Dear Shareholder

On behalf of the Board, I am pleased to present the Report on Directors' remuneration for the financial year ended 28 February 2015. This follows a similar format to last year, when we chose to apply the 2013 UK regulations on remuneration disclosure on a voluntary basis. We will again be submitting both the Policy Report and the Annual Report on Remuneration to shareholders for an advisory vote at the Company's 2015 AGM. We are also asking shareholders to approve the adoption of new share incentive plans, as our current ones expire within 12 months. Our Policy Report has been updated to reflect the provisions of the new share plans. Last year our advisory votes achieved the support of over 99.98% for the Annual Report on Remuneration and 92.72% for the Directors' Remuneration Policy of the votes cast and we hope that shareholders will demonstrate their support again this year for all of our remuneration related resolutions.

FY2015 KEY DECISIONS AND INCENTIVE OUT-TURN

The Board remain committed to a responsible approach to executive pay. During the year ended 28 February 2015 the Committee reviewed executive remuneration, however the executive Directors did not consider it appropriate to take a salary increase in FY2015 and this was supported by the Committee. The Committee feels it is important to observe that the Chief Executive Officer and Chief Finance Officer have not received a salary increase since November 2008 having waived their contractual entitlement to indexation increases in 2009 and 2010. They waived bonus payments in 2009 and in FY2014 they also waived share awards in order to facilitate larger awards to be made to a wider audience. Similarly no increase was made in the year to non-executive Director fees nor has any increase been made to these fees since 2008.

As set out on pages 81 and 82, no bonus was paid to the executive Directors for FY2015. The Committee further determined that in respect of awards made in FY2012 under the C&C Executive Share Option Scheme (ESOS) and the C&C Long Term Incentive Plan (Part I) (LTIP (Part I)), the performance conditions were not met and the awards did not vest. Further details are set out on pages 81 to 83.

In addition the Committee approved various share awards and the principles of the FY2016 bonus scheme.

FY2016 ARRANGEMENTS

The Committee considered a salary increase for the executive Directors for FY2016 but the executive Directors, as part of their on-going commitment to, and investment in the business, did not consider it appropriate to take an increase, which was supported by the Committee. Variable pay awards will be unchanged from the prior year with the same overall maximum awards under the ESOS and LTIP (Part I) and, except for awards to be made under the ESOS, the same performance conditions attaching as in FY2015. For the ESOS awards we will apply a vesting schedule with straight line vesting between a threshold EPS target of 3% and a maximum EPS target of 6%, replacing the cliff vesting of prior years.

Shareholders are also being asked to approve the extension of the exercise period of the LTIP (Part I). Currently the rules of this Scheme are drafted such that executives have a six month window in which to exercise options vesting under the LTIP (Part I). If the executives are prohibited from exercising their options because the Company is in a close period, then the options will lapse. This is not the intention of the Scheme which should allow for the exercise period to be extended in this situation and we are therefore seeking to amend the rules to provide this flexibility by extending this window from six months to three years from vesting.

Report of the Remuneration Committee on Directors' Remuneration (continued)

LOOKING FORWARD TO FY2017

The Committee has consulted with major shareholders on the implementation of new incentive arrangements and these include the adoption of a new Long Term Incentive Plan ("LTIP 2015") and a new Executive Share Option Scheme ("ESOS 2015"). Awards will not be granted under the new arrangements until FY2017, however we have summarised the key provisions in the Policy Report. The detailed terms of the new arrangements are set out in the AGM Notice. The new share schemes have been designed to:

- take account of the changes to the Group's business model and to support our business strategy;
- reflect our stakeholder philosophy and entrepreneurial culture; and
- provide a flexible framework that is perceived as valuable, a fair reflection of performance and which is aligned with sustainable shareholder value creation.

Under the proposed framework, the Committee can make an annual LTIP 2015 award up to 150% of salary (where no ESOS 2015 award is granted in respect of the same financial year) or alternatively the Committee can make annual grants under both the LTIP 2015 and ESOS 2015, subject to the plan limits set out in the Directors' remuneration policy. This gives the Committee the flexibility, recognising the entrepreneurial culture of the business, to determine the appropriate mix of LTIP 2015 and ESOS 2015 awards each year in the context of the Company's business cycle and its future growth plans.

The first awards will not be made until FY2017 and we will therefore be considering appropriate performance conditions closer to the time of grant. The current intention is for awards for executive Directors under the LTIP 2015 to be subject to a combination of EPS, a return based measure and cash conversion performance conditions and for the awards under the ESOS 2015 to be subject to a specific performance target. In addition:

- the threshold level of vesting under the LTIP 2015 will be reduced from 30% to 25%;
- flexibility has been included in the Remuneration Policy to introduce a deferred share element to the annual bonus;
- a shareholding guideline will be introduced for the current executive directors. The Chief Executive Officer will be expected to maintain a personal shareholding of at least two times salary. For the other executive directors this will be set at one times salary; and
- malus and clawback provisions will be included on all variable remuneration in line with the new UK Corporate Governance Code with effect from 1 March 2016.

The Committee believes these changes are in the best interests of the Company and fully support the execution of the C&C Group plc strategy and stakeholder ethos.

Yours sincerely

Breege O'Donoghue
Chairman of the Remuneration Committee

Introduction

COMMITTEE AND ADVISERS

Composition

The Committee of the Board consists solely of independent non-executive Directors.

During the year ended 28 February 2015 the Chairman of the Committee was Breege O'Donoghue. Other members of the Committee were Richard Holroyd and Stewart Gilliland.

Terms of reference of Committee

The Committee's terms of reference are summarised on page 60.

Advice and Consultation

The Chairman of the Board and the Chief Executive Officer are fully consulted on remuneration proposals but neither is present when his own remuneration is discussed.

The Committee has access to external advice from remuneration consultants on compensation when necessary. During the year ended 28 February 2015 the Committee obtained advice from Deloitte who were appointed by the Committee. Deloitte provided advice in relation to the changes to the executive long-term incentive schemes, the Joint Share Ownership Plan, the Directors' remuneration report and the Directors' remuneration policy. Deloitte's fees for this advice amounted to €30,888 charged on a time or fixed fee basis. During the period, separate divisions of Deloitte advised the Group on commercial contract issues and tax issues.

Deloitte is a member of the UK Remuneration Consultants Group and, as such, voluntarily operates under a code of conduct. To safeguard objectivity, protocols are established to cover the basis for contact with executive management and to avoid potential conflict arising from other client relationships. The Committee is satisfied that the remuneration advice provided by Deloitte is objective and independent.

The Committee has also obtained advice from:

- David Johnston, Company Secretary (appointed with effect from 17 November 2014)
- Paul Walker, Company Secretary and General Counsel (stepped down from the role on 1 August 2014)
- Sarah Riley, Group Director of Human Resources.

No Director is present when their own remuneration is discussed.

SHAREHOLDERS' VIEWS

The Committee is committed to open and transparent dialogue with shareholders and consults with shareholders and governance bodies on proposals relating to remuneration structures. During the year, the Committee consulted with, and received good support from, significant shareholders regarding the new executive long-term incentive schemes.

Report of the Remuneration Committee on Directors' Remuneration (continued)

Directors' Remuneration Policy

This part of the report sets out the Group's policy on Directors' remuneration. The policy has been determined by the Committee of the Board of Directors ("the Committee"). The Directors' remuneration policy will be subject to an advisory vote at the 2015 AGM and will take effect from that date.

GENERAL STATEMENT OF POLICY

The main aim of the Group's policy on Directors' remuneration is to attract, retain and motivate Directors of the calibre required to promote the long-term success of the Group. The Committee therefore seeks to ensure that Directors are properly, but not excessively, remunerated and motivated to perform in the best interests of shareholders, commensurate with ensuring shareholder value.

The Committee seeks to ensure that executive Directors' remuneration is aligned with shareholders' interests and the Group's strategy. Share awards are therefore seen as the principal method of long-term incentivisation. Executive Directors are incentivised on a range of equity share structures, notably the significant share ownership held by Stephen Glancey and Kenny Neison through the Joint Share Ownership Plan. Similar principles are applied for senior management, several of whom have material equity holdings in the Company.

Annual performance-related rewards aligned with the Group's key financial, operational and strategic goals and based on stretching targets are a further component of the total executive remuneration package. For senior management, mechanisms are tailored to local requirements.

The Group seeks to bring transparency to executive Directors' reward structures through the use of cash allowances in place of benefits in kind. In setting executive Directors' remuneration the Committee has regard to pay levels and conditions applicable to other employees across the Group.

FUTURE POLICY TABLE

Executive Directors' remuneration

Element	Salary
Purpose and link to strategy	Purpose is to attract, recruit and retain Directors of the necessary calibre.
Operation	Salary levels are determined by the Committee taking into account factors including: • scope and responsibilities of the role; • experience and individual performance; • overall business performance; • prevailing market conditions; • pay in comparable companies, principally in the global beverage sector; and • overall risk of non-retention.
Opportunity	Executive Directors are entitled to an annual review of their salary, but there is no entitlement to receive any increase. The Committee may award salary increases to take account of individual circumstances such as: • increases or changes in scope and responsibility; • to reflect the executive Director's development and performance in the role; or • alignment to market level. In awarding increases, the Committee will have regard to the outcome of pay reviews for employees as a whole. The base salaries effective as at 1 March 2015 are shown on page 79.
Performance metrics	Not applicable.

Element	Benefits/cash allowance in lieu
Purpose and link to strategy	Purpose is to attract, recruit, and retain Directors of the necessary calibre.
Operation	The Group seeks to bring transparency to Directors' reward structures through the use of cash allowances in place of benefits in kind. The cash allowance can be applied to benefits such as a company car and health benefits. Group benefits such as death in service insurance are also made available. Other benefits may be provided based on individual circumstances including housing or relocation allowances, travel allowance or other expatriate benefits. Benefits and allowances are reviewed alongside salary.
Opportunity	The Committee has not set an absolute maximum on the levels of benefits that may be awarded since this will depend upon the circumstances applicable to the relevant Director as well as the cost of any third party suppliers. The value of the cash allowance/benefit is set at a level which the Committee considers appropriate against the market and provides sufficient level of benefit based on individual circumstances. See 'Implementation' section on pages 79 to 80 below for details of the benefits for FY2016.
Performance metrics	Not applicable.

Element	Pension/cash allowance in lieu
Purpose and link to strategy	Purpose is to attract, recruit, and retain Directors of the necessary calibre.
Operation	The Group seeks to bring transparency to Directors' reward structures through the use of cash allowances in place of pension scheme participation, the allowance being either paid direct or into a personal pension plan. No executive Director accrues any benefits under a defined benefit pension scheme. All cash allowances are reviewed alongside salary.
Opportunity	Maximum cash allowance is 30% of salary. The value awarded is set at a level which the Committee considers appropriate against the market and provides sufficient level of benefit based on individual circumstances. See 'Implementation' section below on pages 79 to 80 for details of the cash allowance in lieu of pension benefits for FY2016.
Performance metrics	Not applicable.

Report of the Remuneration Committee on Directors' Remuneration (continued)

Element	Annual bonus
Purpose and link to strategy	Rewards performance against annual financial, operational and strategic business targets which support the strategic direction of the Company and align the interests of executives with shareholders.
Operation	A discretionary scheme under which executive Directors are entitled to receive a variable reward contingent upon the achievement of performance targets. The structure and value of the bonus scheme and the applicable performance measures are subject to annual approval by the Committee. Any pay-out is determined by the Committee after the year end, based on performance against the relevant targets. The Committee has discretion to vary the bonus pay out should any formulaic output not reflect the Committee's assessment of overall business performance. The Committee has discretion to apply deferral to part of any bonus earned in the year and for such amount to be deferred into shares for a period of up to two years. Malus and clawback provisions will apply to the annual bonus. See the 'Malus and clawback' section below for more details. The Committee reserves the right to vary, amend, replace or discontinue the bonus scheme at any time depending on business needs and/or financial viability or as appropriate by reference to any changes in corporate structure during the financial year.
Opportunity	Maximum opportunity is 100% of base salary. However, for FY2016 executive Directors are entitled to a maximum bonus opportunity of 80% of base salary.
Performance metrics	Measures and targets are set annually reflecting the Company's strategy and aligned with key financial, operational, strategic and/or individual objectives. Targets, whilst stretching, do not encourage inappropriate business risks to be taken. The relevant measures and the respective weightings may vary each year based upon the Company's priorities. If applicable, as the bonus is subject to performance measures, any deferred bonus is not subject to further performance conditions. See 'Implementation' section below on pages 79 to 80 for details of the bonus conditions for FY2016.

Element	Share-based rewards – new long term incentive plans
Purpose and link to strategy	To incentivise executive Directors to execute the Group's business strategy over the longer term and align their interests with those of shareholders to achieve a sustained increase in shareholder value.
Operation	Subject to shareholder approval at the 2015 AGM, a new Long Term Incentive Plan ("LTIP 2015") and a new Executive Share Option Scheme ("ESOS 2015") will be adopted. Awards will not be granted under the new arrangements until FY2017. Subject to the plan limits set out below the Committee has the discretion to determine the appropriate mix of LTIP 2015 and ESOS 2015 awards each year in the context of the Company's business cycle and its future growth plans save where the executive has a contractual entitlement. Malus and clawback provisions will apply to both the LTIP 2015 and the ESOS 2015. See the "Malus and clawback" section below for more details. Options/awards will be granted under the existing ESOS and the LTIP (Part I) in FY2016 (see Implementation section below on pages 79 to 80). Awards are usually made annually by the Committee following the release of full year financial results but can be made after release of the interim results and exceptionally at other times.
Opportunity	If awards are made under both the LTIP 2015 and the ESOS 2015 in respect of the same financial year the overall maximum, other than in exceptional circumstances, will be capped at 250% of salary. In exceptional circumstances the maximum combined LTIP 2015 and ESOS 2015 award in respect of any financial year is 500% of salary.
Performance metrics	The vesting of awards is subject to the satisfaction of performance conditions set by the Committee. Performance conditions are selected that are aligned to the Company's strategy and with shareholders' interests. The performance measures chosen are reviewed regularly to ensure they remain relevant. The relevant measures, targets and weightings may vary each year based upon the Company's priorities. Options lapse if the performance target threshold is not met in the relevant testing period and there is no retesting.

Report of the Remuneration Committee on Directors' Remuneration (continued)

Element	(a) ESOS and ESOS 2015
Purpose and link to strategy	To incentivise executive Directors to execute the Group's business strategy over the longer term and align their interests with those of shareholders to achieve a sustained increase in shareholder value.
Operation	The Committee may grant options to acquire shares in the Company at a market related exercise price. The Committee has discretion to grant ESOS 2015 awards to reward sustained value creation by averaging the value of the shares at grant and the point of exercise across an extended period of up to six months. The vesting of options is subject to meeting a specific performance target set by the Committee and measured over a period of three years. Options will not normally be exercisable until after the assessment of the performance condition following the end of the performance period. Early vesting may be available for certain qualifying leavers. See policy on payment for loss of office on pages 76 to 78 for more details. Options vest early on a change of control (or other relevant event), taking into account the performance conditions. Options may be adjusted in the event of a variation of share capital in accordance with the scheme rules. The Committee has the discretion to grant ESOS and ESOS 2015 options as tax-advantaged options as permitted by the UK Revenue authorities and allows grants of options over shares with a market value of up to the value prescribed by the applicable tax legislation (currently £30,000) to be made on a tax efficient basis to employees who are UK taxpayers. Tax-advantaged options will be subject to the same performance conditions as non-tax-advantaged ESOS options.
Opportunity	The maximum ESOS 2015 award is 150% of base salary in respect of any financial year if granted in combination with a LTIP 2015 award equal to 100% of salary. Other than in exceptional circumstances the limit on ESOS 2015 awards would be 300% of salary if no LTIP 2015 awards are granted in respect of the same financial year. This is subject to the overall exceptional circumstances limit set out above. **Contractual entitlements to be granted in FY2016 under the current ESOS are:** Stephen Glancey - ESOS: 150% of base salary Kenny Neison - ESOS: 150% of base salary Joris Brams - ESOS: 150% of aggregate base salary
Performance metrics	See 'Implementation' section below on pages 79 to 80 for details of the performance conditions for FY2016. See page 82 and note 4 to the financial statements for details of the performance conditions for FY2015.

Element	(b) LTIP (Part I) and LTIP 2015
Purpose and link to strategy	To incentivise executive Directors to execute the Group's business strategy over the longer term and align their interests with those of shareholders to achieve a sustained increase in shareholder value.
Operation	Under the LTIP (Part I) awards are granted in the form of nominal cost options to acquire shares or conditional awards. Under the LTIP 2015, awards of conditional shares, restricted stock or nil cost or nominal cost options (or similar cash equivalent) can be made. The vesting of awards is subject to meeting specific performance targets set by the Committee and measured over a period of three years. Awards will not normally vest until after the assessment of the performance condition following the end of the performance period. The Committee may decide that a participant has a right to 'dividend equivalents' whereby the participant receives additional value equivalent to that which accrues to shareholders by way of dividends that would have been paid on the underlying shares during the vesting period. This value can be paid as cash or shares. Early or pro-rata vesting may be available for certain qualifying leavers. See policy on payment for loss of office on pages 76 to 78 for more details. Awards vest early on a change of control (or other relevant event) taking into account the performance conditions and pro-rating for time, although the Committee has discretion not to apply time pro-rating. Awards may be adjusted in the event of a variation of share capital in accordance with the scheme rules.
Opportunity	The maximum LTIP 2015 award is 100% of base salary in respect of any financial year if granted in combination with an ESOS 2015 award equal to 150% of salary. The maximum LTIP 2015 award is 150% of base salary in respect of any financial year if no ESOS 2015 award is granted in respect of the same financial year. This is subject to the overall exceptional circumstances limit set out above. **Contractual entitlements to be granted in FY2016 under the current LTIP are:** Stephen Glancey - LTIP (Part I): 100% of base salary Kenny Neison - LTIP (Part I): 100% of base salary Joris Brams - LTIP (Part I): 100% of aggregate base salary
Performance metrics	See 'Implementation' section on pages 79 to 80 below for details of the performance conditions for FY2016. See page 83 and note 4 to the financial statements for details of the performance conditions for FY2015. Performance conditions will be attached to the LTIP 2015 awards by taking into account the business priorities prevailing at the time of grant and the Company's strategy. Such conditions may include, but are not limited to, EPS growth and cash conversion and return on capital.

Report of the Remuneration Committee on Directors' Remuneration (continued)

Element	Share-based rewards – all-employee plans
Purpose and link to strategy	To align the interests of eligible employees with those of shareholders through share ownership.
Operation	(See schemes described below)
Opportunity	For tax-advantaged plans the maximum opportunity set by the rules or adopted by the Committee will be in line with or below the statutory limits.
Performance metrics	No performance conditions would usually be required in tax-advantaged plans.

Element	(a) Irish APSS/ UK SIP
Purpose and link to strategy	To align the interests of eligible employees with those of shareholders through share ownership.
Operation	The C&C Profit Sharing Scheme is an all-employee share scheme and has two parts. Part A relates to employees in ROI and has been approved by the Irish Revenue Commissioners (the Irish APSS). Part B relates to employees in the UK and is a HMRC qualifying plan of free, partnership, matching or dividend shares (or cash dividends) with a minimum three year vesting period for matching shares (the UK SIP). UK resident executive Directors are eligible to participate in Part B only. There is currently no equivalent plan for Directors resident outside of Ireland or the UK.
Opportunity	Under the Company's UK SIP the current maximum subscription is £750 per annum with entitlement to matching shares of £750 per annum. However, the Committee reserves the right to increase the maximum to the statutory limits.
Performance metrics	No performance conditions are attached to awards under the Irish APSS or the UK SIP.

Non-executive Directors' remuneration

Element	Non-executive Director fees
Purpose and link to strategy	Sole element of non-executive Director remuneration is set at a level that reflects market conditions and is sufficient to attract individuals with appropriate knowledge and experience.
Operation	Fees paid to non-executive Directors are determined and approved by the Board as a whole. The Committee recommends the remuneration of the Chairman to the Board. Fees are reviewed from time to time and adjusted to reflect market positioning and any change in responsibilities. Non-executive Directors receive a basic fee and an additional fee for further duties (for example chairmanship of a committee or senior independent Director responsibilities). Non-executive Directors are not eligible to participate in the annual bonus plan or share-based schemes and do not receive any benefits (including pension) other than fees in respect of their services to the Company. Non-executive Directors may be eligible to receive certain benefits as appropriate such as the use of secretarial support, travel costs or other benefits that may be appropriate.
Opportunity	Fees are based on the level of fees paid to non-executive Directors serving on Boards of similar-sized Irish and UK-listed companies and the time commitment and contribution expected for the role. The Articles of Association provide that the ordinary remuneration of Directors (i.e. Directors' fees, not including executive remuneration) shall not exceed a fixed amount or such other amount as determined by an ordinary resolution of the Company. The current limit was set at the Annual General Meeting held in 2013, when it was increased to €1.0 million in aggregate. The fees effective as at 1 March 2015 are shown on page 80.
Performance metrics	Not applicable.

Malus and clawback

In line with the recently updated UK Corporate Governance Code malus and clawback provisions will apply to all elements of performance-based variable remuneration (i.e. annual bonus, ESOS 2015 and LTIP 2015) for the executive Directors with effect from 1 March 2016. The circumstances in which malus and clawback will be applied are if there has been in the opinion of the Committee a material mis-statement of the Group's published accounts; or the Committee reasonably determines that a participant has been guilty of gross misconduct. The clawback provisions will apply for a period of two years following the end of the performance period.

Payments under the LTIP (Part I)

At the 2015 AGM, shareholders are being asked to approve a resolution extending the exercise period of the LTIP (Part I). Currently the rules of the Plan are drafted such that executives have a six month window in which to exercise options vesting under the LTIP (Part I). If the executives are prohibited from exercising their options because the Company is in a close period, then the options will lapse. This is not the intention of the Plan, which should allow for the exercise period to be extended in this situation and we are therefore seeking to amend the rules to provide this flexibility by extending this window from six months to three years from vesting.

DISCRETION TO DEPART FROM POLICY

Share schemes and other incentives

The Committee recognises the importance of ensuring that the outcomes of the Group's executive pay arrangements properly reflect the Group's overall performance over the performance period. It is the Committee's intention that the mechanistic application of performance conditions relating to awards will routinely be reviewed to avoid outcomes which could be seen as contrary to shareholders' expectations.

To the extent provided for in accordance with any relevant amendment power under the rules of the share plans or in the terms of any performance condition, the Committee may alter the performance conditions relating to an award or option already granted if an event occurs (such as a material acquisition or divestment or unexpected event) which the Committee reasonably considers means that the performance conditions would not, without alteration, achieve their original purpose. The Committee will act fairly and reasonably in making the alteration so that the performance conditions achieve their original purpose and the thresholds remain as challenging as originally imposed. The Committee will explain and disclose any such alteration in the next remuneration report.

Legacy payments

The Committee reserves the right to make any remuneration payment or any payment for loss of office without the need to consult with shareholders or seek their approval, notwithstanding that it is not in line with the policy set out above, where the terms of the payment were agreed either:

- before the policy came into effect; or
- at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes: the term 'payment' includes any award of variable remuneration; in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Minor changes

The Committee may, without the need to consult with shareholders or seek their approval, make minor changes to this Policy to aid in its operation or implementation taking into account the interests of shareholders.

Report of the Remuneration Committee on Directors' Remuneration (continued)

COMPARISON WITH REMUNERATION POLICY FOR EMPLOYEES GENERALLY

Remuneration packages for executive Directors and for employees as a whole reflect the same general remuneration principle that individuals should be rewarded on their contribution to the Group and its success, and the reward they receive should be competitive in the market in which they operate without paying more than is necessary to recruit and retain them.

The remuneration package for executive Directors reflects their role of leading the strategic development of the Group. Accordingly there is a strong alignment with shareholders' interests, through long term performance-based share rewards. Senior management are similarly rewarded.

These rewards are not appropriate for all employees but it is the Committee's policy that employees in general should be afforded an opportunity to participate in the Group's success through holding shares in the Company through all-employee schemes.

Executive Directors are incentivised through an annual cash bonus to achieve shorter term objectives and all employees are similarly incentivised.

For executive Directors the remuneration package reflects the demands of a global market. For employees generally remuneration and reward are tailored to the local market in which they work. It is the Committee's policy that all employees should share in the success of the business divisions towards whose success they have contributed.

CONSIDERATION OF EMPLOYMENT CONDITIONS GENERALLY AND CONSULTATION WITH EMPLOYEES

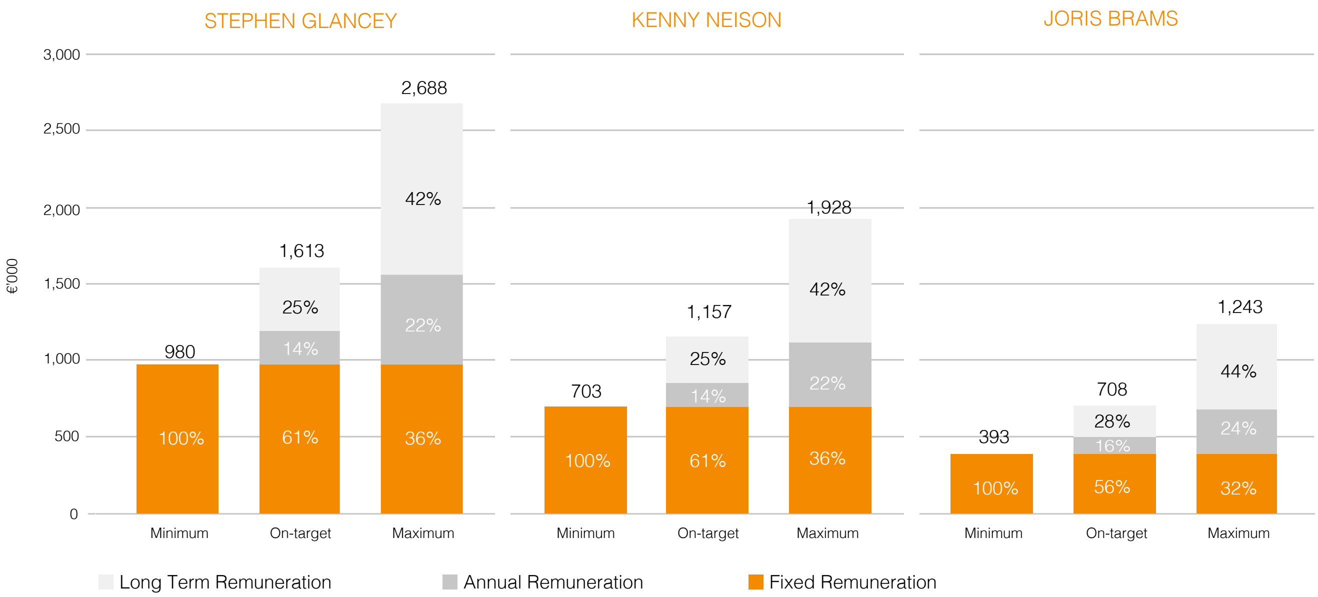
As described above, when setting the policy for executive Directors' remuneration, the Committee applies the same core principle as applied for the pay and employment conditions of other Group employees. When reviewing Directors' remuneration, the Committee has regard to the outcome of pay reviews for employees as a whole.

The Committee did not directly consult with employees when formulating the Directors' remuneration policy set out in this report and no remuneration comparison measurements comparing executive Directors remuneration with employees generally were used.

The Group has regular contact with employee representatives on matters of pay and remuneration for employees covered by collective bargaining or consultation arrangements.

ILLUSTRATION OF REMUNERATION POLICY

The charts below show the level of remuneration and the relative split of remuneration between fixed pay (base salary, benefits and cash allowance in lieu of pension) and variable pay (annual bonus, ESOS and LTIP (Part I)) for each executive Director on the basis of minimum remuneration, remuneration receivable for performance in line with the Company's expectations and maximum remuneration (not allowing for any share price appreciation).



Bases and Assumptions

For the purposes of the above charts, the following assumptions have been made:

- Base salary is the salary as at 1 March 2015.
- Benefits as disclosed in the single figure table on page 81 for the year ended 28 February 2015.
- Cash allowance in lieu of pension for executive Directors other than Joris Brams equal to 25% of base salary (based on salary as at 1 March 2015).
- The Long Term Remuneration element is based on existing contractual entitlements - i.e. an ESOS award equal to 150% of salary and a LTIP (Part I) award equal to 100% of salary.
- The chart for Joris Brams excludes the fee that Joris Brams BVBA receives under its service contract for brand development services.

The average exchange rate for FY2015 has been used for ease of comparison.

In illustrating the potential reward the following assumptions have been made:

Element	Minimum performance	Performance in line with expectations	Maximum performance
Fixed pay	Fixed elements of remuneration (base salary, benefits allowance and pension allowance)	Fixed elements of remuneration (base salary, benefits allowance and pension allowance)	Fixed elements of remuneration (base salary, benefits allowance and pension allowance)
Annual bonus	No bonus	30% of salary delivered for achieving target performance	80% of salary delivered for achieving maximum performance
ESOS	No vesting	The expected value of awards based on threshold vesting of awards of 75% of salary	The expected value of awards based on full vesting of awards of 150% of salary
LTIP (Part I)	No vesting	30% of salary for achieving threshold performance under the LTIP (Part I)*	100% of salary for achieving maximum performance

*Note: threshold vesting under 2015 LTIP has been reduced to 25% of the maximum award.

RECRUITMENT REMUNERATION POLICY

When recruiting a new executive Director, the Committee will typically seek to use the policy detailed in the table above to determine the appropriate remuneration package to be offered. To facilitate the hiring of candidates of the appropriate calibre required to implement the Group's strategy, the Committee retains the discretion to make payments or awards which are outside the Policy subject to the principles and limits set out below.

In determining appropriate remuneration, the Committee will take into consideration all relevant factors (including the quantum and nature of remuneration) to ensure the arrangements are in the best interests of the Group and its shareholders. This may, for example, include (but is not limited to) the following circumstances:

- an interim appointment is made to fill an executive Director role on a short-term basis;
- exceptional circumstances require that the Chairman or a non-executive Director takes on an executive function on a short-term basis;
- an executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long-term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis;
- the Executive received benefits at his previous employer which the Committee considers it appropriate to offer.

Report of the Remuneration Committee on Directors' Remuneration (continued)

The Committee may also alter the performance measures, performance period and vesting period of the annual bonus or long-term incentive, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained.

The Committee may make an award to compensate the prospective employee for remuneration arrangements forfeited on leaving a previous employer. In doing so the Committee will take account of relevant factors regarding the forfeited arrangements which may include the form of any forfeited awards (e.g. cash or shares), any performance conditions attached to those awards (and the likelihood of meeting those conditions) and the time over which they would have vested. These awards or payments are excluded from the maximum level of variable remuneration referred to below; however, the Committee's intention is that the value awarded or paid would be no higher than the expected value of the forfeited arrangements.

Recruitment awards will normally be liable to forfeiture or 'clawback' on early departure (i.e. within the first 12 months of employment).

It would be the Committee's policy that a significant portion of the remuneration package (including any introductory awards) would be variable and linked to stretching performance targets and continued employment. The maximum level of variable remuneration that may be granted to new Directors (excluding buy-out arrangements) is 5 times base salary.

For the avoidance of doubt, if it were necessary to make an introductory cash award which was not performance-based, such as a guaranteed bonus payment, the Committee would include such an award within the overall limit of 5 times base salary. Where a position is filled internally, any pre-appointment remuneration entitlements or outstanding variable pay elements shall be allowed to continue according to the original terms.

Fees payable to a newly-appointed Chairman or non-executive Director will be in line with the fee policy in place at the time of appointment.

POLICY ON PAYMENT FOR LOSS OF OFFICE

Executive Directors

Service Contracts

Each of the executive Directors is employed on a service contract. Details of the service contracts of the executive Directors in office during the year are as follows:

	Contract date	Notice period	Unexpired term of contract
Stephen Glancey	9 November 2008, amended 28 February 2012	12 months	n/a
Kenny Neison	9 November 2008, amended 28 February 2012	12 months	n/a
Joris Brams	1 September 2012, amended as of 1 April 2014	12 months	n/a

As set out in last year's annual report, changes were made during the year to the structure of Joris Brams' service contract to reflect his greater focus on the United States following our acquisition of VHCC and services being provided by his service company in respect of Belgian brand development. His service contract was split into a USA contract with VHCC and an amended contract with Wm. Magner Limited, with the same aggregate base salary and other terms but with no cash allowance in lieu of pension provision. In addition, C&C IP Sàrl ('CCIP') entered into a contract for services effective as of 1 April 2014 with Joris Brams BVBA ('JBB'), (a company wholly owned by Joris Brams and family), under which JBB agreed to provide to CCIP brand development services in relation to Belgian products and CCIP agreed to pay monthly fees totalling €91,540 on an annual basis.

Compensation on Termination

The service contracts of the executive Directors do not contain any pre-determined compensation payments in the event of termination of office or employment other than payment in lieu of notice.

The principles on which the compensation for loss of office would be approached are summarised below:

	Policy
Notice period	None of the executive Directors has a service contract with a notice period in excess of one year. Service contracts for new directors will generally be limited to 12 months' notice by the Company. The contract for services between CCIP and JBB (a company wholly owned by Joris Brams and family) is terminable by either party on 12 months' notice.
Termination payment/ payment in lieu of notice	The Company has retained the right to make payment to the executive Director of 12 months' fixed remuneration in lieu of the notice period. Discretionary benefits may also include, but are not limited to, outplacement and legal fees.
Annual bonus	Payment of the annual bonus would be at the discretion of the Committee on an individual basis and would be dependent upon the circumstances of their departure and their contribution to the business during the bonus period in question. A departing Director may be eligible, depending on the circumstances and subject to performance, for payment of a bonus pro-rata to the period of employment during the year, to be payable at the usual time.
Share based payments	The vesting of share based awards is governed by the rules of the relevant incentive plan. Under the ESOS and LTIP (Part I), ESOS 2015 and LTIP 2015 'good leavers' typically include leavers due to death, injury, ill-health, disability, redundancy, retirement with the consent of the Company or business disposal or any other reason as determined by the Committee. Under the ESOS and LTIP (Part I) the extent to which an award vests for a good leaver will be determined taking into account the extent to which any performance conditions have been satisfied in the period from the grant date to the date of vesting. Under the ESOS 2015 and LTIP 2015 the provisions for 'good leavers' provide that awards will vest at the normal vesting point and taking account of the performance over the period and subject to pro-rating for time. The Committee has the discretion to accelerate vesting to the date of cessation of employment and to waive pro-rating for time. For any deferred annual bonus, the deferred bonus share award would be released as soon as practicable following termination (unless the Committee determines otherwise).
Mitigation	Executive Directors' service contracts contain no contractual provision for reduction in payments for mitigation or for early payment, and accordingly any payment during the notice period will not be reduced by any amount earned in that period from alternative employment obtained as a result of being released from employment with the Group before the end of the contractual notice period.
Other payments	Payments may be made under the Company's all employee share plans which are governed by the Irish Revenue Commissioners and HMRC tax-advantaged plan rules and which cover leaver provisions. There is no discretionary treatment of leavers under these plans. Where on recruitment a buy-out award had been made outside the ESOS 2015 or LTIP 2015, then the applicable leaver provisions would be specified at the time of the award.

Report of the Remuneration Committee on Directors' Remuneration (continued)

The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. In doing so, the Committee will recognise and balance the interests of shareholders and the departing executive Director, as well as the interests of the remaining Directors. Where the Committee retains discretion it will be used to provide flexibility in certain situations, taking into account the particular circumstances of the Director's departure and performance.

Non-executive Directors

Letters of appointment

Each of the non-executive Directors in office during the financial year was appointed by way of a letter of appointment. Each appointment was for an initial term of three years, renewable by agreement (but now subject to annual re-election by the members in General Meeting). The letters of appointment are dated as follows:

Non-executive Director	Date of letter of appointment
Sir Brian Stewart	10 February 2010
Emer Finnan	4 April 2014
Stewart Gilliland	17 April 2012
Anthony Smurfit	17 April 2012
John Hogan	26 April 2004
Richard Holroyd	26 April 2004
Breege O'Donoghue	26 April 2004

The letters of appointment are each agreed to be terminable by either party on one month's notice and do not contain any pre-determined compensation payments in the event of termination of office or employment.

Implementation of the Remuneration Policy for the Year Ending 28 February 2016

Information on how the Company intends to implement the policy for the financial year ending 28 February 2016 is set out below.

EXECUTIVE DIRECTORS

Structure

The fundamental structure of the remuneration of Stephen Glancey, Kenny Neison and Joris Brams remains unchanged from the previous year. Specifically there are no changes to their salary, the maximum rate of the annual bonus, the ESOS and LTIP (Part I) opportunity or the rate of the cash allowance in lieu of pension or benefits in kind.

Base salaries

The Company's approach on base salary continues to be to provide a fixed remuneration component which reflects the experience and capabilities of the individual in the role, the demonstrated performance of the individual in the role, and which is competitive in the markets in which the Company operates.

Under their service contracts the base salaries of Stephen Glancey and Kenny Neison are expressed and payable in pounds sterling. The base salary of Joris Brams is expressed and payable in euro.

The salary levels of executive Directors are normally reviewed together with those of senior management annually in January. The salary levels were reviewed in respect of FY2016 and no change is being made to the base salaries of Stephen Glancey and Kenny Neison for the year ending 28 February 2016. Their base salaries have remained unchanged since 2008 other than by reason of promotion. No change is proposed to the base salary of Joris Brams.

The base salaries are as follows:

Year ended 28 February	2015	2016
Stephen Glancey	£585,000 (€736,034*)	£585,000
Kenny Neison	£420,000 (€528,435*)	£420,000
Joris Brams	€366,160 in aggregate with effect from 1 April 2014	€366,160

* At the average exchange rate in the year.

Benefits

The executive Directors receive a cash allowance of 7.5% of base salary in lieu of benefits such as company car. The Group provides death-in-service cover of four times annual base salary and permanent health insurance (or reimbursement of premiums paid into a personal policy). Directors may also benefit from medical insurance under a Group policy (or the Group will reimburse premiums).

Details of the deferred payments due by Stephen Glancey and Kenny Neison under the JSOP, as described on page 82, and which give rise to a taxable benefit-in-kind, are unchanged.

Annual bonus

The Committee has reviewed the performance measures and targets for the annual bonus to ensure that they remain appropriately stretching in the current environment and continue to be aligned with the business strategy.

For FY2016, the Committee has approved a bonus scheme for executive Directors by reference to Group adjusted operating profit, under which executive Directors will be entitled to a bonus of 30% of salary for on target performance, and a further bonus on a tapering basis in respect of performance above this level up to a maximum of 80% of base salary.

The Company is not disclosing the actual Group bonus profit target prospectively as, in the opinion of the Board, this target is commercially sensitive. The Board believes that disclosure of this commercially sensitive information could adversely impact the Company's competitive position by providing competitors with insight into the Company's business plans and expectations. However, the Company will disclose how the bonus pay out delivered relates to performance against target on a retrospective basis.

Report of the Remuneration Committee on Directors' Remuneration (continued)

In FY2015, the maximum bonus opportunity for the executive Directors was 80% of salary. Target bonus was 30% of salary (37.5% of the maximum opportunity). In FY2015, 100% of the bonus was based on the financial performance of the Group. Further details of how bonuses are earned are provided in the table below.

	Performance Targets		
Measure and Weighting	'Target'	'Maximum'	Actual Performance
Operating Profit (100%)	Budget	110% of budget	Below Target, no bonus paid

Long Term Incentives

The service contracts of the executive Directors in office at the date of this report entitle them to an annual grant under the ESOS with a face value equal to 150% of base salary and an annual award under the LTIP (Part I) with a face value equal to 100% of base salary.

With respect to awards for FY2016, options/awards will be granted under the existing ESOS and the LTIP (Part I). Subject to shareholder approval at the 2015 AGM, a new Long Term Incentive Plan ("LTIP 2015") and a new Executive Share Option Scheme ("ESOS 2015") will be adopted. Awards will not be granted under the new arrangements until FY2017.

ESOS (existing)

The executive Directors will be granted options with a face value of 150% of base salary with an exercise price equal to the share price at the date of grant. The cliff vesting schedule for the ESOS will be replaced with a more balanced EPS performance schedule for options granted in FY2016 as follows: if adjusted EPS growth is 3% per annum over the performance period then 50% of the ESOS award vests and if adjusted EPS growth is 6% per annum or more over the performance period the ESOS award vests in full. There will be straight line vesting between the points and no reward for below threshold performance. This broadly maintains the level of stretch required for full vesting and recognises that CPI is a less relevant reference point given the international reach of the business. The threshold level of vesting has been set at 50% of the award to reflect the fact that, in contrast to LTIP awards, ESOS awards only deliver value above the share price at the date of grant and only if the threshold EPS target has been achieved.

LTIP (Part I) (existing)

The executive Directors will be granted awards to acquire shares with a face value of 100% of base salary. Awards in FY2016 will have the same performance conditions attaching as in FY2015. 75% of the award is based on earnings per share and 25% of the award is based on total shareholder return against the ISEQ as detailed on page 85.

Pensions

No executive Director accrues any benefits under a defined benefit pension scheme. Under their service contracts executive Directors other than Joris Brams will receive a cash payment of 25% of base salary, in order to provide their own pension benefits, inclusive in Kenny Neison's case of a fixed sterling payment into a personal pension plan.

Legacy Payments

See note 4 (Share-based Payments) to the financial statements regarding payments that may fall due under or in respect of the Joint Share Ownership Plan.

NON-EXECUTIVE DIRECTORS

The fees paid to non-executive Directors are set at a level to attract individuals with the necessary experience and ability to make a significant contribution to the Group. The annual fees, which were last reviewed by the Board in May 2014 and are unchanged from FY2015, are as follows:

Year ended 28 February	2016
Chairman	€230,000
Non-executive Director	€65,000
Senior Independent Director	€10,000
Chairman of the Audit Committee	€25,000
Chairman of the Remuneration Committee	€20,000

Annual Report on Remuneration for the Year Ended 28 February 2015

The following parts of the Remuneration Report are subject to audit and have been audited.

DIRECTORS' REMUNERATION

Details of the remuneration for each Director who served during the year ended 28 February 2015 are given below. The comparative figures included for last year have been presented on a consistent basis with the current year.

The valuation methodologies used in this report are those required by the 2013 UK Regulations on remuneration disclosure, which we have chosen to apply on a voluntary basis, and are different from those applied within the financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Further details on the valuation methodologies applied are set out in the notes relating to columns (a) to (e) below. Details of the overall Directors' remuneration charged to the Group income statement are shown in note 26 (Related Party Transactions) to the financial statements.

SINGLE TOTAL FIGURE OF REMUNERATION

The table below reports the total remuneration receivable in respect of qualifying services by each Director during the year ended 28 February 2015 and the prior year.

	Salary/fees (a)		Taxable benefits (b)		Annual Bonus (c)		Long term incentives (d)		Pension related benefits (e)		Total	Total
Year ended 28 February	2015 €'000	2014 €'000	2015 €'000	2014 €'000	2015 €'000	2014 €'000	2015 €'000	2014 €'000	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Executive Directors												
Joris Brams	366	366	27	27	0	55	0	0	8	92	401	540
Stephen Glancey	736	692	60	56	0	104	0	111	184	173	980	1,136
Kenny Neison	528	497	43	41	0	74	0	80	132	124	703	816
Sub-total	**1,630**	**1,555**	**130**	**124**	**0**	**233**	**0**	**191**	**324**	**389**	**2,084**	**2,492**
Non-Executive Directors												
John Burgess	0	13	0	0	0	0	0	0	0	0	0	13
Emer Finnan	54	0	0	0	0	0	0	0	0	0	54	0
Stewart Gilliland	65	65	0	0	0	0	0	0	0	0	65	65
John Hogan	90	90	0	0	0	0	0	0	0	0	90	90
Richard Holroyd	75	75	0	0	0	0	0	0	0	0	75	75
Breege O'Donoghue	85	85	0	0	0	0	0	0	0	0	85	85
Anthony Smurfit	65	65	0	0	0	0	0	0	0	0	65	65
Sir Brian Stewart	230	230	0	0	0	0	0	0	0	0	230	230
Sub-total	**664**	**623**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**664**	**623**
Total	**2,294**	**2,178**	**130**	**124**	**0**	**233**	**0**	**191**	**324**	**389**	**2,748**	**3,115**

NOTES TO THE REMUNERATION TABLE

Column (a) Salaries and fees

(1) The amounts shown are the amounts earned in respect of the financial year.

(2) The Board released Joris Brams to serve on the Board of Democo as a non-executive Director. He received and retained an annual fee of €5,000 in relation to this role.

(3) In addition to the amounts shown above, 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 in the financial year of €83,912 to JBB in respect of brand development services provided by JBB to CCIP in relation to Belgian products.

(4) The fees payable in respect of the following non-executive Director roles are shown below.

Report of the Remuneration Committee on Directors' Remuneration (continued)

Year ended 28 February		2015 €'000	2014 €'000
John Hogan	Chairman of Audit Committee	25	25
Richard Holroyd	Senior Independent Director	10	10
Breege O'Donoghue	Chairman of Remuneration Committee	20	20

Column (b) Benefits

(1) The executive Directors received a cash allowance of 7.5% of base salary. The Group provided death-in-service cover of four times annual base salary and permanent health insurance (or reimbursement of premiums paid into a personal policy). Stephen Glancey and Kenny Neison also availed of medical insurance under a Group policy.

(2) When an award is granted to an executive under the Joint Share Ownership Plan, its value is assessed for tax purposes with the resulting value being deemed to fall due for payment on the date of grant. Under the terms of the Plan, the executive paid the Entry Price at the date of grant and, if the tax value of the award (i.e. the initial unrestricted market value) exceeds the Entry Price, the executive must pay a further amount, equating to the amount of such excess, before a sale of the awarded Interests. The deferral of the payment of the further amount is considered to be an interest-free loan by the Company to the executive and a taxable benefit-in-kind arises, charged at Revenue stipulated rates (Ireland 13.5%; UK 4.0% for the period up to and including 5 April 2014 and 3.25% for the period from 6 April 2014). The resulting loans by the Company to the executive Directors are required to be disclosed under the Companies Act 1990. The balances of the loans outstanding to the executive Directors as at 28 February 2015 and 28 February 2014 are as follows:

Year ended 28 February	28 February 2015 €'000	28 February 2014 €'000
Stephen Glancey	111	111
Kenny Neison	83	83
Total	**194**	**194**

When the further amount is paid, the Company compensates the executive for the obligation to pay this further amount by paying him an equivalent amount, which is, however, subject to income tax and social security in the hands of the executive.

Further details of the Joint Share Ownership Plan are given in note 4 (Share-based Payments) to the financial statements. No further awards can be made. All extant awards are fully vested.

Column (c) Annual Bonus

(1) The amounts shown are the total bonus earned under the annual bonus scheme in respect of the financial year.

(2) For the year ended 28 February 2015, the annual bonus for executive Directors was based on performance against a Group adjusted operating profit target. The maximum bonus opportunity was 80% of salary. No bonus was paid to the executive Directors for the year ended 28 February 2015.

Column (d) Long term incentives

(1) The amounts shown in respect of long term incentives are the values of awards where final vesting is determined as a result of the achievement of performance measures or targets relating to the financial year and is not subject to achievement of further measures or targets in future financial years.

(2) For the year ended 28 February 2015, no amounts will vest in respect of the LTIP (Part I) and ESOS awards granted in May 2012 and which would otherwise vest in May 2015. The performance conditions for these awards are detailed below and the Remuneration Committee has determined that threshold performance has not been met under any of the measures and accordingly the awards have lapsed.

ESOS

In respect of options granted in May 2012, if the growth in EPS (before exceptional or extraordinary items and including any other adjustments authorised by the Remuneration Committee) in the three years to 28 February 2015 is at least 5% per annum compound plus Irish CPI then the awards vest in full. If this growth is not achieved then all options lapse.

LTIP (Part I)
In respect of awards granted in May 2012:

% of award which vests	TSR element : 50% of the award Performance against the comparator group	EPS element: 50% of the award Average annual growth in EPS in excess of Irish CPI
0%	Below median	Less than 4%
30%	Median	4%
100%	Upper quartile	10%

There is straight line vesting between the points.

For the TSR element, growth in EPS over the performance period must be at least 5% per annum plus Irish CPI before any amount vests. The comparator group consists of the following companies; A.G. BARR plc, Anheuser-Busch InBev, N.V., Carlsberg Breweries A/S, Constellation Brands Inc, Diageo plc, Heineken Holding N.V., Molson Coors Brewing Company, Remy Cointreau SA, SABMiller plc, Britvic plc, Greene King plc, Marstons plc, Young & Co's Brewery plc.

(3) For the year ended 28 February 2014, the amount shown is the actual market value of the LTIP (Part I) awards granted during February 2012 that partly vested in February 2015. The figures disclosed for the LTIP which vested with respect to FY2014 is different to the figures provided last year because the market price at the date of vesting was, at the time of publication of the accounts, not yet ascertainable such that an estimated value was provided for the market price at the date of vesting based on the average share price over the quarter ending 28 February 2014.

Column (e) Pensions related benefits
No executive Director accrued any benefits under a defined benefit pension scheme. Under their service contracts executive Directors other than Joris Brams received a cash payment of 25% of base salary, in order to provide their own pension benefits, inclusive in Kenny Neison's case of a fixed sterling payment into a personal pension plan.

LEGACY PAYMENTS

As disclosed in last year's annual report, the following fees that were payable to Joris Brams BVBA (JBB), (a company wholly owned by Joris Brams and family) under an agreement effective 30 January 2012 made between C&C IP Sàrl and JBB and which was terminated on 31 August 2012 were payable to JBB in respect of the year ended 28 February 2015.

(a) A deferred introductory incentive fee was paid on 1 February 2015, with no performance conditions attached, by the payment of a sum equal to 98,600 notional units multiplied by the closing price of C&C Group plc shares on the dealing day before the settlement date. Payment of the fee is subject to the rules of the C&C Group Recruitment and Retention Plan.

(b) A long term incentive fee payable in cash was awarded on 17 May 2012 and comprised 87,943 notional units. The award was made subject to the rules of the LTIP (Part I). Vesting of the award is subject to the achievement of performance conditions equivalent to those applicable for grants made in FY2013 under the LTIP (Part I). As the performance conditions applicable for grants made in FY2013 under the LTIP (Part I) were not met, no fee will be payable to JBB In respect of this award.

FORMER DIRECTORS

No payments were made to past Directors during the year ended 28 February 2015 in respect of services provided to the Company as a Director.

There were no payments made to Directors for loss of office during the year ended 28 February 2015.

DIRECTORS' SHAREHOLDINGS AND SHARE INTERESTS

Shareholding guidelines
The Company has introduced a shareholding guideline for the current executive Directors. The CEO will be expected to maintain a personal shareholding of at least two times salary. For the other executive Directors this will be set at one times salary. Executive Directors would be expected to retain 50% of the after tax value of vested share awards until at least the shareholding guideline has been met. Stephen Glancey and Kenny Neison have significant shareholdings in the Company as set out below, currently representing as at year end approximately 27 times and 19 times their respective base salary.

Report of the Remuneration Committee on Directors' Remuneration (continued)

Directors' Interests in Share Capital of the Company

The interests of the Directors and the Company Secretary in office at 28 February 2015 in the share capital of Group companies at the beginning of the year (or date of appointment if later) and the end of the year were:

	28 February 2015 Total	1 March 2014 (or date of appointment if later) Total
Directors		
Joris Brams	77,777	77,777
Emer Finnan	0	0
Stephen Glancey	5,120,000	5,120,000
Stewart Gilliland	12,000	12,000
John Hogan	10,704	10,597
Richard Holroyd	47,421	46,493
Kenny Neison	2,561,530	2,561,530
Breege O'Donoghue	63,169	61,930
Anthony Smurfit	300,000	300,000
Sir Brian Stewart	200,000	200,000
Total	**8,392,601**	**8,390,327**
Company Secretary		
David Johnston	0	0

Notes
(i) All the above holdings are beneficial interests except as stated in (ii) below.
(ii) The interests of Stephen Glancey and Kenny Neison include Interests in shares acquired and jointly held with the trustees of the C&C Employee Benefit Trust under the Company's Joint Share Ownership Plan, which at 28 February 2015 and at 28 February 2014 comprised 3,413,334 shares in respect of Stephen Glancey and 2,560,000 shares in respect of Kenny Neison (see note 4 to the financial statements for further details).

The Directors and the Company Secretary have no beneficial interests in any of the Group's subsidiary undertakings.

There was no movement in the Directors' or the Company Secretary's interests in C&C Group plc ordinary shares between 28 February 2015 and 13 May 2015.

SHARE INCENTIVE SCHEME INTERESTS AWARDED DURING YEAR

The table below sets out the scheme interests awarded to executive Directors' during the year ended 28 February 2015.

Executive Director	Type of award	Maximum opportunity	Number of shares	Face value (at date of grant)[3]	% of maximum opportunity vesting at threshold	Performance period
Stephen Glancey	ESOS[1]	150% of base salary	237,664	€1,084,461	N/A[1]	1 March 2014 to 28 February 2017
Stephen Glancey	LTIP[2]	100% of base salary	158,443	€722,975	30%	1 March 2014 to 28 February 2017
Kenny Neison	ESOS[1]	150% of base salary	170,630	€778,585	N/A[1]	1 March 2014 to 28 February 2017
Kenny Neison	LTIP[2]	100% of base salary	113,753	€519,055	30%	1 March 2014 to 28 February 2017
Joris Brams	ESOS[1]	150% of base salary	118,857	€542,344	N/A[1]	1 March 2014 to 28 February 2017
Joris Brams[4]	LTIP[2]	200% of base salary	158,476	€723,126	30%	1 March 2014 to 28 February 2017

1) The ESOS awards were granted in the form of market value share options over €0.01 ordinary shares in C&C Group plc. The ESOS awards have an exercise price of €4.621 per share being the closing price on the dealing day before the date of grant. If adjusted EPS growth is 5% per annum or more in excess of Irish CPI over the performance period then the ESOS award vests in full, if growth is below 5% all options lapse.

2) The LTIP (Part I) awards were granted in the form of nil cost options over €0.01 ordinary shares in C&C Group plc. The LTIP (Part I) awards are subject to the following two performance conditions:

Performance condition	Weighting	Performance target	% of element vesting
Average annual EPS growth	75%	4%	30%
		10%	100%
TSR against the ISEQ	25%	Median	30%
		Upper quartile	100%

For any of the TSR element to vest average annual EPS growth must be at least 5%.

3) The face value of awards is based on the number of shares under award multiplied by the closing share price on the date of grant being €4.563.

4) As disclosed in the FY2104 remuneration report Joris Brams was granted an LTIP (Part I) award to acquire shares, with a face value of 200% of his aggregate base salary, this being an exceptional award to enable him to build up a material equity interest in the Company.

DIRECTORS' INTERESTS IN OPTIONS

Interests in options over ordinary shares of €0.01 each in C&C Group plc

Date of grant	Exercise price	Scheme	Exercise period	Total at 1 March 2014 (or date of appointment if later)	Awarded in year	Exercised in year	Lapsed in year	Total at 28 February 2015	Weighted average price
Directors									
Joris Brams									
16/05/13	€ 0.00	LTIP (Part I)	16/5/16 - 15/11/16	154,172				154,172	
16/05/13	€4.75	ESOS	16/5/16 - 15/5/20	115,629				115,629	
27/06/14	€ 0.00	LTIP (Part I)	27/6/17 - 26/12/17	Nil	158,476			158,476	
27/06/14	€4.621	ESOS	27/6/17 - 26/6/21	Nil	118,857			118,857	
			Total	**269,801**	**277,333**	**0**	**0**	**547,134**	**€2.01**
Stephen Glancey									
26/05/10	€ 3.205	ESOS	26/5/13 - 25/5/17	234,100				234,100	
29/02/12	€ 0.00	LTIP (Part I)	1/3/15 - 28/8/15	28,773				28,773	
17/05/12	€ 0.00	LTIP (Part I)	17/5/15 - 16/11/15	207,317			(207,317)	0	
17/05/12	€ 3.525	ESOS	17/5/15 - 16/5/19	310,975			(310,975)	0	
27/06/14	€ 0.00	LTIP (Part I)	27/6/17 - 26/12/17	Nil	158,443			158,443	
27/06/14	€4.621	ESOS	27/6/17 - 26/6/21	Nil	237,664			237,664	
			Total	**781,165**	**396,107**	**0**	**(518,292)**	**658,980**	**€2.81**
Kenny Neison									
26/05/10	€ 3.205	ESOS	26/5/13 - 25/5/17	140,500				140,500	
29/02/12	€ 0.00	LTIP (Part I)	1/3/15 - 28/8/15	20,658				20,658	
17/05/12	€ 0.00	LTIP (Part I)	17/5/15 - 16/11/15	148,843			(148,843)	0	
17/05/12	€ 3.525	ESOS	17/5/15 - 16/5/19	223,264			(223,264)	0	
27/06/14	€ 0.00	LTIP (Part I)	27/6/17 - 26/12/17	Nil	113,753			113,753	
27/06/14	€4.621	ESOS	27/6/17 - 26/6/21	Nil	170,630			170,630	
			Total	**533,265**	**284,383**	**0**	**(372,107)**	**445,541**	**€2.78**

Key: ESOS - Executive Share Option Scheme; LTIP (Part I) - Long Term Incentive Plan (Part I).

No price was paid for any award of options. The price of the Company's ordinary shares as quoted on the Irish Stock Exchange at the close of business on 28 February 2015 was €3.861 (2014 €4.922). The price of the Company's ordinary shares ranged between €3.23 and €4.94 during the year.

There was no movement in the interests of the Directors in options over C&C Group plc ordinary shares between 28 February 2015 and 13 May 2015.

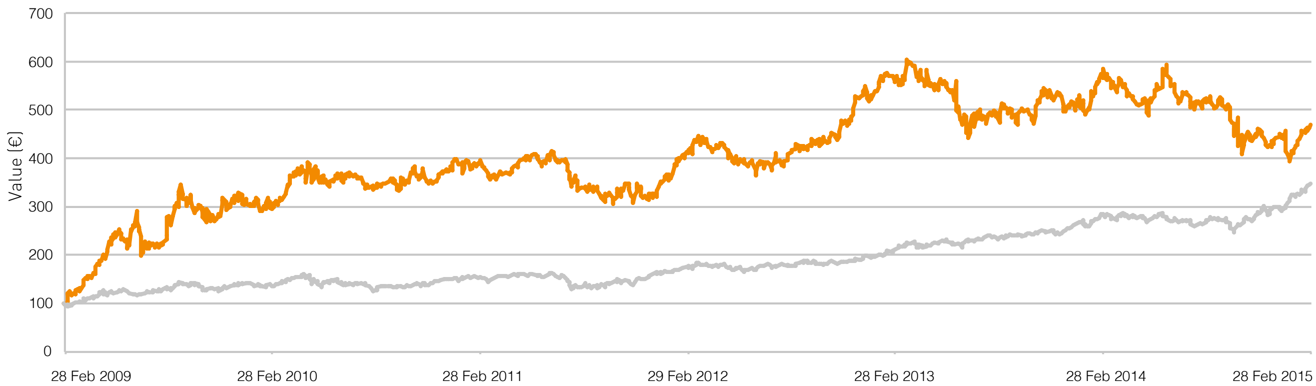
Report of the Remuneration Committee on Directors' Remuneration (continued)

The following sections of the Remuneration Report are not subject to audit.

PERFORMANCE GRAPH AND TABLE

This graph shows the value, at 28 February 2015, of €100 invested in the Company on 28 February 2009 compared to the value of €100 invested in the ISEQ General Index. The relevant index has been selected as a comparator because the Company is a member of that index.

Total shareholder return
Source: Datastream



This graph shows the value, by 28 February 2015, of €100 invested in C&C Group on 28 February 2009 with the value of €100 invested in the ISEQ General Index.

CHIEF EXECUTIVE OFFICER

Six Year Record

The following table sets out information on the remuneration of the Chief Executive Officer for the six years to 28 February 2015:

		Total Remuneration €'000	Annual Bonus (as % of maximum opportunity)	Long term incentives vesting (as % of maximum number of shares)
FY2010	John Dunsmore (note)	5,525	Nil	100%
FY2011	John Dunsmore	989	Nil	100%
FY2012	John Dunsmore (to 31/12/11)	1,126	75%	100%
FY2012	Stephen Glancey (from 1/1/12)	956	75%	100%
FY2013	Stephen Glancey	1,321	Nil	100%
FY2014	Stephen Glancey	1,152	18.75%	7%
FY2015	Stephen Glancey	980	Nil	Nil

Note: FY2010 includes vesting of awards over a number of years

John Dunsmore retired as Chief Executive Officer on 31 December 2011 and Stephen Glancey was appointed with effect from 1 January 2012, having previously been Chief Operating Officer. The salary, benefits and bonus figures are calculated for the period in office.

Change in CEO's remuneration

The table below sets out in relation to salary, taxable benefits and annual bonus the percentage change in remuneration for the Chief Executive Officer for the financial year ended 28 February 2015 compared with the previous financial year.

	Change in Total Remuneration	Change in Base Salary	Change in Taxable Benefits	Change in Annual Bonus
Chief Executive Officer	(20%)	Nil %	Nil %	Not applicable as no bonus paid in respect of FY15

Employees' Pay Comparison

Information on employee remuneration is given in note 3 to the financial statements. The ratio of the average remuneration of executive Directors to the average remuneration of the employees of the Group (excluding Directors) was 17:1 (FY2014: 19:1).

This report was approved by the Board and signed on its behalf by

Breege O'Donoghue
Chairman of the Remuneration Committee
13 May 2015

Statement Of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2013.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their profit and loss for that period. In preparing each of the Group and the Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the EU and, in the case of the Company, as applied in accordance with the Companies Acts 1963 to 2013; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are also required by the Transparency Directive (2004/109/EC) Regulations 2007 and the Transparency Rules of the Irish Financial Services Regulatory Authority to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable IFRSs as adopted by the EU and comply with the provision of the Companies Acts 1963 to 2013, and, as regards the Group's financial statements, Article 4 of the European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005 (the "IAS Regulations"). They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.candcgroupplc.com). Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT AS REQUIRED BY THE TRANSPARENCY DIRECTIVE AND UK CORPORATE GOVERNANCE CODE

Each of the current Directors, whose names and functions are listed as giving this responsibility statement on page 46, confirms that, to the best of his or her knowledge and belief:

- the Group financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group at 28 February 2015 and its profit for the year then ended;
- the Company financial statements, prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2013, give a true and fair view of the assets, liabilities and financial position of the Company at 28 February 2015;
- the Directors' report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face; and
- the Group's annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

On behalf of the Board

Sir Brian Stewart	**Stephen Glancey**
Chairman	Group Chief Executive Officer

Financial Statements

in this section

Independent Auditor's Report to the Members of C&C Group plc

Opinions and conclusions arising from our audit

1 OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

We have audited the financial statements ('the financial statements') of C&C Group plc for the year ended 28 February 2015, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Cashflow Statements, the Group and Company Statements of Changes in Equity and the related notes on pages 94 to 176. Our audit work was conducted in accordance with International Standards on Auditing ('ISAs') (UK and Ireland).

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 28 February 2015 and of its loss for the year then ended;
- the parent Company balance sheet gives a true and fair view, in accordance with IFRSs as adopted by the EU as applied in accordance with the provisions of the Companies Acts 1963 to 2013, of the state of the Company's affairs as at 28 February 2015; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2013 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

2 OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

The risks of material misstatement detailed in this section of this report are those risks that we have deemed, in our professional judgement, to have had the greatest effect on: the overall audit strategy; the allocation of resources in our audit; and directing the efforts of the engagement team. Our audit procedures relating to these risks were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of these risks, and we do not express an opinion on these individual risks.

In arriving at our audit opinion above on the Group financial statements, the risks of material misstatement that had the greatest effect on our Group audit were as follows:

Impairment assessment of intangibles and goodwill contained in the North America operating segment – Year end balance of €143.5 million after impairment charge of €150 million recorded in the current year (2014: Year end balance of €242.2 million with no impairment charge recorded in the period)

Refer to page 57 (Audit Committee Report), pages 106 to 107 (accounting policy) and note 12 to the financial statements.

The risk

As detailed in the accounting policy note on pages 106 to 107, an impairment review of intangible assets and goodwill is performed annually by the Group. As a consequence of this review management recorded an impairment charge against the North America operating segment of €150 million as at 28 February 2015. We specifically focussed on the carrying value of the intangibles assets and goodwill within this operating segment. There is a risk that the carrying value of the remaining intangible assets and goodwill in the North America operating segment may not be recovered from future cashflows. There is inherent uncertainty involved in preparing forecasts and discounted future cash flow reports for this purpose and significant judgement is involved in relation to the assumptions used in the Group's goodwill impairment model for the purposes of assessing the impairment charge.

Our response

In this area, our audit procedures included, amongst others, reviewing the appropriateness of management's identification of cash generating units ("CGUs") within the North America operating segment, the allocation of intangible assets, which are largely brands arising from acquisitions, to these CGUs and the allocation of goodwill to the operating segment, evaluating the assumptions and methodologies used by the Group, in particular those relating to revenue growth, operating profit and the discount rate and terminal growth rate applied to the forecasted cash flows in the model. We compared the Group's assumptions with externally derived data as well as our own assessment in relation to key inputs into the model. We challenged the sensitivity analysis performed by management and performed our own sensitivity analysis in relation to the key assumptions. We also assessed whether the disclosures in note 12 presented the Group's assumptions in relation to goodwill impairment and whether sensitivities of the outcome of the impairment assessment appropriately reflected the risks inherent in the valuation of goodwill.

We also performed similar procedures, to those outlined above, to management's assessment of the carrying value of intangible assets and goodwill allocated to the Group's other operating segments and the related disclosures.

We considered the difference between the market capitalisation of the Group and the book value of the Group's net assets which indicated that the market capitalisation exceeded the book value by €573 million at 28 February 2015 (2014: €855 million).

Carrying value of Property, Plant and Equipment ('PP&E') – €218.9 million) (2014: €218.9 million)
Refer to page 57 (Audit Committee Report), pages 107 to 108 (accounting policy) and note 11 to the financial statements.

The risk
The Group carries its land and buildings and plant and machinery at fair value. The freehold land and buildings in Ireland, Portugal and North America and certain assets in Scotland are valued using a market approach. The Group's remaining land and buildings assets in the UK, and its plant and machinery in Ireland, the UK and the US are valued using the Depreciated Replacement Cost (DRC) method.

During the current year the fair value of the majority of the Group's PP&E assets were determined by independent external property and plant valuation experts whilst certain assets were subject to internal valuations. Significant judgement is exercised in determining the appropriate assumptions underlying the valuation, including amongst others, market based assumptions, plant replacement costs and plant utilisation levels.

There is inherent uncertainty involved in preparing valuations when there is a lack of liquidity in the market and benchmark data for similar assets in similar locations given the specialised nature of the Group's assets.

Our response
In relation to the Group's land and buildings in Ireland and North America, our audit procedures involved an inspection of the valuation reports performed by external property and plant valuation experts in order to assess the key assumptions underpinning the valuations. We also assessed the independence and qualifications of the property valuers. We challenged the assumptions underlying the valuations prepared both internally by management and by the property and plant valuers and considered whether the assumptions were consistent with external market information, where available.

In relation to the Group's land and buildings in the UK, and its plant and machinery in Ireland, the UK and North America, our audit procedures involved an inspection of the valuation reports performed by the external valuation experts, in order to assess the integrity of the data and key assumptions underpinning the valuations. We also assessed the independence and qualifications of the valuers. We challenged the assumptions underlying the valuations prepared both internally by management and by the valuers and considered whether the assumptions were consistent with external market information, where available.

We also assessed whether the disclosures in note 11 presented the Group's key assumptions in relation to the valuation of the PP&E assets.

3 OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The materiality for the Group financial statements as a whole was set at €5.5 million (2014: €5.8 million). This has been calculated using a benchmark of 5% of Group profit before taxation excluding exceptional items, which we have determined, in our professional judgement, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance. We believe that materiality for the financial statements as a whole is more appropriately determined based on profit before tax excluding exceptional items which, based on the Group's exceptional items accounting policy set out on page 105, reflects a measure of profit before tax excluding items of income and expenditure which, by virtue of their scale and nature, are separately highlighted by the Group in its financial reporting.

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit in excess of €275,000 (2014:€290,000), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

The structure of the Group's finance function is such that certain transactions and balances are accounted for by the Group finance team, with the remainder accounted for in the operating units. We performed audit procedures, including those in relation to the significant risks set out above, on those transactions and balances accounted for at operating unit and Group level. In relation to the operating units, audits for Group reporting purposes were performed at each of the key operating units of the Group. These audits covered 100% of Group revenue, 100% of Group profit before tax and 100% of Group total assets.

The audits undertaken for Group reporting purposes at the key operating units of the Group were all performed to component materiality levels set by the Group audit team. These component materiality levels were set individually and ranged from €0.5 million to €4.125 million.

Independent Auditor's Report to the Members of C&C Group plc (continued)

Detailed audit instructions were sent to all the auditors in all of the identified locations. These instructions covered the significant audit areas that should be covered by these audits (which included the relevant risks of material misstatement detailed above) and set out the information required to be reported to the Group audit team. Members of the Group audit engagement team including the Group Engagement Partner attended the closing meetings for each of the significant operating components in person or by telephone at which the results of the business unit audit were discussed with local and Group management. Members of the Group audit engagement team and the Group Engagement Partner attended the closing meeting at which the results of all operating units were discussed with the Group's Chief Financial Officer and senior members of the Group finance team.

One subsidiary was not in scope for Group reporting purposes. For this subsidiary, we performed other procedures to confirm there were no significant risks of material misstatements to the Group financial statements.

4 WE HAVE NOTHING TO REPORT IN RESPECT OF MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ISAs (UK and Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and provides information necessary for shareholders to assess the entity's performance, business model and strategy; or
- the Audit Committee Report within the Directors' Statement of Corporate Governance does not appropriately disclose those matters that we communicated to the Audit Committee.

The Listing Rules of the Irish Stock Exchange and the UK Listing Authority require us to review:

- the directors' statement, set out on page 62, in relation to going concern;
- the part of the Directors' Statement of Corporate Governance on page 52 relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code and the two provisions of the Irish Corporate Governance Annex specified for our review; and
- certain elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee.

In addition, the Companies Acts require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.

5 OUR CONCLUSIONS ON OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACTS 1963 TO 2013 ARE SET OUT BELOW

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. The parent Company balance sheet is in agreement with the books of account and, in our opinion, proper books of account have been kept by the Company.

In our opinion the information given in the Directors' Report is consistent with the financial statements and the description in the Directors' Statement on Corporate Governance of the main features of the internal control and risk management systems in relation to the process for preparing the Group financial statements is consistent with the Group financial statements.

The net assets of the Company, as stated in the Company balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 28 February 2015 a financial situation which, under Section 40 (1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Company.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 88, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group and parent Company financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK and Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK and Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

13 May 2015

Cliona Mullen
for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Group Income Statement

For the year ended 28 February 2015

		Year ended 28 February 2015			Year ended 28 February 2014		
	Notes	Before exceptional items €m	Exceptional items (note 5) €m	Total €m	Before exceptional items €m	Exceptional items (note 5) €m	Total €m
Revenue	1	**986.5**	**-**	**986.5**	912.9	-	912.9
Excise duties		**(302.6)**	**-**	**(302.6)**	(292.7)	-	(292.7)
Net revenue	1	**683.9**	**-**	**683.9**	620.2	-	620.2
Operating costs	2	**(568.9)**	**(173.4)**	**(742.3)**	(493.5)	(20.7)	(514.2)
Operating profit/(loss)	1	**115.0**	**(173.4)**	**(58.4)**	126.7	(20.7)	106.0
Finance income	6	**0.2**	**-**	**0.2**	-	-	-
Finance expense	6	**(9.0)**	**(0.6)**	**(9.6)**	(11.0)	-	(11.0)
Share of equity accounted investees' (loss)/profit after tax	13	**(0.1)**	**0.1**	**-**	0.5	-	0.5
Profit/(loss) before tax		**106.1**	**(173.9)**	**(67.8)**	116.2	(20.7)	95.5
Income tax (expense)/credit	7	**(14.6)**	**1.4**	**(13.2)**	(15.1)	2.9	(12.2)
Profit/(loss) for the year attributable to equity shareholders		**91.5**	**(172.5)**	**(81.0)**	101.1	(17.8)	83.3
Basic earnings per share (cent)	9			**(24.5c)**			24.7c
Diluted earnings per share (cent)	9			**(24.5c)**			24.3c

On behalf of the Board

Sir B Stewart
Chairman

S Glancey
Group Chief Executive Officer

Group Statement of Comprehensive Income

For the year ended 28 February 2015

	Notes	2015 €m	2014 €m
Other comprehensive income and expense:			
Items that may be reclassified to profit or loss in subsequent years:			
Foreign currency translation differences arising on the net investment in foreign operations	6	**76.3**	12.8
Foreign currency translation differences arising on foreign currency borrowings designated as net investment hedges	6	**(3.0)**	4.2
Gain on revaluation of property, plant & equipment	11	**5.3**	-
Deferred tax on gain on revaluation of property, plant & equipment	20	**(0.2)**	-
Net movement in cash flow hedging reserve	6	**-**	(1.4)
Deferred tax on cash flow hedges	6, 20	**-**	0.2
Items that will not be reclassified to profit or loss in subsequent years:			
Actuarial loss on retirement benefit obligations	21	**(20.7)**	(6.4)
Deferred tax on actuarial loss on retirement benefit obligations	20	**2.6**	0.7
Net profit recognised directly within other comprehensive income		**60.3**	10.1
(Loss)/profit for the year attributable to equity shareholders		**(81.0)**	83.3
Comprehensive (expense)/income for the year attributable to equity shareholders		**(20.7)**	93.4

On behalf of the Board

Sir B Stewart
Chairman

S Glancey
Group Chief Executive Officer

Group Balance Sheet
As at 28 February 2015

	Notes	2015 €m	2014 €m
ASSETS			
Non-current assets			
Property, plant & equipment	11	**218.9**	218.9
Goodwill & intangible assets	12	**652.2**	721.9
Equity-accounted investees	13	**0.9**	15.0
Retirement benefit obligations	21	**3.7**	1.4
Deferred tax assets	20	**5.0**	4.7
Derivative financial instruments	22	**-**	1.9
Trade & other receivables	15	**46.2**	40.9
		926.9	1,004.7
Current assets			
Inventories	14	**93.5**	72.2
Trade & other receivables	15	**148.2**	139.6
Derivative financial instruments	22	**-**	1.2
Cash & cash equivalents		**181.9**	162.8
		423.6	375.8
TOTAL ASSETS		**1,350.5**	1,380.5
EQUITY			
Equity share capital	23	**3.5**	3.5
Share premium	23	**122.5**	115.8
Other reserves	23	**141.8**	63.9
Treasury shares	23	**(39.8)**	(10.3)
Retained income		**545.2**	679.2
Total equity		**773.2**	852.1
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	18	**339.7**	307.9
Derivative financial instruments	22	**0.2**	1.3
Retirement benefit obligations	21	**37.3**	22.8
Provisions	17	**8.4**	8.8
Deferred tax liabilities	20	**6.7**	6.6
		392.3	347.4
Current liabilities			
Interest bearing loans & borrowings	18	**-**	0.1
Derivative financial instruments	22	**-**	1.2
Trade & other payables	16	**176.1**	171.3
Provisions	17	**3.8**	2.7
Current tax liabilities		**5.1**	5.7
		185.0	181.0
Total liabilities		**577.3**	528.4
TOTAL EQUITY & LIABILITIES		**1,350.5**	1,380.5

On behalf of the Board

Sir B Stewart
Chairman

S Glancey
Group Chief Executive Officer

Group Cash Flow Statement

For the year ended 28 February 2015

	Notes	2015 €m	2014 €m
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the year attributable to equity shareholders		**(81.0)**	83.3
Finance income		**(0.2)**	-
Finance expense		**9.6**	11.0
Income tax expense		**13.2**	12.2
Impairment of intangible assets		**150.0**	-
Revaluation/impairment of property, plant & equipment		**13.8**	-
Impairment of investment in equity accounted investee		**2.0**	-
Depreciation of property, plant & equipment		**24.6**	23.8
Amortisation of intangible assets		**0.3**	0.2
Net (profit)/loss on disposal of property, plant & equipment		**(4.4)**	1.2
Share of equity accounted investees' profit after tax		**-**	(0.5)
Charge for equity settled share-based employee benefits		**0.2**	0.8
Pension contributions paid less amount charged to income statement		**(8.3)**	(6.3)
		119.8	125.7
(Increase)/decrease in inventories		**(6.3)**	3.6
Decrease/(increase) in trade & other receivables		**11.9**	(13.0)
Decrease in trade & other payables		**(15.6)**	(2.9)
Decrease in provisions		**(1.5)**	(1.3)
		108.3	112.1
Interest received		**0.2**	-
Interest and similar costs paid		**(9.3)**	(8.3)
Income taxes paid		**(12.8)**	(13.7)
Net cash inflow from operating activities		**86.4**	90.1
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		**(21.9)**	(38.5)
Net proceeds on disposal of property, plant & equipment		**17.8**	10.0
Acquisition of business	10	**(13.6)**	(8.6)
Acquisition of equity accounted investee(s)	10, 13	**(0.5)**	(12.0)
Net cash outflow from investing activities		**(18.2)**	(49.1)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		**1.0**	5.0
Net proceeds from sale of shares held by Employee Trust		**-**	1.2
Drawdown of debt		**335.8**	76.2
Repayment of debt		**(337.6)**	(57.3)
Payment of issue costs		**(2.0)**	-
Shares purchased under share buyback programme		**(30.0)**	-
Dividends paid		**(29.5)**	(27.9)
Net cash outflow from financing activities		**(62.3)**	(2.8)
Net increase in cash & cash equivalents		**5.9**	38.2
Cash & cash equivalents at beginning of year		**162.8**	121.0
Translation adjustment		**13.2**	3.6
Cash & cash equivalents at end of year		**181.9**	162.8

A reconciliation of cash & cash equivalents to net debt is presented in note 19 to the financial statements.

On behalf of the Board

Sir B Stewart
Chairman

S Glancey
Group Chief Executive Officer

Group Statement of Changes in Equity
For the year ended 28 February 2015

	Equity share capital €m	Share premium €m	Capital redemption reserve €m	Capital reserve €m	Cash flow hedging reserve €m	Share-based payments reserve €m	Currency translation reserve €m	Revaluation reserve €m	Treasury shares €m	Retained income €m	Total €m
At 28 February 2013	3.4	107.9	0.5	24.9	1.2	7.6	10.6	3.8	(12.5)	632.3	779.7
Profit for the year attributable to equity shareholders	-	-	-	-	-	-	-	-	-	83.3	83.3
Other comprehensive income/ (expense)	-	-	-	-	(1.2)	-	17.0	-	-	(5.7)	10.1
Total comprehensive income	-	-	-	-	(1.2)	-	17.0	-	-	77.6	93.4
Dividend on ordinary shares	-	3.0	-	-	-	-	-	-	-	(31.0)	(28.0)
Exercised share options	0.1	4.9	-	-	-	-	-	-	-	-	5.0
Reclassification of share-based payments reserve	-	-	-	-	-	(1.2)	-	-	-	1.2	-
Joint Share Ownership Plan	-	-	-	-	-	(0.1)	-	-	0.1	-	-
Sale of shares held by Employee Trust	-	-	-	-	-	-	-	-	2.1	(0.9)	1.2
Equity settled share-based payments	-	-	-	-	-	0.8	-	-	-	-	0.8
Total transactions with owners	0.1	7.9	-	-	-	(0.5)	-	-	2.2	(30.7)	(21.0)
At 28 February 2014	3.5	115.8	0.5	24.9	-	7.1	27.6	3.8	(10.3)	679.2	852.1
Loss for the year attributable to equity shareholders	-	-	-	-	-	-	-	-	-	(81.0)	**(81.0)**
Other comprehensive income/ (expense)	-	-	-	-	-	-	73.3	5.3	-	(18.3)	**60.3**
Total comprehensive income/(expense)	-	-	-	-	-	-	73.3	5.3	-	(99.3)	**(20.7)**
Dividend on ordinary shares	-	5.7	-	-	-	-	-	-	-	(35.1)	**(29.4)**
Exercised share options	-	1.0	-	-	-	-	-	-	-	-	**1.0**
Reclassification of share-based payments reserve	-	-	-	-	-	(0.9)	-	-	-	0.9	**-**
Joint Share Ownership Plan	-	-	-	-	-	-	-	-	0.5	(0.5)	**-**
Shares purchased under share buyback programme	-	-	-	-	-	-	-	-	(30.0)	-	**(30.0)**
Equity settled share-based payments	-	-	-	-	-	0.2	-	-	-	-	**0.2**
Total transactions with owners	**-**	**6.7**	**-**	**-**	**-**	**(0.7)**	**-**	**-**	**(29.5)**	**(34.7)**	**(58.2)**
At 28 February 2015	**3.5**	**122.5**	**0.5**	**24.9**	**-**	**6.4**	**100.9**	**9.1**	**(39.8)**	**545.2**	**773.2**

Company Balance Sheet
As at 28 February 2015

	Notes	2015 €m	2014 €m
ASSETS			
Non-current assets			
Financial assets	13	**978.1**	977.9
Trade & other receivables	15	**241.0**	50.5
		1,219.1	1,028.4
Current assets			
Trade & other receivables	15	**0.1**	-
Cash & cash equivalents		**-**	0.2
		0.1	0.2
TOTAL ASSETS		**1,219.2**	1,028.6
EQUITY			
Equity share capital	23	**3.5**	3.5
Share premium	23	**824.4**	817.7
Other reserves	23	**6.0**	6.7
Retained income		**221.9**	70.6
Total equity		**1,055.8**	898.5
LIABILITIES			
Current liabilities			
Trade & other payables	16	**163.4**	130.1
Total liabilities		**163.4**	130.1
TOTAL EQUITY & LIABILITIES		**1,219.2**	1,028.6

On behalf of the Board

Sir B Stewart
Chairman

S Glancey
Group Chief Executive Officer

Company Cash Flow Statement

For the year ended 28 February 2015

	2015 €m	2014 €m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year attributable to equity shareholders	**185.5**	(4.9)
Increase in trade & other receivables	**(0.1)**	-
(Decrease)/increase in other payables	**(0.5)**	0.4
Interest paid and similar costs	**-**	(0.2)
Net cash inflow/(outflow) from operating activities	**184.9**	(4.7)
CASH FLOWS FROM INVESTING ACTIVITIES		
Funding of cash requirements of subsidiary undertakings	**-**	-
Net cash outflow from investing activities	**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Movement in loans with subsidiary undertakings	**(154.6)**	27.7
Proceeds from exercise of share options	**1.0**	5.0
Payment of issue costs	**(2.0)**	-
Dividends paid	**(29.5)**	(27.9)
Net cash (outflow)/inflow from financing activities	**(185.1)**	4.8
Net (decrease)/increase in cash & cash equivalents	**(0.2)**	0.1
Cash & cash equivalents at beginning of year	**0.2**	0.1
Cash & cash equivalents at end of year	**-**	0.2

On behalf of the Board

Sir B Stewart
Chairman

S Glancey
Group Chief Executive Officer

Company Statement of Changes in Equity

For the year ended 28 February 2015

	Equity share capital €m	Share premium €m	Capital redemption reserve €m	Share based payment reserve €m	Retained income €m	Total €m
Company						
At 28 February 2013	3.4	809.8	0.5	6.6	105.3	925.6
Loss for the year attributable to equity shareholders	-	-	-	-	(4.9)	(4.9)
Total	-	-	-	-	(4.9)	(4.9)
Dividend on ordinary shares	-	3.0	-	-	(31.0)	(28.0)
Exercised share options	0.1	4.9	-	-	-	5.0
Reclassification of share-based payments reserve	-	-	-	(1.2)	1.2	-
Equity settled share-based payments	-	-	-	0.8	-	0.8
Total	0.1	7.9	-	(0.4)	(29.8)	(22.2)
At 28 February 2014	3.5	817.7	0.5	6.2	70.6	898.5
Profit for the year attributable to equity shareholders	-	-	-	-	185.5	**185.5**
Total	-	-	-	-	185.5	**185.5**
Dividend on ordinary shares	-	5.7	-	-	(35.1)	**(29.4)**
Exercised share options	-	1.0	-	-	-	**1.0**
Reclassification of share-based payments reserve	-	-	-	(0.9)	0.9	**-**
Equity settled share-based payments	-	-	-	0.2	-	**0.2**
Total	**-**	**6.7**	**-**	**(0.7)**	**(34.2)**	**(28.2)**
At 28 February 2015	**3.5**	**824.4**	**0.5**	**5.5**	**221.9**	**1,055.8**

On behalf of the Board

Sir B Stewart
Chairman

S Glancey
Group Chief Executive Officer

Statement of Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES

C&C Group plc (the 'Company') is a company incorporated and tax resident in Ireland. The Group's financial statements for the year ended 28 February 2015 consolidate the individual financial statements of the Company and all subsidiary undertakings (together referred to as "the Group") together with the Group's share of the results and net assets of equity accounted investees for the period ended 28 February 2015.

The Company and Group financial statements, together the "financial statements", were authorised for issue by the Directors on 13 May 2015.

The accounting policies applied in the preparation of the financial statements for the year ended 28 February 2015 are set out below. These have been applied consistently for all periods presented in these financial statements and by all Group entities.

STATEMENT OF COMPLIANCE

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB), as adopted by the EU. The individual financial statements of the Company have been prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2013 which permits a company that publishes its company and group financial statements together to take advantage of the exemption in section 148(8) of the Companies Act, 1963 from presenting its company income statement which forms part of the approved company financial statements.

Changes in accounting policies and disclosures

IFRSs as adopted by the EU applied by the Company and Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 28 February 2015. The accounting policies adopted are consistent with those of the previous year except for the following new and amended IFRS and IFRIC interpretations adopted by the Group and Company in these financial statements:

- IFRS 10 – Consolidated Financial Statements. IFRS 10 establishes a new control-based model for consolidation that replaces the existing requirements of both IAS 27 and SIC 12. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The standard also includes specific guidance on the question of whether the entity is acting as an agent or principal in its involvement with an investee.
- IFRS 11 – Joint Arrangements. IFRS 11 removes the existing accounting policy choice for proportionate consolidation for jointly controlled entities and makes equity accounting mandatory for participants in joint ventures. The Group currently equity accounts for its interests in jointly controlled entities, therefore the application of this revised standard did not have a material impact on the Group's financial statements.
- IFRS 12 – Disclosure of Interests in Other Entities. IFRS 12 requires entities to disclose information about the nature, risks and financial effects associated with the entity's interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.
- IAS 27 (Amendment) – Separate Financial Statements (2011). IAS 27 carries forward the existing accounting requirements for separate financial statements; the requirements of IAS 28 and IAS 31 for separate financial statements have been incorporated into IAS 27.
- IAS 28 (Amendment) – Investments in Associates and Joint Ventures. IAS 28 previously discussed how to apply equity accounting to associates in consolidated financial statements. The revised IAS 28 continues to include that guidance but is now extended to also apply that accounting to entities that qualify as joint ventures under IFRS 11.
- IAS 32 (Amendment) – Offsetting Financial Assets and Financial Liabilities. This amendment clarifies some of the requirements for offsetting assets and financial liabilities on the balance sheet.

The above new standards have not had a material impact on the results and financial position of the Group for the year ended 28 February 2015 except for additional disclosures in relation to interests in other entities.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 28 February 2015, and have not been applied in preparing these consolidated financial statements.

These following new standards, amendments and interpretations are either not expected to have a material impact on the consolidated financial statements once applied or are still under assessment by the Group.

Accounting standard/ interpretation (Effective date^)
(a) Not expected to have a material impact on the consolidated financial statements:

- IAS 19 (Amendment) – Defined Benefit Plans: Employee Contributions* (1 February 2015). These narrow scope amendments apply to contributions from employees or third parties to benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service. It is not anticipated that this amendment will have a material impact on the financial statements of the Group.
- Annual improvements to IFRS 2010 – 2012 cycle – various standards* and, annual improvements to IFRS 2011 – 2013 cycle – various standards* (1 February 2015). As part of its annual improvements process, the IASB has published non-urgent but necessary amendments to IFRS. Together, the two cycles cover a total of nine standards, with consequential amendments to other standards. Most of the standards apply prospectively for annual periods beginning on or after 1 July 2014. These amendments are not expected to have a material impact on the consolidated financial statements of the Group.

(b) Subject to ongoing assessment by the Group

- IFRS 15 – Revenue from contracts with customers* (1 January 2017 or earlier). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.
- IFRS 9 – Financial Instruments* (1 January 2018 or earlier). IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

* Not EU endorsed at the time of approval of financial statements

^ the effective dates relate to financial period beginning on and after those dates and are those applying to EU endorsed IFRS if later than the IASB effective dates.

BASIS OF PREPARATION

The Group and the individual financial statements of the Company are prepared on the historical cost basis except for the measurement at fair value of intangible assets acquired on the acquisition of a company or business, retirement benefit obligations, the revaluation of certain items of property, plant & equipment, share options at date of grant and derivative financial instruments. The accounting policies have been applied consistently by Group entities and for all periods presented.

The financial statements are presented in euro millions to one decimal place.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Group and Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements relate primarily to:

- the determination of the fair value and the useful economic life of assets & liabilities, and intangible assets acquired on the acquisition of a company or business (note 10),
- the determination of carrying value of land (note 11),
- the determination of carrying value or depreciated replacement cost, useful economic life and residual values in respect of the Group's buildings, plant & machinery (note 11),
- the assessment of goodwill and intangible assets for impairment (note 12), and
- accounting for retirement benefit obligations (note 21).

These are discussed in more detail in the accounting policies and/or notes to the financial statements as referenced above. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Statement of Accounting Policies (continued)

BASIS OF CONSOLIDATION

The Group's financial statements consolidate the financial statements of the Company and all subsidiary undertakings together with the Group's share of the results and net assets of equity-accounted investees for the period ended 28 February 2015.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

On 30 April 2004, the Group, previously headed by C&C Group International Holdings Limited, underwent a re-organisation by virtue of which C&C Group International Holdings Limited's shareholders in their entirety exchanged their shares for shares in C&C Group plc, a newly formed company, which then became the ultimate parent company of the Group. Notwithstanding the change in the legal parent of the Group, this transaction has been accounted for as a reverse acquisition and the consolidated financial statements are prepared on the basis of the new legal parent having been acquired by the existing Group except that the capital structure shown is that of the legal parent.

(ii) Investments in associates and jointly controlled entities (equity-accounted investees)

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(iii) Transactions eliminated on consolidation

All inter-company balances and transactions, including unrealised gains arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains except to the extent that they provide evidence of impairment.

(iv) Company Financial Statements

Investments in subsidiaries are carried at cost less provision for impairment. Dividend income is recognised when the right to receive payment is established.

REVENUE RECOGNITION

Revenue comprises the fair value of goods supplied to external customers exclusive of inter-company sales and value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives. Provision is made for returns where appropriate. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, that it can be reliably measured, and that the significant risks and rewards of ownership of the goods have passed to the buyer. This is normally deemed to occur on delivery except in the case of international customers where its normally deemed to occur on despatch.

EXCISE DUTY

Excise duty is levied at the point of production in the case of the Group's manufactured products and at the point of importation in the case of imported products in the relevant jurisdictions in which the Group operates. As the Group's manufacturing and warehousing facilities are Revenue approved and registered excise facilities, the excise duty liability generally crystallises on transfer of product from duty in suspense to duty paid status which normally coincides with the point of sale.

NET REVENUE

Net revenue is defined by the Group as Revenue less Excise duty. Excise duties, which represent a significant proportion of Revenue, are set by external regulators over which the Group has no control and are generally passed on to the consumer, consequently the Directors consider that the disclosure of Net Revenue enhances the transparency and provides a more meaningful analysis of underlying sales performance.

EXCEPTIONAL ITEMS

The Group has adopted an accounting policy and income statement format that seeks to highlight significant items of income and expense within the Group results for the year. The Directors believe that this presentation provides a more helpful analysis. Such items may include significant restructuring and integration costs, significant past service and curtailment gains/costs realised under the Group's defined benefit pension schemes, profits or losses on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, significant impairment of assets, acquisition related costs and unforeseen gains/losses arising on derivative financial instruments. The Directors use judgement in assessing the particular items which by virtue of their scale and nature are disclosed in the income statement and related notes as exceptional items.

FINANCE INCOME AND EXPENSES

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the income statement. Interest income is recognised as it accrues in the income statement, using the effective interest method.

Finance expenses comprise interest expense on borrowings, interest expense on sale of trade receivables, bank guarantee fees, amortisation of borrowing issue costs, changes in the fair value of financial assets or liabilities which are accounted for at fair value through the income statement, losses on hedging instruments that are recognised in the income statement, gains or losses relating to the effective portion of interest rate swaps hedging variable rate borrowings, ineffective portion of changes in the fair value of cash flow hedges, impairment losses recognised on financial assets and unwinding the discount on provisions. All borrowing costs are recognised in the income statement using the effective interest method.

RESEARCH AND DEVELOPMENT

Expenditure on research that is not related to specific product development is recognised in the income statement as incurred.

Expenditure on the development of new or substantially improved products or processes is capitalised if the product or process is technically feasible and commercially viable.

GOVERNMENT GRANTS

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Capital grants received and receivable by the Group are credited to government grants and are amortised to the income statement on a straight line basis over the expected useful lives of the assets to which they relate.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business that represents a separate major line of business, geographical area of operations or is material to Revenue, Net revenue or Operating profit and has been disposed of or is held for sale. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the earliest period presented.

SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal organisational and management structure of the Group and the internal financial information provided to the Chief Operating Decision-Maker (the executive directors comprising Stephen Glancey, Kenny Neison and Joris Brams) who is responsible for the allocation of resources and the monitoring and assessment of performance of each of the operating segments. The Group has determined that it has five reportable operating segments.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads, that are allocated on a reasonable basis to those segments in internal financial reporting packages.

Statement of Accounting Policies (continued)

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euro, which is the presentation currency of the Group and both the presentation and functional currency of the Company.

Transactions in foreign currencies are translated into the functional currency of each entity at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets carried at historic cost are not subsequently retranslated. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currencies at the foreign exchange rate ruling at that date. Foreign exchange movements arising on translation are recognised in the income statement with the exception of all monetary items designated as a hedge of a net investment in a foreign operation, which are recognised in the consolidated financial statements in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement for the year.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at the foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to euro at the average exchange rate for the financial period where that represents a reasonable approximation of actual rates. Foreign exchange movements arising on translation of the net investment in a foreign operation, including those arising on long term intra group loans for which settlement is neither planned nor likely to happen in the foreseeable future and as a consequence are deemed quasi equity in nature, are recognised directly in other comprehensive income in the consolidated financial statements in the foreign currency translation reserve. The portion of exchange gains or losses on foreign currency borrowings or derivatives used to provide a hedge against a net investment in a foreign operation that is designated as a hedge of those investments, is recognised directly in other comprehensive income to the extent that they are determined to be effective. The ineffective portion is recognised immediately in the income statement for the year.

Any movements that have arisen since 1 March 2004, the date of transition to IFRS, are recognised in the currency translation reserve and are recycled through the income statement on disposal of the related business. Translation differences that arose before the date of transition to IFRS as adopted by the EU in respect of all non-euro denominated operations are not presented separately.

BUSINESS COMBINATIONS

The purchase method of accounting is employed in accounting for the acquisition of subsidiaries by the Group. The fair value of consideration for a business combination is measured as the aggregate of the fair value at the date of exchange of assets acquired and liabilities incurred or assumed in exchange for control, together with the fair value of existing equity interests in the acquired business and the recognised amount of any non-controlling interests. Costs directly attributable to the acquisition of a business as defined by IFRS 3 (2008) Business Combinations are expensed in the period in which the costs are incurred and the services are received. Where a business combination agreement provides for an adjustment to the consideration contingent on future events, the amount of the estimate adjustment is included in the consideration at the acquisition date to the extent that it can be reliably measured. To the extent that settlement of all or any part of the consideration for a business combination is deferred, the fair value of the deferred component is determined through discounting the amounts payable to their present value at the date of exchange. The discount component is unwound as an interest charge in the income statement over the life of the obligation.

Acquisitions prior to 1 March 2011

For acquisitions prior to 1 March 2011, transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition in line with IFRS 3 (2004) Business Combinations.

GOODWILL

Goodwill is the excess of the fair value of the consideration paid over the fair value of the identifiable assets, liabilities and contingent liabilities in a business combination and relates to the future economic benefits arising from assets, that are not capable of being individually identified and separately recognised.

Goodwill arising on acquisitions prior to the date of transition to IFRS as adopted by the EU has been retained, with the previous Irish GAAP amount considered its deemed cost, subject to being tested for impairment. Goodwill written off to reserves under Irish GAAP prior to 1998 has not been reinstated and will not be included in determining any subsequent profit or loss on disposal.

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the date of acquisition any goodwill acquired is allocated to each operating segment (which may comprise more than one cash generating unit) expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the operating segment to which the goodwill relates. These operating segments represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Where goodwill forms part of an operating segment and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the business segment retained.

INTANGIBLE ASSETS (OTHER THAN GOODWILL) ARISING ON BUSINESS COMBINATIONS

An intangible asset, which is a non-monetary asset without a physical substance, is capitalised separately from goodwill as part of a business combination at cost (fair value at date of acquisition) to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its fair value can be reliably measured. Acquired brands and other intangible assets are deemed to be identifiable and recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets considered to have an indefinite useful economic life are reviewed for indicators of impairment regularly and are subject to impairment testing on an annual basis unless events or changes in circumstances indicate that the carrying values may not be recoverable and impairment testing is required earlier.

The amortisation charge on intangible assets considered to have finite lives is calculated to write-off the book value of the asset over its useful life on a straight line basis on the assumption of zero residual value.

PROPERTY, PLANT & EQUIPMENT

Property (comprising land and buildings) is recognised at estimated fair value with the changes in the value of the property reflected in other comprehensive income, to the extent it does not reverse previously recognised losses, or as an impairment loss in the income statement to the extent it does not reverse previously recognised revaluation gains. The fair value is based on estimated market value at the valuation date, being the estimated amount for which a property could be exchanged in an arm's length transaction, to the extent that an active market exists. Such valuations are determined based on benchmarking against comparable transactions for similar properties in similar locations as those of the Group or on the use of valuation techniques including the use of market yields on comparable properties. If no active market exists or there are no other observable comparative transactions, the fair value may be determined using a valuation technique known as a Depreciated Replacement Cost approach.

Plant & machinery is carried at its revalued amount. In view of the specialised nature of the Group's plant & machinery and the lack of comparable market-based evidence of similar plant sold, upon which to base a market approach of fair value, the Group uses a Depreciated Replacement Cost approach to determine a fair value for such assets.

Depreciated Replacement Cost is assessed, firstly, by the identification of the gross replacement cost for each class of plant & machinery. A depreciation factor derived from both the physical and functional obsolescence of each class of asset, taking into account estimated residual values at the end of the life of each class of asset, is then applied to the gross replacement cost to determine the net replacement cost. An economic obsolescence factor, which is derived based on current and anticipated capacity or utilisation of each class of plant & machinery as a function of total available production capacity, is applied to determine the Depreciated Replacement Cost.

Motor vehicles & other equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant & equipment have different useful lives, they are accounted for as separate items (major components) of property, plant & equipment. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

Statement of Accounting Policies (continued)

Property, plant & equipment, other than freehold land and assets under construction, which are not depreciated, were depreciated using the following rates which are calculated to write-off the value of the asset, less the estimated residual value, over its expected useful life:

Land and Buildings	
Land	n/a
Buildings - ROI, US, Portugal, Wallaces Express	2% straight line
Buildings – UK (excluding Wallaces Express)	2% reducing balance
Plant and Machinery	
Storage tanks	10% reducing balance
Other plant & machinery	15-30% reducing balance
Motor vehicles and other equipment	
Motor vehicles	15% straight line
Other equipment incl returnable bottles, cases and kegs	5-25% straight line

The residual value and useful lives of property, plant & equipment are reviewed and adjusted if appropriate at each reporting date to take account of any changes that could affect prospective depreciation charges and asset carrying values. When determining useful economic lives, the principal factors the Group takes into account are the intensity at which the assets are expected to be used, expected requirements for the equipment and technological developments.

On disposal of property, plant & equipment the cost or valuation and related accumulated depreciation and impairments are removed from the balance sheet and the net amount, less any proceeds, is taken to the income statement and any amounts included within the revaluation reserve transferred to the retained income reserve.

The carrying amounts of the Group's property, plant & equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying amount of an asset or its cash generation unit exceeds its recoverable amount (being the greater of fair value less costs to sell and value in use). Impairment losses are debited directly to equity under the heading of revaluation reserve to the extent of any credit balance existing in the revaluation reserve account in respect of that asset with the remaining balance recognised in the income statement.

A revaluation surplus is credited directly to other comprehensive income and accumulated in equity under the heading of revaluation reserve, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, where it is first credited to the income statement to the extent of the previous write down.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition and is based on the first-in first-out principle.

In the case of finished goods and work in progress, cost includes direct production costs and the appropriate share of production overheads plus excise duties, where appropriate. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the sale.

Provision is made for slow-moving or obsolete stock where appropriate.

PROVISIONS

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value at an appropriate rate if the effect of the time value of money is deemed material. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount. The increase in the provision due to the passage of time is recognised in the income statement within finance expense.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable. Provisions are not recognised for future operating losses, however, provisions are recognised for onerous contracts where the unavoidable cost exceeds the expected benefit.

Due to the inherent uncertainty with respect to such matters, the value of each provision is based on the best information available at the time, including advice obtained from third party experts, and is reviewed by the Directors on a periodic basis with the potential financial exposure reassessed. Revisions to the valuation of a provision are recognised in the period in which such a determination is made and such revisions could have a material impact on the financial performance of the Group.

LEASES

Where the Group has entered into lease arrangements on land & buildings the lease payments are allocated between land & buildings and each component is assessed separately to determine whether it is a finance or operating lease.

Finance leases, which transfer to the Group substantially all the risks and rewards of ownership of the leased asset, are recognised in property, plant & equipment at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement as part of finance expense.

Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

RETIREMENT BENEFIT OBLIGATIONS

The Group operates a number of defined contribution and defined benefit pension schemes.

Obligations to the defined contribution pension schemes are recognised as an expense in the income statement as the related employee service is received. Under these schemes, the Group has no obligation, either legal or constructive, to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

The liabilities and costs associated with the Group's defined benefit pension schemes, all of which are funded and administered under trusts which are separate from the Group, are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the reporting date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields, at the reporting date, on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. The fair value of scheme assets is based on market price information, measured at bid value for publicly quoted securities.

The resultant defined benefit pension net surplus or deficit is shown within either non-current assets or non-current liabilities on the face of the Group balance sheet and comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. The assumptions (disclosed in note 21) underlying these valuations are updated at each reporting period date based on current economic conditions and expectations (discount rates, salary inflation and mortality rates) and reflect any changes to the terms and conditions of the post retirement pension plans. The deferred tax liabilities and assets arising on pension scheme surpluses and deficits are disclosed separately within deferred tax assets or liabilities, as appropriate.

When the benefits of a defined benefit scheme are improved, the portion of the increased benefit relating to the past service of employees is recognised as an expense immediately in the income statement.

The expected increase in the present value of scheme liabilities arising from employee service in the current period is recognised in arriving at operating profit or loss together with the net interest expense/(income) on the net defined benefit liability/(asset). Differences between the actual return on plan assets and the interest income, experience gains and losses on scheme liabilities, together with the effect of changes in the current or prior assumptions underlying the liabilities are recognised in other comprehensive income.
The amounts recognised in the Income statement and Statement of other comprehensive income and the valuation of the defined benefit pension net surplus or deficit are sensitive to the assumptions used. While management believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the valuation of retirement benefit obligations and expenses recognised in future accounting periods.

Statement of Accounting Policies (continued)

Company

The Company has no direct employees and is not the sponsoring employer for any of the Group's defined benefit pension schemes. There is no stated policy within the Group in relation to the obligations of Group companies to contribute to scheme deficits. Group companies make contributions to the schemes as requested by the sponsoring employers.

SHARE-BASED PAYMENTS

The Group operates a number of Share Option Schemes, Performance Share Plans and cash settled award schemes, listed below:-

- Executive Share Option Scheme (the 'ESOS'),
- Long Term Incentive Plan (Part I) (the 'LTIP (Part I)'),
- Joint Share Ownership Plan (the 'JSOP'),
- Restricted Share Award Scheme,
- Recruitment and Retention Plan,
- Long Term Incentive Plan (Part II) (the 'LTIP (Part II)'), and
- Partnership and Matching Share Schemes.

Equity settled share-based payment transactions

Group share schemes allow certain employees to acquire shares in the Company. The fair value of share entitlements granted is recognised as an employee expense in the income statement with a corresponding increase in equity, while the cost of acquiring shares on the open market to satisfy the Group's obligations under the Partnership and Matching Share Schemes is recognised in the income statement as incurred.

To date, share options granted by the Company under the ESOS and share entitlements (represented by nominal cost options) granted under the LTIP (Part II) are subject to non-market vesting conditions only.

An element of the share entitlements (represented by nominal-cost options) granted by the Company under the LTIP (Part I), the Recruitment and Retention Plan and the Restricted Share Award Scheme and some of the Interests granted under the Joint Share Ownership Plan are subject to market vesting conditions with or without non-market vesting conditions whilst the remainder are subject to non-market vesting conditions only, the details of which are set out in note 4. Market conditions are incorporated into the calculation of fair value of share/Interest entitlements as at the grant date. Non-market vesting conditions are not taken into account when estimating such fair value.

The expense for the share entitlements shown in the income statement is based on the fair value of the total number of entitlements expected to vest and is allocated to accounting periods on a straight line basis over the vesting period. The cumulative charge to the income statement at each reporting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. It is reversed only where entitlements do not vest because all non-market performance conditions have not been met or where an employee in receipt of share entitlements leaves the Group before the end of the vesting period and forfeits those options in consequence. Awards with market based performance conditions are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. No reversal is recorded for failure to vest as a result of market conditions not being met.

The proceeds received by the Company net of any directly attributable transaction costs on the vesting of share entitlements met by the issue of new shares are credited to share capital and share premium when the share entitlements are exercised. Amounts included in the share-based payments reserve are transferred to retained income when vested options are exercised, forfeited post vesting or lapse.

The dilutive effect of outstanding options, to the extent that they are to be settled by the issue of new shares and to the extent that the vesting conditions would have been satisfied if the end of the reporting period was the end of the contingency period, is reflected as additional share dilution in the determination of diluted earnings per share.

Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share appreciation rights that are settled in cash is recognised as an expense in the Income statement with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to the payment. The liability is re-measured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes are recognised as an employee benefit expense in the Income statement.

INCOME TAX

Current tax expense represents the expected tax amount to be paid in respect of taxable income for the current year and is based on reported profit and the expected statutory tax rates, reliefs and allowances applicable in the jurisdictions in which the Group operates. Current tax for the current and prior years, to the extent that it is unpaid, is recognised as a liability in the balance sheet.

Deferred tax is provided on the basis of the balance sheet liability method on all temporary differences at the reporting date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised for all temporary differences except where they arise from:-

- the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit or loss nor the taxable profit or loss at the time of the transaction, or,
- temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference is subject to the Group's control and it is probable that a reversal will not be recognised in the foreseeable future.

Deferred tax assets in respect of deductible temporary differences are recognised only to the extent that it is probable that taxable profits or taxable temporary differences will be available against which to offset these items. The recognition or non recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. The recognition of deferred tax assets is based on management's judgement and estimate of the most probable amount of future taxable profits and taking into consideration applicable tax legislation in the relevant jurisdiction. The carrying amounts of deferred tax assets are subject to review at each reporting date and are reduced to the extent that future taxable profits are considered to be insufficient to allow all or part of the deferred tax asset to be utilised.

Deferred tax and current tax are recognised as a component of the tax expense in the income statement except to the extent that they relate to items recognised directly in other comprehensive income or equity (for example, certain derivative financial instruments and actuarial gains and losses on defined benefit pension schemes), in which case the related tax is also recognised in other comprehensive income or equity.

The Group is subject to income tax in a number of jurisdictions, and judgement is required in determining the worldwide provision for taxes. There are many transactions and calculations during the ordinary course of business, for which the ultimate tax determination is uncertain and the complexity of the tax treatment may be such that the final tax charge may not be determined until a formal resolution has been reached with the relevant tax authority which may take extended time periods to conclude. The ultimate tax charge may, therefore be different from that which initially is reflected in the Group's consolidated tax charge and provision and any such differences could have a material impact on the Group's income tax charge and consequently financial performance. The determination of the provision for income tax is based on management's understanding of the relevant tax law and judgement as to the appropriate tax charge, and management believe that all assumptions and estimates used are reasonable and reflective of the tax legislation in jurisdictions in which the Group operates. Where the final tax charge is different from the amounts that were initially recorded, such differences are recognised in the income tax provision in the period in which such determination is made.

FINANCIAL INSTRUMENTS

Trade & other receivables

Trade receivables are initially recognised at fair value (which usually equals the original invoice value) and are subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. Movements in provisions are recognised in the income statement. Bad debts are written-off against the provision when no further prospect of collection exists.

Cash & cash equivalents

Cash & cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash & cash equivalents for the purpose of the statement of cash flows.

Statement of Accounting Policies (continued)

Advances to customers
Advances to customers, which can be categorised as either an advance of discount or a repayment/annuity loan conditional on the achievement of contractual sales targets, are initially recognised at fair value, amortised to the income statement (and classified within sales discounts as a reduction in revenue) over the relevant period to which the customer commitment is made, and subsequently carried at amortised cost less an impairment allowance. Where there is a volume target the amortisation of the advance is included in sales discounts as a reduction to revenue. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the agreement with the customer. The amount of the provision is determined by the difference between the asset's carrying amount and the present value of the estimated future cash flows or recognition of the estimated amortisation of advances.

Trade & other payables
Trade & other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, unless the maturity date is less than six months.

Interest-bearing loans & borrowings
Interest-bearing loans & borrowings are recognised initially at fair value less attributable transaction costs and are subsequently measured at amortised cost with any difference between the amount originally recognised and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis. Where the early refinancing of a loan results in a significant change in the present value of the expected cash flows, the original loan is de-recognised and the replacement loan is recognised at fair value.

Derivative financial instruments
The Group uses derivative financial instruments (principally interest rate swaps and forward foreign exchange contracts) to hedge its exposure to interest rate and foreign exchange risks arising from operational and financing activities. The Group does not enter into speculative transactions.

Derivative financial instruments are measured at fair value at each reporting date. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current market interest and currency exchange rates where relevant and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity and credit profiles and equates to the market price at the balance sheet date.

Gains or losses on re-measurement to fair value are recognised immediately in the income statement except where derivatives are designated and qualify for cashflow hedge accounting in which case recognition of any resultant gain or loss is recognised through other comprehensive income.

Derivative financial instruments entered into by the Group are for the purposes of hedge accounting classified as cash flow hedges which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset, liability, a firm commitment or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised as a separate component of other comprehensive income with the ineffective portion being reported in the income statement. The associated gains or losses that had previously been recognised in other comprehensive income are transferred to the income statement contemporaneously with the materialisation of the hedged transaction, except when a firm commitment or forecast transaction results in the recognition of a non-financial asset or a non-financial liability, in which case the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, is terminated or exercised, or no longer qualifies for hedge accounting. For situations where the hedging instrument no longer qualifies for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective shall remain separately recognised in equity until the expected forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the income statement in the period.

Net investment hedging
Any gain or loss on the effective portion of a hedge of a net investment in a foreign operation using a foreign currency denominated monetary liability is recognised in other comprehensive income while the gain or loss on the ineffective portion is recognised immediately in the income statement. Cumulative gains and losses remain in other comprehensive income until disposal of the net investment in the foreign operation at which point the related differences are transferred to the income statement as part of the overall gain or loss on disposal.

SHARE CAPITAL/PREMIUM
Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the gross proceeds.

Treasury shares
Equity share capital issued under its Joint Share Ownership Plan, which is held in trust by an Employee Trust is classified as treasury shares on consolidation until such time as the Interests vest and the participants acquire the shares from the Trust or the Interests lapse and the shares are cancelled or disposed of by the Trust.

Own shares acquired under share buyback programme
The cost of ordinary shares purchased by a subsidiary of the Group on the open market is recorded as a deduction from equity on the face of the Group balance sheet. When these shares are cancelled, an amount equal to the nominal value of any shares cancelled is included within the capital redemption reserve fund and the cost is deducted from retained earnings.

Dividends
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.

COMPANY FINANCIAL ASSETS
The change in legal parent of the Group on 30 April 2004, as disclosed in detail in that year's annual report, was accounted for as a reverse acquisition. This transaction gave rise to a financial asset in the Company's accounts, which relates to the fair value at that date of its investment in subsidiaries. Financial assets are reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Share options granted to employees of subsidiary companies are accounted for as an increase in the carrying value of the investment in subsidiaries and the share-based payment reserve.

Notes
forming part of the financial statements

1. SEGMENTAL REPORTING

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

The Group continually reviews and updates the manner in which it monitors and controls its financial operations resulting in changes in the manner in which information is classified and reported to the Chief Operating Decision Maker ("CODM"). The CODM, identified as the executive Directors comprising Stephen Glancey, Kenny Neison and Joris Brams, assesses and monitors the operating results of segments separately via internal management reports in order to effectively manage the business and allocate resources.

Following the acquisition of the Gleeson and Wallaces Express wholesaling businesses in Ireland and Scotland respectively and subsequent restructuring of the Group's business, the basis of segmentation was amended during the current financial year to reflect the new business model. The revised basis of segmentation is outlined in the paragraphs below but in all instances the changes were deemed necessary to better enable the CODM to evaluate the results of the business in the context of the economic environment in which the business operates, to make appropriate strategic decisions and to more accurately reflect the business model under which the Group now operates in each of these territories. All comparative amounts have been restated to reflect the new basis of segmentation. The reclassification has no impact on Revenue, Net revenue or Operating profit reported by the Group.

The identified reporting segments are as follows:-

(i) Ireland

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

The Northern Ireland business, previously reported within the Cider UK, Tennent's UK and Third Party Brands UK segments, is now included within this new segment following the consolidation of this business with the Republic of Ireland business, the appointment of an Island of Ireland Managing Director supported by a single management team and the completion of the integration of a number of key functions including sales, marketing and accounting services.

(ii) Scotland

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

(iii) C&C Brands

This segment includes the results from sale of the Group's own branded products in England & Wales, principally Magners, Tennent's, Chaplin & Cork's and K Cider. It also includes the distribution of the Italian lager Menabrea and the production and distribution of private label cider products in England & Wales. The consolidated C&C Brands business is managed by one Managing Director and management team. (This segment was previously called England & Wales for the period ended 31 August 2014).

(iv) North America

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

(v) Export

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

The analysis by segment includes both items directly attributable to a segment and those, including central overheads, which are allocated on a reasonable basis in presenting information to the CODM.

Inter-segmental revenue is not material and thus not subject to separate disclosure.

(a) Reporting segment disclosures

	2015			2014		
	Revenue €m	Net revenue €m	Operating profit €m	Revenue €m	Net revenue €m	Operating Profit €m
Ireland	**403.2**	**286.9**	**59.1**	395.1	289.7	58.6
Scotland	**332.2**	**223.6**	**39.2**	238.2	130.2	36.2
C&C Brands	**182.0**	**107.0**	**10.4**	199.7	123.2	15.9
North America	**47.5**	**45.3**	**1.5**	57.8	55.2	10.7
Export	**21.6**	**21.1**	**4.8**	22.1	21.9	5.3
Total before exceptional items	**986.5**	**683.9**	**115.0**	912.9	620.2	126.7
Exceptional items (note 5)	**-**	**-**	**(173.4)***	-	-	(20.7)**
Total	**986.5**	**683.9**	**(58.4)**	912.9	620.2	106.0

* Of the exceptional loss in the current year, €1.7m loss relates to Ireland, €5.8m loss relates to Scotland, €13.3m loss relates to C&C Brands, €151.7m loss relates to North America and €0.9m loss remains unallocated.

** Of the exceptional loss in the prior year, €9.0m loss relates to Ireland, €1.5m loss relates to Scotland, €7.7m loss relates to C&C Brands, €1.9m loss relates to North America, €0.1m loss relates to Export and €0.5m loss remains unallocated.

Total assets for the period ended 28 February 2015 amounted to €1,350.5m (2014: €1,380.5m).

The impact of the reclassification of the financial results to 28 February 2014 as previously described is outlined below. This reclassification has no impact on the Revenue, Net revenue and Operating profit reported by the Group.

	Revenue €m	Net revenue €m	Operating profit €m
Ireland			
Previously reported – ROI	330.6	237.3	48.2
Impact of change	64.5	52.4	10.4
Current classification	395.1	289.7	58.6
Scotland			
Previously reported – Tennent's UK	216.2	103.6	34.6
Impact of change	22.0	26.6	1.6
Current classification	238.2	130.2	36.2
C&C Brands			
Previously reported – Cider UK	164.1	112.8	20.7
Impact of change	35.6	10.4	(4.8)
Current classification	199.7	123.2	15.9
North America			
Previously reported – (within International)	-	-	-
Impact of change	57.8	55.2	10.7
Current classification	57.8	55.2	10.7
Export			
Previously reported – International	79.9	77.1	16.0
Impact of change	(57.8)	(55.2)	(10.7)
Current classification	22.1	21.9	5.3
Third party brands			
Previously reported – Third party brands UK	122.1	89.4	7.2
Impact of change	(122.1)	(89.4)	(7.2)
Current classification	-	-	-

Notes forming part of the financial statements (continued)

(b) Other operating segment information

	2015 Capital expenditure €m	2015 Depreciation / Amortisation / Impairment €m	2014 Capital expenditure €m	2014 Depreciation /Amortisation / Impairment €m
Ireland	**5.3**	**7.7**	3.7	6.2
Scotland	**7.5**	**9.5**	8.9	8.2
C&C Brands	**2.4**	**9.2**	7.2	7.9
North America	**6.6**	**151.3**	18.5	0.9
Export	**0.7**	**0.5**	1.5	0.8
Total	**22.5**	**178.2**	39.8	24.0

(c) Geographical analysis of revenue and net revenue

	Revenue 2015 €m	Revenue 2014 €m	Net revenue 2015 €m	Net revenue 2014 €m
Ireland	**403.2**	395.1	**286.9**	289.7
Scotland	**332.2**	238.2	**223.6**	130.2
England & Wales	**182.0**	199.7	**107.0**	123.2
North America	**47.5**	57.8	**45.3**	55.2
Export	**21.6**	22.1	**21.1**	21.9
Total	**986.5**	912.9	**683.9**	620.2

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	Scotland €m	C&C Brands €m	North America €m	Export €m	Total €m
28 February 2015						
Property, plant & equipment	**64.8**	**77.4**	**39.3**	**31.6**	**5.8**	**218.9**
Goodwill & intangible assets	**156.3**	**145.1**	**191.3**	**143.5**	**16.0**	**652.2**
Equity-accounted investees	**-**	**0.9**	**-**	**-**	**-**	**0.9**
Retirement benefit obligations	**3.7**	**-**	**-**	**-**	**-**	**3.7**
Deferred tax assets	**5.0**	**-**	**-**	**-**	**-**	**5.0**
Trade & other receivables	**14.9**	**29.9**	**1.4**	**-**	**-**	**46.2**
Total	**244.7**	**253.3**	**232.0**	**175.1**	**21.8**	**926.9**

	Ireland €m	Scotland €m	C&C Brands €m	North America €m	Export €m	Total €m
28 February 2014						
Property, plant & equipment	66.4	75.4	49.4	22.2	5.5	218.9
Goodwill & intangible assets	156.4	121.4	188.0	242.2	13.9	721.9
Equity-accounted investees	-	15.0	-	-	-	15.0
Retirement benefit obligations	1.4	-	-	-	-	1.4
Deferred tax assets	3.7	-	-	1.0	-	4.7
Derivative financial instruments	-	1.4	-	-	0.5	1.9
Trade & other receivables	13.3	26.4	1.2	-	-	40.9
Total	241.2	239.6	238.6	265.4	19.9	1,004.7

The geographical analysis of non-current assets, with the exception of Goodwill & intangible assets, is based on the geographical location of the assets. The geographical analysis of Goodwill & intangible assets is allocated based on the country of destination of sales at date of application of IFRS 8 *Operating Segments* or date of acquisition, if later.

2. OPERATING COSTS

	2015 Before exceptional items €m	2015 Exceptional items (note 5) €m	2015 Total €m	2014 Before exceptional items €m	2014 Exceptional items (note 5) €m	2014 Total €m
Raw material cost of goods sold/bought in finished goods	**342.3**	**-**	**342.3**	279.3	-	279.3
Inventory write-down/(recovered) (note 14)	**4.3**	**(0.3)**	**4.0**	1.2	-	1.2
Employee remuneration (note 3)	**84.9**	**2.8**	**87.7**	81.7	6.1	87.8
Direct brand marketing	**32.8**	**-**	**32.8**	32.5	-	32.5
Other operating, selling and administration costs	**72.1**	**7.9**	**80.0**	68.4	10.8	79.2
Depreciation	**24.6**	**-**	**24.6**	23.8	-	23.8
Amortisation	**0.3**	**-**	**0.3**	0.2	-	0.2
Net (profit)/loss on disposal of property, plant & equipment	**(3.6)**	**(0.8)**	**(4.4)**	(2.6)	3.8	1.2
Research and development costs	**0.3**	**-**	**0.3**	0.3	-	0.3
Auditors remuneration (note a)	**0.6**	**-**	**0.6**	0.7	-	0.7
Impairment of intangible assets	**-**	**150.0**	**150.0**	-	-	-
Revaluation of property, plant & machinery	**-**	**13.8**	**13.8**	-	-	-
Operating lease rentals:						
- land & buildings	**5.7**	**-**	**5.7**	4.1	-	4.1
- plant & machinery	**0.9**	**-**	**0.9**	2.3	-	2.3
- other	**3.7**	**-**	**3.7**	1.6	-	1.6
Total operating expenses	**568.9**	**173.4**	**742.3**	493.5	20.7	514.2

(a) Auditor remuneration: The remuneration of the Group's statutory auditor, being the Irish firm of the principal auditor of the Group, KPMG, Chartered Accountants is as follows:-

	2015 €m	2014 €m
Audit of the Group financial statements	**0.4**	0.4
Other assurance services	**-**	0.2
Tax advisory services	**0.2**	0.1
Total	**0.6**	0.7

The audit fee for the audit of the financial statements of the Company was less than €0.1m in the current and prior financial year.

Notes forming part of the financial statements (continued)

3. EMPLOYEE NUMBERS & REMUNERATION COSTS

The average number of persons employed by the Group (including executive Directors) during the year, analysed by category, was as follows:-

	2015 Number	2014 Number
Sales & marketing	**391**	415
Production & distribution	**1,150**	980
Administration	**264**	184
Total	**1,805**	1,579

The actual number of persons employed by the Group as at 28 February 2015 was 1,771 (28 February 2014: 1,524).

The aggregate remuneration costs of these employees can be analysed as follows:-

	2015 €m	2014 €m
Wages, salaries and other short term employee benefits	**74.0**	67.4
Restructuring costs (note 5)	**2.8**	6.7
Social welfare costs	**8.1**	7.0
Retirement benefit obligations – defined benefit schemes (note 21)	**(1.9)**	0.5
Retirement benefit obligations – defined contribution schemes, including pension related expenses	**4.7**	4.7
Equity settled share-based payments (note 4)	**0.2**	0.8
Cash settled share-based payments (note 4)	**(0.3)**	0.5
Partnership & matching share schemes (note 4)	**0.1**	0.2
Charged to the income statement	**87.7**	87.8
Actuarial loss on retirement benefit obligations recognised in other comprehensive income (note 21)	**20.7**	6.4
Total employee benefits	**108.4**	94.2

4. SHARE-BASED PAYMENTS

Equity settled awards

In April 2004, the Group established an equity settled **Executive Share Option Scheme (ESOS)** under which options to purchase shares in C&C Group plc are granted to certain executive Directors and members of management. Under the terms of the scheme, the options are exercisable at the market price prevailing at the date of the grant of the option. The maximum grant that can normally be made to any individual in any one year is an award of 150% of base salary in that year. Options have been granted under this scheme in each year since 2004.

Under this scheme, options will not normally be exercisable until three years after the date of grant. In addition to continued employment, the options are subject to meeting a specific performance target relating to growth in earnings per share (EPS). EPS is calculated using earnings per share before exceptional items, as disclosed in the financial statements of the Group, subject to any further adjustments approved by the Remuneration Committee. This performance target requires that the Group's aggregate EPS in the three financial years to be not less than the aggregate that would have been achieved had base-year earnings per share grown by 5% per annum in excess of the change in the Irish Consumer Price Index (Irish CPI) during the period, in order for options to vest. If after the relevant three-year period (i.e. 3 years from date of grant) the performance target is not met, the options lapse. In the current financial year, options awarded in May 2012 and May 2013 were deemed to be not capable of achieving their performance targets and consequently they were deemed to have lapsed in accordance with IFRS 2 *Share Based Payment*.

In April 2004, the Group established a **Long Term Incentive Plan (Part I) (LTIP (Part I))** under the terms of which options to purchase shares in C&C Group plc are granted at nominal cost to certain executive Directors and members of management. Under this plan, awards of up to 100% of base salary may normally be granted and up to 200% of base salary in exceptional circumstances. The options will not normally be exercisable until three years after the date of grant.

Options under this scheme were granted in January 2006, in June of each year from 2006 through to 2008 and in each year since 2011. All awards granted prior to 2011 were forfeited, lapsed or did not vest. Options awarded in June 2011 and February 2012 were deemed to have only partially achieved their performance target in relation to earnings per share growth and consequently 85% of the outstanding awards lapsed in the prior financial year. In the current financial year the options granted in May 2012 and 2013 were deemed to be not capable of achieving their performance targets and consequently they were deemed to have lapsed in accordance with IFRS 2 *Share Based Payment*.

In addition to the time and continued employment vesting conditions, the Remuneration Committee has adopted performance conditions for the options awarded during each year since 2011 as follows:-

- With regard to 50% of the award, a performance condition relating to total shareholder return (TSR) applies and achievement of a financial underpin as mentioned below. 30% of this part of the award vests if the Group's TSR over a three-year period equals the median TSR of a comparator group; 100% of this part of the award vests if the Group's TSR over a three-year period equals or exceeds the TSR of the upper quartile of the comparator group; for performance between the median and the upper quartile there is straight-line pro-rating between 30% and 100%. None of this part of the award vests if the Group's TSR over a three-year period is less than the median TSR of a comparator group. In respect of the TSR condition, a financial underpin applies; the growth in the Group's earnings per share (EPS) over the three-year period must be 5% or more per annum in real terms (compared with Irish CPI) over the same period; alternatively the Remuneration Committee must be satisfied that the Group's underlying financial performance warrants that level of vesting; otherwise the award lapses. EPS is calculated using earnings per share before exceptional items, as disclosed in the financial statements of the Group, subject to any further adjustments approved by the Remuneration Committee.

- With regard to the remaining 50% of the award, a performance condition relating to growth in EPS applies. 30% of this part of the award vests if the Group's aggregate EPS in a three year period achieves 4% per annum compound growth in real terms (compared with Irish CPI). 100% of this part of the award vests if the Group's aggregate EPS in a three year period achieves 10% per annum compound growth in real terms. There is straight-line pro-rating between 30% and 100% vesting for performance between 4% and 10% per annum compound real growth. None of this part of the award vests, if the real growth in the Group's aggregate EPS in a three-year period is less than 4% per annum.

In December 2008, the Group established a **Joint Share Ownership Plan (JSOP)** whereby certain executive Directors and members of management were eligible to participate in the Plan at the discretion of the Remuneration Committee. Under this plan, Interests in the form of a restricted interest in ordinary shares in the Company were awarded to executive Directors and key members of senior management on payment upfront to the Company of an amount equal to 10% of the initial issue price of the shares on the acquisition of the Interest. The participants are also required to pay a further amount if the tax value of their Interest exceeds the price paid. When the further amount is paid, the Company compensates the participant for the obligation to pay this further amount by paying him an equivalent amount, which is, however, subject to income tax in the hands of the participant.

The vesting of Interests granted was subject to the following conditions. All of the Interests were subject to a time and service vesting condition with one-third of the Interest in the shares vesting on each of the first, second and third anniversary of acquisition, subject to continued employment only. In addition, half of the Interests in the shares were subject to a pre-vesting share price target. In order to benefit from those Interests the Company's share price must have been greater than €2.50 for 13,800,000 of the Interests initially awarded, and €4.00 for an additional 2,200,000 of the Interests initially awarded, for at least 20 days out of 40 consecutive dealing days during the five-year period commencing on the date of acquisition of the Interest. All the Interests currently outstanding have now vested.

When an Interest vests, the trustees may, at the request of the participant and on payment of the further amount, if relevant, transfer shares to the participant of equal value to the participant's Interest or the shares may be sold by the trustees, who will account to the participant for the difference between the sale proceeds (less expenses) and the Hurdle Value (balancing 90% of the acquisition price on the acquisition of the Interest).

In February 2010, the Group established a **Restricted Share Award Scheme** under the terms of which options to purchase shares in C&C Group plc at nominal cost were granted to certain members of management, excluding executive Directors. The vesting conditions for these awards were similar to those for the award. All shares awarded under this scheme have now vested or lapsed.

Notes forming part of the financial statements (continued)

In June 2010, the Group established a **Recruitment and Retention Plan** under the terms of which options to purchase shares in C&C Group plc at nominal cost are granted to certain members of management, excluding executive Directors.

The performance conditions and/or other terms and conditions for awards granted under this plan are specifically approved by the Board of Directors at the time of each individual award, following a recommendation by the Remuneration Committee. The Board approved the award of 81,000 options under this plan in June 2010 and an award of 33,166 options in August 2011, in each case subject to time and service vesting conditions only so as to normally vest in three equal tranches, on the first, second and third anniversaries of grant and a further award of 31,791 options granted in August 2011 are also subject to time and service vesting conditions only, so as to normally vest on the third anniversary of grant.

In May 2012 and May 2013, awards of 1,036,255 and 252,672 respectively, were granted under the Recruitment and Retention Plan subject to continuous employment and the performance condition that the Company's total shareholder return ("TSR") must grow by not less than 25% between 17 May 2012 and 16 May 2014 for the May 2012 awards and between 16 May 2013 and 15 May 2015 for the May 2013 awards. Awards vest in full if the growth in TSR is at least 50% over that period and the Remuneration Committee is satisfied that the extent to which the award vests is appropriate given the general financial performance of the Group over the performance period. Where TSR growth is between 25% and 50% the percentage of the award that vests is calculated on a straight line basis between 25% and 100%. Options awarded in May 2012 were deemed to have only partially achieved their performance conditions and consequently 65% of the outstanding awards lapsed. Options granted in May 2013 were deemed to be not capable of achieving their performance conditions and consequently the outstanding awards were deeded to have lapsed in the current financial year under IFRS 2 *Share Based Payment.*

In the current financial year, 823,233 awards were granted in May 2014 and 283,092 awards were granted in January 2015 under the Recruitment and Retention plan. Of the May 2014 awards, 547,382 are subject to continued employment and the achievement of annual performance targets related to the business unit to which each recipient is aligned to. Options will vest in May 2017 on achievement of these conditions. Also in May 2014, an award of 92,111 was made subject to continued employment only, to vest in May 2016 and an award of 183,740 was also made subject to continued employment only to vest in May 2017. An award of 283,092 in January 2015 is subject to the continued employment of the recipient and also the achievement of performance targets linked to the business unit of the recipient. On achievement of both conditions the awards will vest in January 2018.

Obligations arising under the Restricted Share Award Scheme and the Recruitment and Retention Plan will be satisfied by the purchase of existing shares on the open market. On settlement, any difference between the amount included in the Share-based payment reserve account and the cash paid to purchase the shares is recognised in retained income via the statement of changes in equity.

In May 2011, the Group established a deferred equity settled share bonus scheme, **Long Term Incentive Plan (Part II) (LTIP (Part II))**, under which shares are awarded to certain employees (excluding executive Directors and senior management) at nominal cost, at the end of the financial year in which the award is granted, if the performance conditions set by the Remuneration Committee are achieved and subject to a two year time vesting period post the end of the relevant financial year. During the financial year ended 29 February 2012, the Remuneration Committee agreed two levels of award linked to operating profit targets. Based on the actual results to 29 February 2012, a right to receive shares at nominal cost equating to 23% of salary was granted to certain employees and a right to receive shares at nominal cost equating to 5% of salary was granted to other employees. The maximum number of shares over which awards were granted under the LTIP (Part II) in the financial year ended 29 February 2012 was set by reference to a share price of €3.55, being the closing share price on 18 May 2011, the date the results for the financial year ended 28 February 2011 were announced. Awards vested in May 2014, obligations are satisfied by the purchase of existing shares on the open market.

In November 2011, the Group set up **Partnership and Matching Share Schemes** for all ROI and UK based employees of the Group under the approved profit sharing schemes referred to below. Under these schemes, employees can invest in shares in C&C Group plc ("partnership" shares) that will be matched on a 1:1 basis by the Company ("matching shares") subject to Revenue approved limits. Both the partnership and matching shares are held on behalf of the employee by the Scheme trustee, Capita Corporate Trustees Limited. The shares are purchased on the open market on a monthly basis at the market price prevailing at the date of purchase with any remaining cash amounts carried forward and used in the next share purchase. The shares are held in trust for the participating employee, who has full voting rights and dividend entitlements on both partnership and matching shares. Matching shares may be forfeited and/or tax penalties may apply if the employee leaves the Group or removes their partnership shares within the Revenue-stipulated vesting period. The Revenue stipulated vesting period for matching shares awarded under the ROI scheme is three years and under the UK scheme is five years.

The Group held 218,455 matching shares (436,910 partnership and matching) in trust at 28 February 2015 (2014: 168,083 matching shares and 336,166 partnership and matching shares held).

In December 2011, the Group set up a discretionary **Share Matching Plan** under which invitations to participate were made to certain international (non ROI and UK) employees. Awards of shares (being a right to acquire shares at nominal cost) were made in February 2012, conditional on the participant agreeing to buy in advance and hold an equivalent number of ordinary shares in the Company (investment shares) in accordance with the plan. The maximum award was 325 shares per participant. Each award vested on the second anniversary of the grant date provided that the participant remained employed in the Group and had retained his/her investment shares acquired in relation to the matching award. Matching share awards were not entitled to dividends during the vesting period. Qualifying leavers remain entitled to their matching awards, which vested either on the date of cessation or on the normal vesting date, as the Group decided. Awards made to other leavers were forfeited. The February 2012 awards vested on 28 February 2014 and there were no subsequent awards.

There were no partnership and matching shares held by the Group in Trust, with respect to awards that had vested but had not yet been transferred to the participant, at 28 February 2015 (2014: 1,950 partnership and matching shares held).

Cash-settled awards
In January 2012, the Group granted 98,600 cash-settled awards on terms equivalent to the rules of the Recruitment and Retention Plan and subject to time and service vesting conditions only so as to normally vest, subject to continuous employment, on the third anniversary of date of grant. The award, which vested in the current financial year, was settled by way of a cash payment, calculated based on the closing price of the Group's shares on the dealing day before the settlement date.

In May 2012, the Group granted 114,522 cash-settled awards on terms equivalent to the LTIP (Part I). These awards were deemed to be not capable of achieving their performance targets and consequently were deemed to have lapsed in accordance with IFRS 2 *Share Based Payment.*

In December 2012, the Group granted 150,786 cash-settled awards on terms equivalent to the rules of the Recruitment and Retention Plan. The awards are subject to continued employment and performance conditions linked to the achievement of annual performance targets with respect to the business unit to which the participant is aligned to. Each award, on vesting will be settled by way of a cash payment calculated based on the Group's closing share price on the dealing day before the settlement date. The operating profit targets for the year ended 28 February 2015 and 28 February 2014 were deemed not to have been achieved and consequently the outstanding options at point of testing with respect to these elements have lapsed.

In July 2013, the Group granted 28,279 cash-settled awards on terms equivalent to the rules of the Recruitment and Retention Plan but subject to time and service vesting conditions only.

In the current financial year, the Group granted 16,723 cash-settled awards on terms equivalent to the rules of the Recruitment and Retention Plan. The awards are subject to continued employment and performance conditions linked to the achievement of performance targets with respect to the business unit to which the participant is aligned to. The award will vest in May 2017 on the achievement of these conditions.

Notes forming part of the financial statements (continued)

Award valuation

The fair values assigned to the ESOS options granted were computed in accordance with a Black Scholes valuation methodology; the fair value of options awarded under the LTIP (Part I) and Recruitment and Retention Plan were computed in accordance with the stochastic model for the TSR element and the Black Scholes model for the EPS element; the fair value of options awarded under the LTIP (Part II) were computed in accordance with a Black Scholes model; and the fair value of the Interests awarded under the JSOP and the Restricted Share Award Plan were computed using a Monte Carlo simulation model.

As per IFRS 2 *Share-based Payment*, market based vesting conditions, such as the LTIP (Part I) and Recruitment and Retention Plan TSR condition and the share price target conditions in the JSOP and the Restricted Share Award Plan, have been taken into account in establishing the fair value of equity instruments granted. Non-market or performance related conditions were not taken into account in establishing the fair value of equity instruments granted, instead these non-market vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately the amount recognised for time and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest, unless the failure to vest is due to failure to meet a market condition.

The main assumptions used in the valuations for equity settled share based payment awards were as follows:-

	Recruitment & Retention Plan January 2015	LTIP (Part I) options granted June 2014	ESOS Options Granted June 2014	Recruitment & Retention Plan May 2014	Recruitment & Retention Plan May 2013	LTIP (Part I) Options Granted May 2013	ESOS options granted May 2013	Recruitment & Retention Plan May 2012	LTIP (Part I) Options Granted May 2012	ESOS options granted May 2012
Fair value at date of grant	€3.29	€2.53-€4.56	€1.01	€1.91-€4.19	€0.96	€2.07-€4.76	€1.647	€0.58-€0.59	€1.97-€3.24	€1.30
Exercise price	-	-	€4.62	-	-	-	€4.75	-	-	€3.525
Main assumptions used in determining the fair value at date of grant:										
Risk free interest rate	-	1.34%	1.93%	-	0.00%-0.06%	0.06%	0.36%	0.06%-0.14%	0.14%	0.46%
Expected volatility	-	24.2%	29.2%	-	23.8%	23.4%	47.0%	24.0%	30.2%	53.5%
Expected term until exercise	3 years	3 years	5 years	2-3 years	2-3 years	3 years	5 years	2-3 years	3 years	5 years
Dividend yield	2.94%	-	2.19%	2.31%	1.84%	-	1.84%	2.35%	-	2.35%

Expected volatility is calculated by reference to historic share price movements prior to the date of grant over a period of time commensurate with the expected term until exercise. The dividends which would be paid on a share reduces the fair value of an award since, in not owning the underlying shares, a recipient does not receive the dividend income on these shares. For LTIP (Part I) awards, the participants are entitled to receive dividends, and therefore the dividend yield has been set to zero to reflect this.

The main assumptions used in the valuations of cash-settled share based payment awards were as follows:-

	Granted May 2014	Granted July 2013	Granted December 2012	Granted May 2012	Granted January 2012
Fair value at date of grant	€4.04	€3.60	€4.24	€1.97-€3.24	€3.47
Exercise price	-	-	-	-	-
Main assumptions used in determining the fair value at date of grant:					
Expected term until exercise	3 years	3 years	3 years	3 years	3 years
Dividend yield	2.31%	2.27%	1.88%	2.35%	1.90%

Details of the share entitlements and share options granted under these schemes together with the share option expense are as follows:-

Grant date	Vesting period	Number of options/ equity Interests granted	Outstanding at 28 February 2015	Grant price €	Market value at date of Grant €	Fair value at date of grant €	Expense / (income) in Income statement 2015 €m	2014 €m
Executive Share Option Scheme (ESOS)								
13 May 2009	3 years	4,336,300	189,850	1.94	1.94	0.72	**-**	-
26 May 2010	3 years	803,900	374,600	3.21	3.21	1.21	**-**	-
21 July 2010	3 years	2,944,400	722,300	3.32	3.32	1.16	**-**	0.3
24 May 2011	3 years	658,930	-	3.61	3.61	1.56	**-**	(0.3)
17 May 2012	3 years	534,239	534,239	3.525	3.525	1.30	**(0.4)**	0.2
16 May 2013	3 years	115,629	115,629	4.75	4.76	1.647	**(0.1)**	0.1
27 June 2014	3 years	527,151	527,151	4.621	4.56	1.01	**0.1**	-
Long Term Incentive Plan (Part I)								
29 June 2011	3 years	192,662	-	-	3.53	2.18-3.34	**-**	(0.2)
29 February 2012	3 years	328,448	49,431	-	3.61	1.84-3.46	**0.1**	(0.2)
17 May 2012	3 years	614,360	563,310	-	3.525	1.97-3.24	**(0.9)**	0.5
16 May 2013	3 years	154,172	154,172	-	4.76	2.07-4.76	**(0.1)**	0.1
27 June 2014	3 years	539,894	539,894	-	4.56	2.53-4.56	**0.4**	-
Long Term Incentive Plan (Part II)								
18 May 2011	3 years	154,993	16,933	-	3.55	3.36	**0.1**	-
Joint Share Ownership Plan (JSOP)								
18 December 2008	1-3 years	12,800,000	5,973,334	1.15	1.315	0.16-0.21	**-**	-
03 June 2009	1-3 years	1,000,000	1,000,000	1.15	2.32	1.01-1.09	**-**	-
17 December 2009	1-3 years	2,200,000	250,000	2.47	2.76	0.11-0.16	**-**	-
Recruitment & Retention Plan								
31 August 2011	1-3 years	64,957	31,791	-	3.05	2.89-2.99	**-**	-
17 May 2012	2-3 years	1,036,255	186,308	-	3.525	0.58-0.59	**0.1**	0.2
16 May 2013	2-3 years	252,672	242,706	-	4.76	0.96	**0.1**	0.1
21 May 2014	1-3 years	823,233	719,109	-	4.34	1.91-4.19	**0.8**	-
14 January 2015	1-3 years	283,092	283,092	-	3.40	3.29	**-**	-
		30,365,287	**12,473,849**				**0.2**	0.8
Cash-settled awards								
30 January 2012	3 years	98,600	-	-	3.67	3.47	**-**	0.2
17 May 2012	3 years	114,522	-	-	3.525	1.97-3.24	**(0.3)**	0.2
21 December 2012	1-3 years	150,786	33,508	-	4.52	4.24	**-**	0.1
3 July 2013	3 years	28,279	28,279	-	3.85	3.60	**-**	-
21 May 2014	3 years	16,723	16,723	-	4.34	4.04	**-**	-
		408,910	**78,510**				**(0.3)**	0.5
Partnership and Matching Share Schemes			**436,910***				**0.1**	0.2

* includes both partnership and matching shares

Notes forming part of the financial statements (continued)

The amount charged to the income statement includes a credit of €1.5m (2014: €0.7m), being the reversal of previously expensed charges on equity settled option schemes which were deemed to have lapsed in the current financial year in accordance with IFRS 2 *Share Based Payment*.

The amount charged to the income statement includes an accelerated charge of €nil (2014: €0.1m), in relation to employees leaving the Group as part of a restructuring programme, for awards granted where the underlying conditions were deemed to have been met at the date of departure. These employees were deemed 'qualifying leavers' under the terms of the scheme, with all awards granted deemed to have vested and in the case of awards under the ESOS the exercise period reduced from 4 years to 6 months.

A summary of activity under the Group's equity settled share option schemes and JSOP together with the weighted average exercise price of the share options is as follows:-

	2015		2014	
	Number of options/ equity Interests	Weighted Average exercise price €	Number of options/ equity Interests	Weighted Average Exercise Price €
Outstanding at beginning of year	**11,362,284**	**1.34**	14,557,998	1.54
Granted	**2,173,370**	**1.12**	522,473	1.05
Exercised	**(436,742)**	**2.17**	(2,492,674)	2.44
Forfeited/lapsed	**(625,063)**	**0.10**	(1,225,513)	1.45
Outstanding at end of year	**12,473,849**	**1.33**	11,362,284	1.34

The aggregate number of share options/equity Interests exercisable at 28 February 2015 was 8,608,240 (2014: 8,836,084).

The unvested share options/equity Interests outstanding at 28 February 2015 have a weighted average vesting period outstanding of 1.5 years (2014: 1.4 years). The weighted average contractual life of vested and unvested share options/equity Interests is 2.1 years (2014:2.6 years).

The weighted average market share price at date of exercise of all share options/equity Interests exercised during the year was €4.35 (2014: €4.55); the average share price for the year was €4.12 (2014: €4.43); and the market share price as at 28 February 2015 was €3.861 (28 February 2014: €4.922).

5. EXCEPTIONAL ITEMS

	2015 Total €m	2014 Total €m
Operating costs		
Impairment of intangible assets	**150.0**	-
Restructuring costs (net of a defined benefit pension scheme curtailment gain)	**2.8**	6.1
Acquisition related expenditure	**3.7**	1.1
Revaluation/impairment of property, plant & equipment	**13.8**	-
Impairment of investment in equity accounted investee	**2.0**	-
Integration costs including write off of redundant legacy IT assets	**2.2**	5.6
Redeployment of bottling line	**-**	7.4
Profit on disposal of property, plant & equipment	**(0.8)**	-
Other	**(0.3)**	0.5
	173.4	20.7
Finance expense – impairment of derivative financial instruments re investment in equity accounted investee	**0.6**	-
Foreign currency reclassified on deemed disposal of equity accounted investee	**(0.1)**	-
Total loss before tax	**173.9**	20.7
Income tax credit	**(1.4)**	(2.9)
Total loss after tax	**172.5**	17.8

(a) 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. In the current financial year, as a result of such a review, the Group impaired the value of its intangible assets with respect to the US business by €150.0m as outlined in more detail in note 12.

(b) Restructuring costs
Restructuring costs of €2.8m comprising severance and other initiatives in the current financial year primarily relate to severance costs arising from a reorganisation programme in England & Wales. In the prior financial year restructuring costs following the acquisition and integration of M. & J. Gleeson (Investments) Limited ("Gleeson") and its subsidiaries with the Group's existing business and cost cutting initiatives undertaken at the Group's manufacturing facilities resulted in an exceptional charge before tax of €6.7m. This charge was reduced by a defined benefit pension scheme curtailment gain of €0.6m due to the reduction in headcount numbers and the reclassification of these employees from active to deferred members. A curtailment gain arises where the value of the pension benefit of a deferred member is less than that of an active member.

(c) Acquisition related expenditure
The Group completed the acquisition of Green Light Brands Ltd., Monuriki Drinks Ltd., and Monuriki Sales and Marketing Ltd., (collectively referred to as "Green Light Brands") during the current financial year, on 19 January 2015, for €3.2m. Green Light Brands was an external consultancy entity that provided sales and marketing services to the Group's Shepton Mallet Cider Mill Brands while Monuriki had provided similar support to the Group's International Wines and Spirits business. A decision was taken to bring these entities in-house as part of a rationalisation initiative of the Group's sales and marketing structure. Also during the current financial year, the Group incurred €0.5m of costs directly attributable to the preliminary approach of the Spirit Pub Group. In the prior financial year acquisition costs of €1.1m were incurred which were directly attributable to the acquisitions of Gleeson, Biofun and VHCC. These costs primarily related to professional fees directly incurred in relation to the completion of these acquisitions.

Notes forming part of the financial statements (continued)

(d) Revaluation of property, plant & equipment

Property (comprising land and buildings) and plant & machinery are valued at fair value on the balance sheet and reviewed for impairment on an annual basis. During the financial year, the Group engaged external valuers Shane O'Beirne, RICS (VRS) Registered Valuer, BSc (Surv) Dip AVEA MSCSI MRICS and Brian Gilson, BSc (Surv) MSCSI MRICS. FCI Arb – Lisney to value its freehold properties at the Group's Clonmel site; David Fawcett, FRICS, IRRV (Hons) RICS Registered Valuer – Sanderson Weatherall to value its plant & machinery at the Group's Clonmel site, and, Timothy Smith BSc MRICS RICS Registered Valuer and Joseph Funtek BSc MRICS Registered valuer – Gerald Eve LLP to value its freehold properties at the Shepton Mallet and Wellpark Brewery sites, Derek Elston FRCIS RICS Registered Valuer – Elston Sutton Industrial Appraisal Limited to value the plant & equipment at the Shepton Mallet and Wellpark Brewery sites and John Coto, Certified Machine & Equipment appraiser, Alliance Machinery & Equipment Appraisals to value the plant & machinery at the Group's Vermont site. Using the valuation methodologies as outlined in note 11, this resulted in a net revaluation loss of €10.5m accounted for in the income statement and a gain of €5.3 accounted for within other comprehensive income. Also during the year, in light of a material reduction in the utilisation levels of a bottling line located at the Group's cider manufacturing plant at Shepton Mallet, used to bottle both own branded and third party branded product, a decision was taken to impair the bottling line by €3.3m.

(e) Impairment of investment in equity accounted investee

During the current financial year, the Group impaired its investment in the Maclay Group plc as a result of the Maclay Group plc entering administration proceedings during the financial year. This resulted in the impairment in the Group's investment of €2.0m and the impairment of derivative financial instruments of €0.6m which were accounted for within finance expense.

(f) Integration costs including write-off of redundant legacy IT assets

During the current financial year, the Group incurred external consultancy fees and other costs of €2.2m directly attributable to the integration of Wallaces Express and Gleeson with the Group's existing businesses. During the prior financial year, the Group incurred costs associated with the integration of the acquired Gleeson and VHCC businesses with the Group's existing business. In addition, during the prior financial year, the Group wrote off redundant IT assets as a consequence of streamlining its IT system requirements following the acquisition and integration of both the Gleeson and VHCC businesses with the Group's existing business.

(g) Redeployment of bottling line

In the prior financial year, a bottling line was redeployed from the Group's Clonmel cider manufacturing plant to its Shepton Mallet cider manufacturing plant and costs of €6.6m were incurred in this regard. As a result of this deployment an existing PET line with a value of €0.8m in Shepton Mallet became redundant and was written off.

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

In the current financial year the Group disposed of land & buildings which were surplus to requirements realising a profit of €0.8m.

(i) Other

During the financial year ended 28 February 2009, the Group's stock holding of apple juice at circa 36 months of forecasted future sales was deemed excessive in light of anticipated future needs, forward purchase commitments and useful life of the stock on hand. Accordingly the Group recorded an impairment charge in relation to excess apple juice stocks. During the current financial year, some of the previously impaired juice stocks were recovered and used by the Group. As a result this stock was written back to operating profit at its recoverable value resulting in a gain of €0.3m (2014: €nil). During the prior financial year, the Group incurred costs of €0.8m in relation to upgrading its listing on the Official List of the UK Listing Authority from a standard listing to a premium listing. Also included within Other in the prior financial year was a release of €0.3m with respect to an excess exit provision following the expiration of an onerous lease which originally arose from the consolidation of the Group's Dublin offices in a previous financial year.

(j) Foreign currency reclassified on deemed disposal of equity accounted investee

On 18 March 2014, the Group announced the acquisition of the remaining 50% equity share capital of Wallaces Express Limited. Under IAS 28 *Investments in Associates and Joint Ventures*, this necessitated the deemed disposal of the Group's initial 50% investment which was classified as an equity accounted investee and the recognition of the acquisition of control of the business under IFRS 3 *Business Combinations*. The Group had recognised €0.15m in the foreign currency reserve which was recycled to the income statement in the current financial year following this deemed disposal.

6. FINANCE INCOME AND EXPENSE

	Before exceptional items €m	Exceptional items €m	2015 Total €m	2014 Total €m
Recognised in income statement				
Finance income:				
Interest income on bank deposits	**(0.2)**	**-**	**(0.2)**	-
Total finance income	**(0.2)**	**-**	**(0.2)**	-
Finance expense:				
Interest expense on interest bearing bank borrowings and related costs	**8.3**	**-**	**8.3**	10.0
Movement on derivative financial instruments	**(0.2)**	**0.6**	**0.4**	0.1
Unwinding of discount on provisions	**0.9**	**-**	**0.9**	0.9
Total finance expense	**9.0**	**0.6**	**9.6**	11.0
Net finance expense	**8.8**	**0.6**	**9.4**	11.0

	2015 €m	2014 €m
Recognised directly in other comprehensive income		
Foreign currency translation differences arising on the net investment in foreign operations	**76.4**	12.8
Foreign currency reserve recycled to income statement on deemed disposal of equity accounted investee	**(0.1)**	-
Foreign currency translation differences arising on foreign currency borrowings designated as net investment hedges	**(3.0)**	4.2
Fair value of foreign exchange cash flow hedges transferred to income statement	**-**	(1.4)
Deferred tax on cash flow hedges recognised directly in other comprehensive income	**-**	0.2
Net income recognised directly in other comprehensive income	**73.3**	15.8

Notes forming part of the financial statements (continued)

7. INCOME TAX

	2015 €m	2014 €m
(a) Analysis of charge in year recognised in the income statement		
Current tax:		
Irish corporation tax	**4.5**	3.5
Foreign corporation tax	**7.4**	7.1
Adjustment in respect of previous years	**(0.1)**	-
	11.8	10.6
Deferred tax:		
Irish	**2.8**	3.2
Foreign	**(1.1)**	(1.5)
Adjustment in respect of previous years	**(0.3)**	(0.1)
	1.4	1.6
Total income tax expense recognised in income statement	**13.2**	12.2
Relating to continuing operations		
- continuing operations before exceptional items	**14.6**	15.1
- continuing operations exceptional items	**(1.4)**	(2.9)
Total	**13.2**	12.2

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the Republic of Ireland, as explained below.

	2015 €m	2014 €m
(Loss)/profit before tax	**(67.8)**	95.5
Less Group's share of equity accounted investees' profit after tax	**-**	(0.5)
Adjusted (loss)/profit before tax	**(67.8)**	95.0
Tax at standard rate of corporation tax in the Republic of Ireland of 12.5%	**(8.5)**	11.9
Actual tax charge is affected by the following:		
Expenses not deductible for tax purposes	**1.4**	0.6
Adjustments in respect of prior years	**(0.4)**	(0.1)
Income taxed at rates other than the standard rate of tax	**(1.1)**	(0.5)
Other differences	**1.5**	0.3
Non-recognition of deferred tax assets	**1.5**	-
Impairment of intangible assets	**18.8**	-
Total income tax	**13.2**	12.2

(b) Deferred tax recognised directly in other comprehensive income

	2015 €m	2014 €m
Deferred tax arising on movement in defined benefit pension obligations	**(2.6)**	(0.7)
Deferred tax arising on revaluation of property, plant & equipment	**0.2**	-
Deferred tax arising on movement in derivatives designated as cash flow hedges	**-**	(0.2)
	(2.4)	(0.9)

(c) Factors that may affect future charges

Future income tax charges may be impacted by changes to the corporation tax rates and/or changes to corporation tax legislation in force in the jurisdictions in which the Group operates.

8. DIVIDENDS

	2015 €m	2014 €m
Dividends paid:		
Final: paid 5.7c per ordinary share in July 2014 (2014: 4.75c paid in July 2013)	**19.6**	16.3
Interim: paid 4.5c per ordinary share in December 2014 (2014: 4.3c paid in December 2013)	**15.5**	14.7
Total equity dividends	**35.1**	31.0
Settled as follows:		
Paid in cash	**29.5**	27.9
Accrued with respect to LTIP (Part I) dividend entitlements	**(0.1)**	0.1
Scrip dividend	**5.7**	3.0
	35.1	31.0

The Directors have proposed a final dividend of 7.0 cent per share (2014: 5.7 cent), to ordinary shareholders registered at the close of business on 22 May 2015, which is subject to shareholder approval at the Annual General Meeting, giving a proposed total dividend for the year of 11.5 cent per share (2014: 10.0 cent). Using the number of shares in issue at 28 February 2015 and excluding those shares for which it is assumed that the right to dividend will be waived, this would equate to a distribution of €23.6m (2014: €19.6m).

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 in or after 2012 and that vest under the LTIP (Part I) incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends during the vesting period. The current year charge for dividends of €35.1m is net of the release of an accrual of €0.1m with respect to LTIP (Part I) dividend entitlements which were accrued in previous years but for which the related LTIP (Part I) award was deemed to have lapsed in the current financial year and hence the related dividend entitlement lapsed. The prior year included a charge of €0.1million with respect to an accrual for LTIP (Part I) dividend entitlements.

Total dividends of 10.2 cent per ordinary share were recognised as a deduction from the retained income reserve in the year ended 28 February 2015 (2014: 9.05 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.

Notes forming part of the financial statements (continued)

9. EARNINGS PER ORDINARY SHARE

Denominator computations

	2015 Number '000	2014 Number '000
Number of shares at beginning of year	**346,840**	344,332
Shares issued in lieu of dividend	**1,381**	664
Shares issued in respect of options exercised	**326**	1,844
Number of shares at end of year	**348,547**	346,840
Weighted average number of ordinary shares (basic)*	**331,075**	337,154
Adjustment for the effect of conversion of options	**5,731**	6,011
Weighted average number of ordinary shares, including options (diluted)	**336,806**	343,165

* excludes 16.5m treasury shares (2014: 7.6m)

Profit attributable to ordinary shareholders

	2015 €m	2014 €m
Earnings as reported	**(81.0)**	83.3
Adjustment for exceptional items, net of tax (note 5)	**172.5**	17.8
Earnings as adjusted for exceptional items, net of tax	**91.5**	101.1
Basic earnings per share	Cent	Cent
Basic earnings per share	**(24.5)**	24.7
Adjusted basic earnings per share	**27.6**	30.0
Diluted earnings per share		
Diluted earnings per share	**(24.0)**	24.3
Adjusted diluted earnings per share	**27.2**	29.5

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and accounted for as treasury shares (at 28 February 2015: 16.5m shares; at 28 February 2014: 7.6m 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 (note 4)), which are performance-based are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time and continuous employment. In accordance with IAS 33 *Earnings per Share*, these contingently issuable shares are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the reporting period (2,164,448 at 28 February 2015 and 1,367,350 at 28 February 2014). 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.

10. BUSINESS COMBINATIONS

Acquisition of businesses

During the current financial year, on 18 March 2014, the Group announced the acquisition of the remaining 50% equity share capital of Wallaces Express Limited ("Wallaces Express"), a wholesaler of beverages in Scotland. This purchase follows the acquisition of a 50% stake in the business in March 2013.

The Group completed the acquisition of Green Light Brands Ltd., Monuriki Drinks Ltd., and Monuriki Sales and Marketing Ltd. (collectively referred to as "Green Light Brands") during the current financial year, on 19 January 2015, for €3.2m. Green Light Brands was an external consultancy entity that provided sales and marketing services to the Group's Shepton Mallet Cider Mill Brands while Monuriki had provided similar support to the Group's International Wines and Spirits business. A decision was taken bring these entities in-house as part of a rationalisation initiative of the Group's sales and marketing structure.

Also during the current financial year, the Group finalised its assessment of the fair value of assets and liabilities acquired as part of the acquisition of Biofun Produtos Biológicos do Fundão, Lda ("Biofun"), a producer and seller of fruit concentrates based in the district of Castelo Branco, Portugal, which the Group acquired on 2 August 2013.

In the prior financial year, the Group completed the acquisition of M. & J. Gleeson (Investments) Limited ("Gleeson") and its subsidiaries, a supplier and distributor of beverages in Ireland, on 7 March 2013.

The book values of the assets and liabilities acquired, from the transactions outlined above, together with the fair value adjustments made to those carrying values, were as follows:-

Wallaces Express	Initial value assigned €m	Adjustment to initial fair value €m	Revised fair Value €m
Property, plant & equipment	4.1	(0.7)	**3.4**
Brands & other intangible assets	0.3	0.9	**1.2**
Inventories	9.0	-	**9.0**
Trade & other receivables	9.4	(0.3)	**9.1**
Cash & cash equivalents	2.2	-	**2.2**
Trade & other payables	(8.1)	(0.6)	**(8.7)**
Corporation tax (liability)/asset	(0.1)	0.2	**0.1**
Deferred tax liability	-	(0.1)	**(0.1)**
Net identifiable assets and liabilities acquired	16.8	(0.6)	**16.2**
Goodwill arising on acquisition			**8.5**
			24.7
Satisfied by:			
Cash consideration (paid in current financial year)			**12.0**
Fair value of initial 50% investment at date of final acquisition			**12.7**
Total consideration			**24.7**
Net cash outflow arising on acquisition			
Cash consideration (paid in current financial year)			**12.0**
Less: cash & cash equivalents acquired			**(2.2)**
Net cash outflow			**9.8**

Notes forming part of the financial statements (continued)

Green Light Brands	Initial value assigned €m	Adjustment to initial fair value €m	Revised fair Value €m
Cash & cash equivalents	0.6	-	**0.6**
Trade & other receivables	0.1	-	**0.1**
Trade & other payables	(0.7)	-	**(0.7)**
Net identifiable assets and liabilities acquired	-	-	**-**
Cost of acquisition			**3.2**
Total consideration			**3.2**
Satisfied by:			
Cash consideration (accrued at 28 February 2015, paid post year end)			**3.2**
Less: cash & cash equivalents acquired			**(0.6)**
Net cash outflow			**2.6**

Biofun	Initial value assigned €m	Adjustment to initial fair value €m	Revised fair Value €m
Property, plant & equipment	5.6	(1.0)	**4.6**
Inventories	0.4	(0.2)	**0.2**
Trade & other receivables	1.8	(1.3)	**0.5**
Trade & other payables	(4.4)	(0.3)	**(4.7)**
Interest bearing loans & borrowings	(3.6)	-	**(3.6)**
Deferred tax liability	-	(0.2)	**(0.2)**
Net identifiable assets and liabilities acquired	(0.2)	(3.0)	**(3.2)**
Goodwill arising on acquisition			**3.3**
			0.1
Satisfied by:			
Cash consideration (paid in the prior financial year)			**0.1**
Total consideration			**0.1**

Gleeson – year ended 28 February 2014	Initial value assigned €m	Adjustment to initial fair value €m	Revised fair Value €m
Property, plant & equipment	49.1	(29.2)	**19.9**
Other intangible assets	-	1.8	**1.8**
Inventories	29.5	(3.9)	**25.6**
Trade & other receivables	35.8	(3.0)	**32.8**
Trade & other payables	(34.7)	(0.6)	**(35.3)**
Interest bearing loans & borrowings	(47.9)	-	**(47.9)**
Deferred tax (liability)/asset	(1.2)	2.1	**0.9**
Net identifiable assets and liabilities acquired	30.6	(32.8)	**(2.2)**
Goodwill arising on acquisition			**14.6**
			12.4
Satisfied by:			
Cash (paid in the prior financial year)			**8.0**
Deferred consideration (paid in current financial year)			**4.4**
Total consideration			**12.4**

Vermont Hard Cider Company Limited LLC ("VHCC")
The Group completed the acquisition of VHCC on 21 December 2012. In the prior year, a working capital settlement of €0.5m was paid with respect to this acquisition.

The post acquisition impact of acquisitions completed during the current financial year on Group Operating profit for the current financial year and the post acquisition impact of acquisitions completed during the prior financial year on Group Operating profit for that financial year were as follows:-

	2015 €m	2014 €m
Revenue	**96.1**	185.1
Excise duties	**(4.3)**	(42.0)
Net revenue	**91.8**	143.1
Operating costs	**(90.0)**	(137.8)
Operating profit	**1.8**	5.3
Income tax expense	**(0.5)**	(0.5)
Results from acquired businesses	**1.3**	4.8

The Group also incurred exceptional integration and restructuring costs as a result of the current year and prior year acquisitions as outlined in note 5.

The Wallaces Express business was acquired on 18 March 2014 and consequently the financial results for Wallaces Express consolidated into the Group's financial results for the year ended 28 February 2015 represent substantially all of that business' financial results for the full financial year. Green Light Brands, which the Group acquired on 19 January 2015, provided sales & marketing support to a subsidiary of the Group, and consequently the Group's financial results for the year ended 28 February 2015 would not be materially different had that entity been owned by the Group for the full financial year.

The Gleeson business was acquired on 7 March 2013 and consequently the financial results for Gleeson consolidated into the Group's financial results for the year ended 28 February 2014 represent that business' financial results for the full financial year. The Biofun business was acquired on 2 August 2013, all fruit concentrate produced by the acquired business is used internally, and consequently no external revenue or net revenue is generated. The business made a profit of €0.1m in the period since acquisition to 28 February 2014. The revenue, net revenue and operating profit of the Group for the financial year ended 28 February 2014 determined in accordance with IFRS as though the acquisitions effected during that year had been at the beginning of that year would therefore not have been materially different from that reported.

All intra group balances, transactions, income and expenses are eliminated on consolidation in accordance with IFRS 10 *Consolidated Financial Statements*.

Notes forming part of the financial statements (continued)

Acquisition of equity accounted investees
During the current financial year, the Group entered into a joint venture arrangement with Heather Ale Limited, run by the Williams brothers who are recognised as leading family craft brewers in Scotland, to form a new entity Drygate Brewing Company Limited. The joint venture, which is run independently of the joint venture partners existing businesses, operates a craft brewing and retail facility adjacent to Wellpark brewery. The total investment was €0.5m.

In the prior financial year, on 22 March 2013 the Group acquired 50% of the equity share capital of Wallaces Express for €11.8m. Acquisition costs of €0.2m were also incurred with respect to this transaction in the prior financial year.

The book value of the assets and liabilities acquired as part of the initial equity investment, together with the fair value adjustments made to those carrying values is as outlined below:-

Wallaces Express	Initial value assigned €m	Adjustment to initial fair value €m	Revised fair Value €m
Property, plant & equipment	3.7	-	**3.7**
Brands & other intangible assets	1.4	(1.1)	**0.3**
Inventories	10.8	-	**10.8**
Trade & other receivables – current	12.4	-	**12.4**
Cash & cash equivalents	3.0	-	**3.0**
Current tax asset/(liability)	0.3	(0.3)	**-**
Trade & other payables	(14.1)	(0.3)	**(14.4)**
Bank debt	(0.3)	-	**(0.3)**
Deferred tax liability	(0.1)	-	**(0.1)**
Net identifiable assets and liabilities on date of acquisition	17.1	(1.7)	**15.4**

The Group's share of net identifiable assets and liabilities on date of acquisition	**7.7**
Derivative financial asset arising on acquisition	**1.2**
Derivative financial liability arising on acquisition	**(1.2)**
Goodwill (classified within Equity accounted investees)	**4.1**
Total consideration paid	**11.8**
Acquisition costs paid	**0.2**
Equity accounted investees	**12.0**

Deemed disposal of equity accounted investee – initial investment in Wallaces Express Limited
On 18 March 2014, the Group announced the acquisition of the remaining 50% equity share capital of Wallaces Express. Under IAS 28 *Investments in Associates and Joint Ventures*, this necessitated the deemed disposal of the Group's initial 50% investment which was classified as an equity accounted investee and the recognition of the acquisition of control of the business under IFRS 3 *Business Combinations.*

The Group's share of profits recognised in the period from initial acquisition of the equity accounted investee, on 22 March 2013, to date of deemed disposal on 18 March 2014 was €0.6m. In addition, the Group had recognised €0.15m in the foreign currency reserve which was recycled to the income statement in the current period following this deemed disposal.

11. PROPERTY, PLANT & EQUIPMENT

	Freehold land & buildings €m	Plant & machinery €m	Motor Vehicles & other Equipment €m	Total €m
Group				
Cost or valuation				
At 1 March 2013	72.5	171.4	102.9	346.8
Translation adjustment	2.8	3.5	3.7	10.0
Additions	0.4	29.7	9.7	39.8
Disposals	-	(1.2)	(25.6)	(26.8)
Acquisition of business Gleeson	10.2	6.8	2.9	19.9
Acquisition of business Biofun	3.1	1.5	-	4.6
At 28 February 2014	89.0	211.7	93.6	394.3
Reclassification	**15.5**	**(13.3)**	**(2.2)**	**-**
Translation adjustment	**11.9**	**12.7**	**6.3**	**30.9**
Additions	**5.3**	**7.6**	**9.6**	**22.5**
Disposals	**(0.8)**	**(0.5)**	**(35.2)**	**(36.5)**
Revaluation/impairment of property, plant & machinery	**(1.7)**	**(6.8)**	**-**	**(8.5)**
Acquisition of business Wallaces Express	**2.0**	**-**	**1.4**	**3.4**
At 28 February 2015	**121.2**	**211.4**	**73.5**	**406.1**
Depreciation				
At 1 March 2013	8.5	93.4	61.3	163.2
Translation adjustment	0.3	1.6	2.1	4.0
Disposals	-	(0.4)	(15.2)	(15.6)
Charge for the year	1.4	11.8	10.6	23.8
At 28 February 2014	10.2	106.4	58.8	175.4
Reclassification	**0.4**	**-**	**(0.4)**	**-**
Translation adjustment	**0.8**	**5.2**	**4.3**	**10.3**
Disposals	**-**	**(0.3)**	**(22.8)**	**(23.1)**
Charge for the year	**1.5**	**11.4**	**11.7**	**24.6**
At 28 February 2015	**12.9**	**122.7**	**51.6**	**187.2**
Net book value				
At 28 February 2015	**108.3**	**88.7**	**21.9**	**218.9**
At 28 February 2014	78.8	105.3	34.8	218.9

No depreciation is charged on freehold land, which had a book value of €18.4m at 28 February 2015 (28 February 2014: €14.3m).

Notes forming part of the financial statements (continued)

Valuation of freehold land, buildings and plant & machinery

In the current financial year, the Group engaged the following external valuers to value the land & buildings and plant & machinery at the Group's facilities in Clonmel, Wellpark, Shepton Mallet, Wallaces Express and Vermont;

- Shane O'Beirne RICS Registered Valuer (VRS) BSc (Surv) Dip AVEA MSCSI MRICS and Brian Gilson RICS Registered Valuer (VRS) BSc MSCSI MRICS FCI Arb - Lisney to value the freehold property at the Clonmel site;
- David Fawcett, FRICS RICS Registered Valuer – Sanderson Weatherall to value the plant and machinery at the Clonmel site;
- Timothy Smith BSc MRICS RICS Registered Valuer and Joseph Funtek BSc MRICS RICS Registered Valuer – Gerald Eve LLP to value the freehold property at the Shepton Mallet and Wellpark Brewery sites;
- Derek Elston FRCIS RICS Registered Valuer - Elston Sutton Industrial Appraisal Limited to value the plant and equipment at the Shepton Mallet and Wellpark Brewery sites;
- John Coto, Certified Machine & Equipment appraiser, Alliance Machinery & Equipment Appraisals to value the plant & machinery at the Group's Vermont site; and
- Martin Clarkson, BSc MRICS, RICS Registered Valuer – Gerald Eve LLP to value the land and buildings acquired on acquisition of Wallaces Express.

The valuations were in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 edition and the International Valuation Standards.

The valuation of the land & buildings in Clonmel was on the basis of market value, defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' and was subject to the assumption that the property be sold as part of a continuing business. The valuers opinion of Fair Value of the Clonmel properties was primarily derived using comparable recent market transactions on an arm's-length basis. The Fair Value of land & buildings in Shepton Mallet and Wellpark Brewery were derived primarily based on the Depreciated Replacement Cost approach to valuation in light of the lack of comparative recent market transactions.

In view of the specialised nature of the Group's plant & machinery and the lack of comparable market evidence of similar plant being sold as a 'going concern', a Depreciated Replacement Cost approach was used to assess a Fair Value of the Group's plant & machinery. IAS16 *Property, Plant and Equipment* prescribes that where there is no market based evidence of Fair Value because of the specialist nature of the item of property, plant and equipment and the item is rarely sold, except as part of a continuing business, an entity may need to estimate Fair Value using an income or a Depreciated Replacement Cost approach to valuation.

The result of these external valuations, as at 28 February 2015, was a net increase in the value of land of €2.5m of which €2.7m was credited to the revaluation reserve with respect to an increase in the valuation of that element of the Group's land where there was no revaluation decrease previously recognised on the same asset and €0.2m was expensed to the income statement as there was no previously recognised gain in the revaluation reserve against which to offset. The value of buildings decreased by a net €4.2m as a result of this valuation with €2.6m being credited to the revaluation reserve with respect to an increase in the value of an element of the Group's buildings and which there was no revaluation decrease previously recognised on the same assets. This was offset by a reduction of €6.8m in the value of another element of the Group's buildings which was expensed to the income statement as there was no previously recognised gain in the revaluation reserve against which to offset. The value of plant & machinery was written down by a cumulative €3.5m which was expensed to the income statement as there was no previously recognised gain in the revaluation reserve against which to offset.

Also during the year, in light of a material reduction in the utilisation levels of a bottling line located at its cider manufacturing plant at Shepton Mallet used to bottle both own branded and third party branded product, a decision was taken to impair the bottling line by €3.3m.

On the acquisition of Wallaces Express the valuation of the land and buildings was on the basis of market value, defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' and was subject to the assumption that the property be sold as part of a continuing business. The valuers opinion of Fair Value of the Wallaces Express properties was primarily derived using comparable recent market transactions on an arm's-length basis. This revaluation gave rise to a reduction in the carrying value of the land and buildings of €0.7m on acquisition as outlined in note 10.

For all other freehold land, buildings and plant & machinery assets held by the Group an internal valuation was completed by the Directors as at 28 February 2015. As part of their valuation assessment, the Directors considered the following factors and their impact in determining year end valuation of the Group's property, plant & machinery:-

- Market fluctuations of land and industrial property prices since the date of the last external valuation,
- fluctuations driven by market commodity prices, of the gross replacement cost of property, plant & machinery,
- projected asset utilisation rates based on FY2016 budgeted/forecasted production volumes,
- changes to functional and physical obsolescence of plant & machinery beyond that which would normally be expected, and continued appropriateness of the assumed useful lives of property, plant & machinery.

Having considered the above variables, the Directors estimate that the changes arising from market fluctuations and anticipated utilisation rates would not result in a material change to the valuation of the carrying value of these items of property, plant & equipment and hence no adjustment to their carrying value was deemed necessary.

Valuation of freehold land, buildings and plant & machinery – February 2014
In the previous financial year, the Group engaged the following external valuers to value the land & buildings and plant & machinery acquired on acquisition of Gleeson and Biofun:

- Maria dos Anjos F.M. Ramos Engª Civil (I.S.T. – Portugal / Especialista em Avaliações – Ordem dos Engenheiros nº 16.174 (PhD) Doctora Ingª Caminos Canales y Puertos, UPV – Espanha Valuador Panamericana – UPAV – nº 323 Chartered Surveyor – FRICS (UK) to value the Portuguese property, plant & equipment.
- Frank Frisby supported by Mari G Frisby MSCSI MRICS - F.J. Frisby & Associates and Cearbhall Behan BSc A.SCSI - Behan, Irwin & Gosling to value its freehold properties acquired in the Republic of Ireland, and Don Meghen - Lisney, to value its plant & machinery acquired in the Republic of Ireland.

The valuations were in accordance with the requirements of the RICS Valuation Standards, seventh edition and the International Valuation Standards.

The valuation of both the Irish and Portuguese land & buildings and the Portuguese plant & machinery was on the basis of market value, defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' and was subject to the assumption that the property be sold as part of a continuing business.

In view of the specialised nature of the acquired Gleeson plant & machinery assets and the lack of comparable market evidence of similar plant being sold as a 'going concern', a Depreciated Replacement Cost approach was used to assess a Fair Value of the acquired plant & machinery. IAS16 *Property, Plant and Equipment* prescribes that where there is no market based evidence of Fair Value because of the specialist nature of the item of property, plant and equipment and the item is rarely sold, except as part of a continuing business, an entity may need to estimate Fair Value using an income or a Depreciated Replacement Cost approach to valuation.

The result of these valuations was a reduction of €30.2m to the book value of acquired property, plant & equipment.

Useful Lives
The following useful lives were attributed to the assets:-

Asset category	**Useful life**
Tanks	30 - 35 years
Process equipment	20 years
Bottling & packaging equipment	15 - 20 years
Process automation	10 years
Buildings	50 years

	Land €m	Buildings €m	Plant & machinery €m	Total €m
Cost or valuation				
Carrying value at 28 February 2015 post revaluation	18.4	89.9	88.7	197.0
Carrying value at 28 February 2015 pre revaluation	15.9	94.1	92.2	202.2
Gain/(loss) on revaluation	**2.5**	**(4.2)**	**(3.5)**	**(5.2)**
Classified within:				
Income statement	(0.2)	(6.8)	(3.5)	(10.5)
Other comprehensive income	2.7	2.6	-	5.3
Gain/(loss) on revaluation	**2.5**	**(4.2)**	**(3.5)**	**(5.2)**

Also during the year, in light of a material reduction in the utilisation levels of a bottling line located at its cider manufacturing plant at Shepton Mallet used to bottle both own branded and third party branded product, a decision was taken to impair the bottling line by €3.3m.

Notes forming part of the financial statements (continued)

Fair value hierarchy

The valuations of land & buildings and plant & machinery are derived using data from sources which are not widely available to the public and involve a degree of judgement. For these reasons, the valuations of the Group's land & buildings and plant & machinery are classified as 'Level 3' as defined by IFRS 13 *Fair Value Measurement*, and as illustrated below:

	Carrying amount €m	Quoted prices Level 1 €m	Significant observable Level 2 €m	Significant unobservable Level 3 €m
Recurring measurements				
Freehold land & buildings measured at market value	54.1	-	-	54.1
Freehold land & buildings measured at depreciated replacement cost	54.2	-	-	54.2
Plant & machinery	88.7	-	-	88.7
At 28 February 2015	**197.0**	**-**	**-**	**197.0**

Measurement techniques

The Group used the following techniques to determine the fair value measurements categorised in Level 3:

- Land & buildings in Ireland, US, Wallaces Express and Portugal and plant & machinery located in Portugal are valued using a market value approach. The market value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- Land & buildings located in the UK excluding Wallaces Express and plant & machinery in the Group, excluding that located in Portugal, have been valued using the depreciated replacement cost approach. Depreciated replacement cost is assessed, firstly, by the identification of the gross replacement cost for each class of asset at each of the Group's plants. A depreciation factor derived from both the physical and functional obsolescence of each class of asset, taking into account estimated residual values at the end of the life of each class of asset, is then applied to the gross replacement cost to determine the net replacement cost. An economic obsolescence factor, which is derived based on current and anticipated capacity or utilisation of each plant and machinery asset, at each of the Group's plants, as a function of total available production capacity, is applied to determine the depreciated replacement cost.

Unobservable inputs

The significant unobservable inputs used in the depreciated cost measurement of Land & buildings and Plant & machinery are as follows:-

Gross replacement cost adjustment	Increase in gross replacement cost of plant and machinery of 1% (2014: 3%), based on discussions with valuers
Economic obsolescence adjustment factor	Economic obsolescence, considered on an asset by asset basis, for each plant, ranging from 0% to 100% (2014: 0% to 100%)
Physical and functional obsolescence adjustment factor	Adjustment for changes to physical and functional obsolescence - nil (2014: nil)

The market value of land and buildings located in Ireland, the US, Wallaces Express and Portugal is assessed based on a combination of market data and transactions of similar properties in similar locations, where relevant.

The carrying value of plant & machinery in the Group (excluding that located in Portugal), which is valued on the depreciated replacement costs basis, would increase/(decrease) by €1.6m if the economic obsolescence adjustment factor was increased/(decreased) by 5%. If the gross replacement cost was increased/(decreased) by 5% the carrying value of the Group's plant & machinery (excluding that located in Portugal) would increase/(decrease) by €3.9m.

The carrying value of freehold land & buildings located in the UK, excluding Wallaces Express, which is valued on the depreciated replacement cost basis, would increase/(decrease) by €2.4m if the economic obsolescence adjustment factor was increased/(decreased) by 5%. The estimated carrying value of the same land & buildings located in the UK would increase/(decrease) by €2.7m if the gross replacement cost was increased/(decreased) by 5%.

The carrying value of freehold land & buildings located in Ireland, the US, Wallaces Express and Portugal would increase/(decrease) by €2.4m if the comparable open market value increased/(decreased) by 5%.

Company
The Company has no property, plant & equipment.

12. GOODWILL & INTANGIBLE ASSETS

	Goodwill €m	Brands €m	Other Intangible Assets €m	Total €m
Cost				
At 1 March 2013	442.4	263.4	1.7	707.5
Translation adjustment	(0.9)	(1.8)	-	(2.7)
Acquisition of Gleeson (note 10)	14.6	-	1.8	16.4
Acquisition of Biofun (note 10)	1.2	-	-	1.2
At 28 February 2014	457.3	261.6	3.5	722.4
Translation adjustment	**19.2**	**49.3**	**0.3**	**68.8**
Acquisition of Wallaces Express (note 10)	**8.5**	**-**	**1.2**	**9.7**
Acquisition of Biofun (note 10)	**2.1**	**-**	**-**	**2.1**
At 28 February 2015	**487.1**	**310.9**	**5.0**	**803.0**
Amortisation and impairment				
At 1 March 2013	-	-	0.3	0.3
Amortisation charge for the year	-	-	0.2	0.2
At 28 February 2014	-	-	0.5	0.5
Amortisation charge for the year	-	-	**0.3**	**0.3**
Impairment charge for the year	**76.2**	**73.8**	**-**	**150.0**
At 28 February 2015	**76.2**	**73.8**	**0.8**	**150.8**
Net book value				
At 28 February 2015	**410.9**	**237.1**	**4.2**	**652.2**
At 28 February 2014	457.3	261.6	3.0	721.9

Notes forming part of the financial statements (continued)

Goodwill

Goodwill has been attributed to reporting segments (as identified under IFRS 8 *Operating Segments*) as follows:-

	Ireland €m	Scotland €m	C&C Brands €m	North America €m	Export €m	Total €m
Cost						
At 1 March 2013	139.9	41.2	174.4	74.2	12.7	442.4
Translation adjustment	-	1.1	0.6	(2.6)	-	(0.9)
Acquisition of Gleeson	14.6	-	-	-	-	14.6
Acquisition of Biofun	-	-	-	-	1.2	1.2
At 28 February 2014	154.5	42.3	175.0	71.6	13.9	457.3
Translation adjustment	**-**	**3.8**	**1.6**	**13.8**	**-**	**19.2**
Acquisition of Wallaces Express	**-**	**8.5**	**-**	**-**	**-**	**8.5**
Acquisition of Biofun	**-**	**-**	**-**	**-**	**2.1**	**2.1**
Impairment of goodwill	**-**	**-**	**-**	**(76.2)**	**-**	**(76.2)**
At 28 February 2015	**154.5**	**54.6**	**176.6**	**9.2**	**16.0**	**410.9**

Goodwill consists both of goodwill capitalised under Irish GAAP which at the transition date to IFRS was treated as deemed cost and goodwill that arose on the acquisition of businesses since that date which was capitalised at cost and subsequently at fair value and represents the synergies arising from cost savings and the opportunity to utilise the extended distribution network of the Group to leverage the marketing of acquired products.

In line with IAS 36 *Impairment of Assets*, goodwill is allocated to each operating segment (which may comprise more than one cash generating unit) which is expected to benefit from the combination synergies. These operating segments represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

All goodwill is regarded as having an indefinite life and is not subject to amortisation under IFRS but is subject to an annual impairment assessment.

Brands

Brands have been attributed to reporting segments (as identified under IFRS 8 *Operating Segments*) as follows:-

	Scotland €m	C&C Brands €m	North America €m	Total €m
At 1 March 2013	73.9	12.3	177.2	263.4
Translation adjustment	4.1	0.7	(6.6)	(1.8)
At 28 February 2014	78.0	13.0	170.6	261.6
Translation adjustment	**10.1**	**1.7**	**37.5**	**49.3**
Impairment of brands	**-**	**-**	**(73.8)**	**(73.8)**
At 28 February 2015	**88.1**	**14.7**	**134.3**	**237.1**

Capitalised brands include the Tennent's beer brands and the Gaymers cider brands acquired during the financial year ended 28 February 2010, the Hornsby's cider brand acquired during the year ended 29 February 2012 and the VHCC cider brands and Waverley wine brands acquired during the financial year ended 28 February 2013.

During the prior financial year, the Group disposed of two high strength cider brands, Diamond White and White Star, for a nominal amount. These brands were originally acquired as part of the Gaymers cider business during the financial year ended 28 February 2010, no value was assigned to these brands on acquisition.

The Tennent's, Gaymers and VHCC brands were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 (2004) *Business Combinations* by independent professional valuers. The Hornsby's cider brand and Waverley wine brands were valued at cost.

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

No intangible assets were acquired by way of government grant, there is no title restriction on any of the capitalised intangible assets and no intangible assets are pledged as security. There are no contractual commitments in relation to the acquisition of intangible assets at year end.

Other intangible assets
Other intangible assets have been attributed to reporting segments (as identified under IFRS 8 *Operating Segments*) as follows:-

	Ireland €m	Scotland €m	Total €m
Cost			
At 1 March 2013	0.2	1.5	1.7
Acquisition of Gleeson	1.8	-	1.8
At 28 February 2014	2.0	1.5	3.5
Translation adjustment	**-**	**0.3**	**0.3**
Acquisition of Wallaces Express	**-**	**1.2**	**1.2**
At 28 February 2015	**2.0**	**3.0**	**5.0**
Amortisation			
At 1 March 2013	-	0.3	0.3
Charge for the year	0.1	0.1	0.2
At 28 February 2014	0.1	0.4	0.5
Charge for the year	**0.1**	**0.2**	**0.3**
At 28 February 2015	**0.2**	**0.6**	**0.8**
Net book value			
At 28 February 2015	**1.8**	**2.4**	**4.2**
At 28 February 2014	1.9	1.1	3.0

Other intangible assets comprise the fair value of trade relationships acquired as part of the acquisition of Wallaces Express during the current financial year, the Gleeson trade relationships acquired during the prior financial year and 20 year distribution rights for third party beer products acquired as part of the acquisition of the Tennent's business during the financial year ended 28 February 2010. These were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 (2004) *Business Combinations* by independent professional valuers. The intangible assets have a finite life and are subject to amortisation on a straight line basis. The amortisation charge for the year ended 28 February 2015 with respect to intangible assets was €0.3m (2014: €0.2m).

Notes forming part of the financial statements (continued)

Impairment testing

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 comparing the carrying value of the assets with their recoverable amount using value-in-use computations. Impairment testing is performed annually or more frequently if there is an indication that the carrying amount may not be recoverable. Where the value in use exceeds the carrying value of the asset, the asset is not impaired.

As permitted by IAS 36 *Impairment of Assets*, the value of the Group's intangible assets (goodwill and brands) has been allocated to groups of cash generating units (referred to in this note as a business segment), which are not larger than an operating segment determined in accordance with IFRS 8 *Operating Segments*. These business segments represent the lowest levels within the Group at which the associated goodwill and indefinite life brands are monitored for management purposes.

The recoverable amount is calculated in respect of each business segment using value-in-use computations based on estimated future cash flows discounted to present value using a discount rate appropriate to each cash generating unit and terminal values calculated on the assumption that cash flows continue in perpetuity.

The key assumptions used in the value-in-use computations are:-

- Expected volume, net revenue and operating profit growth rates - cash flows for each business segment are based on detailed financial budgets and plans, formally approved by the Board, for years one to three; these cash flows are extrapolated out for years four and five;
- Long term growth rate - cash flows after the first five years were extrapolated using a long term growth rate, on the assumption that cash flows for the first five years will increase at a nominal growth rate in perpetuity,
- Discount rate.

The key assumptions were based on management assessment of anticipated market conditions for each business segment. A terminal growth rate of between 2.0%-2.5% (2014: 2.5%-3.0%) in perpetuity was assumed based on an assessment of the likely long term growth prospects for the sectors and geographies in which the Group operates. The resulting cash flows were discounted to present value using a range of discount rates between 8%-10% (2014: 8%-10%); these rates are in line with the Group's estimated pre-tax weighted average cost of capital for the three main geographies in which the Group operates (Ireland, Great Britain and North America), arrived at using the Capital Asset Pricing Model.

In formulating the budget and three year plan the Group takes into account historical experience, an appreciation of its core strengths and weaknesses in the markets in which it operates and external factors such as macro economic factors, inflation expectations by geography, regulation and expected changes in regulation (such as expected changes to duty rates and minimum pricing), market growth rates, sales price trend, competitor activity, market share targets and strategic plans and initiatives.

The Group has performed the detailed impairment testing calculations by business segment with the following discount rates being applied:

Market	Discount rate 2015	Discount rate 2014	Terminal growth Rate 2015	Terminal growth Rate 2014
Ireland	**8.1% - 9.8%**	8.1% - 9.8%	**2.5%**	2.5%
Scotland	**7.6% - 8.1%**	7.6% - 8.1%	**2.5%**	2.5%
C&C Brands	**8.1%**	8.1%	**2.5%**	2.5%
North America	**7.6%**	7.6%	**2.0%**	3.0%
Export	**7.6%**	7.6%	**2.5%**	2.5%

The impairment testing carried out during the year led to an impairment charge of €150.0m (2014: €nil) to the North American business segment. This impairment charge has resulted in a write-down of the carrying value of the brands of €73.8m and goodwill of €76.2m. Competitive intensity increased markedly in the US market during the current financial year, with new entrants from global and domestic brewers and a growing craft cider movement. As a consequence the Group's share of the category has come under pressure and this has led to the rebasing of the Group's profit expectations, and terminal growth rate for the US business which has resulted in the impairment charge in the current financial year. All other segments had sufficient headroom.

Sensitivity analysis

The impairment testing carried out at 28 February 2015 identified headroom in the recoverable amount of the brands and goodwill compared to their carrying values in all business segments excluding North America. The testing identified an impairment charge in North America of €150.0m. The carrying value of the North America segment is the Directors' estimate of its recoverable amount after the impairment charge. Any variation to the input assumptions would result in a further impairment charge.

The key sensitivities for the impairment testing are net revenue and operating profit growth assumptions, discount rates applied to the resulting cashflows and the expected long term growth rates. The impairment testing carried out at 28 February 2015 identified headroom in the recoverable amount of the brands and goodwill compared to their carrying values in all business segments.

The value in use calculations indicate significant headroom in respect of the Ireland and Scotland operating segments. In the case of C&C Brands, the level of headroom, while significantly less than the headroom in the Ireland and Scotland operating segments, is in excess of €50.0m. No reasonable movement in any of the underlying assumptions would result in an impairment in the Ireland, Scotland, C&C Brands or Export business segments.

13. EQUITY ACCOUNTED INVESTEES/ FINANCIAL ASSETS

(a) Investment in equity accounted investees - Group

	Drygate Brewing Company Limited	Wallaces Express Limited	Maclay Group plc	Thistle Pub Company	Total
	€m	€m	€m	€m	€m
Investment in equity accounted investees					
Carrying amount at 1 March 2013	-	-	1.9	0.5	2.4
Purchase price paid	-	11.8	-	-	11.8
Less derivative financial asset	-	(1.2)	-	-	(1.2)
Add derivative financial liability	-	1.2	-	-	1.2
Acquisition costs paid	-	0.2	-	-	0.2
Share of profit/(loss) after tax	-	0.6	-	(0.1)	0.5
Translation adjustment	-	-	0.1	-	0.1
Carrying amount at 28 February 2014	-	12.6	2.0	0.4	15.0
Purchase price paid	**0.5**	**-**	**-**	**-**	**0.5**
Deemed disposal	**-**	**(12.7)**	**-**	**-**	**(12.7)**
Impairment	**-**	**-**	**(2.0)**	**-**	**(2.0)**
Share of profit/(loss) after tax	**(0.1)**	**-**	**-**	**-**	**(0.1)**
Translation adjustment	**-**	**0.1**	**-**	**0.1**	**0.2**
Carrying amount at 28 February 2015	**0.4**	**-**	**-**	**0.5**	**0.9**

Drygate Brewing Company Limited
During the year, the Group entered into a joint venture arrangement with Heather Ale Limited, run by the Williams brothers who are recognised as leading family craft brewers in Scotland, to form a new entity Drygate Brewing Company Limited. The joint venture, which is run independently of the joint venture partners existing businesses, operates a craft brewing and retail facility adjacent to Wellpark brewery. The total investment was €0.5m. The financial result for the year attributable to the Group was a loss of €0.1m.

Wallaces Express Limited
On 22 March 2013, the Group acquired 50% of the equity share capital of Wallaces Express Limited ("Wallaces Express"), Scotland's largest wines and spirits wholesaler, for €11.8m (£10.0m). Acquisition costs of €0.2m were also incurred in respect of the transaction.

Under the terms of this agreement, the Group entered into a call option arrangement enabling it to serve notice on Wallaces Express shareholders to acquire the remaining 50% of Wallaces Express at a predetermined price on 20 March 2015 or earlier at the Group's option in the event of a breach of warranty by the Seller; and a put option granting Wallaces Express' shareholders the right to serve notice on the Group to acquire the remaining 50% during the period January 2015 to March 2015 or earlier at the Sellers option in the event of a change of control, listing or insolvency of the buying company. The related derivative financial asset was valued at €1.2m while the related derivative financial liability was valued at €1.2m at 28 February 2014.

Notes forming part of the financial statements (continued)

Deemed disposal of equity accounted investee – initial investment in Wallaces Express Limited
On 18 March 2014, the Group announced the acquisition of the remaining 50% equity share capital of Wallaces Express. Under IAS 28 *Investments in Associates and Joint Ventures,* this necessitated the deemed disposal of the Group's initial 50% investment which was classified as an equity accounted investee and the recognition of the acquisition of control of the business under IFRS 3 *Business Combinations.*

The Group's share of profits from initial acquisition of the equity accounted investee, on 22 March 2013, to date of deemed disposal on 22 March 2014 was €0.6m. In addition, the Group had recognised €0.15m in the foreign currency reserve which was recycled to the income statement in the current year following this deemed disposal.

Maclay Group plc
On 21 March 2012, the Group acquired a 25% equity investment in Maclay Group plc. The total cost of the investment was £2.1m (€2.5m euro equivalent at date of investment) of which £1.6m related to the value of the investment. Also included in the initial cost was a contracted derivative financial asset valued at £1.3m and a contracted derivative financial liability valued at £0.8m. The derivative financial asset related to a put option granted to the Group enabling it to sell its equity stake back to Maclay Group plc at a predetermined price at any time after the fifteenth anniversary of the acquisition, while the derivative financial liability related to the granting of a call option to Maclay Group plc enabling it to buy back the Group's equity interest at a predetermined price at any time in the first fifteen years after the acquisition date. The Maclay Group plc went into administration during the current financial year and accordingly the Group has fully impaired its investment and related derivative financial instruments in this entity as at 28 February 2015. The financial result for the year attributable to the Group was less than €0.1m (2014: less than €0.1m).

Thistle Pub Company Limited
On 28 November 2012, the Group invested £0.3m (€0.4m euro equivalent at date of payment) in a joint venture with Maclay Group plc in Thistle Pub Company Limited. As part of the joint venture agreement, the Group granted Thistle Pub Company Limited and the Maclay Group plc a call option enabling either of them to purchase the Group's share of the equity at a fixed price at any time in the first 15 years after the date the joint venture was formed. This call option has been valued at the acquisition date and resulted in the recognition of a £0.2m (€0.2m) financial liability. The movement in fair value of this derivative to 28 February 2015 was less than €0.1m (2014: less than €0.1m).

The joint venture purchased three public houses in the prior financial year and one public house in the current financial year. It now owns five public houses in total; all five public houses owned by the joint venture had opened and commenced trading as at 28 February 2015.

Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the equity. Unrealised gains arising from the Group's trading relationship with equity accounted investees as at the year end date was less than €0.1m (2014: less than €0.1m). Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment in the Group's interest in the entity.

Other
The Group also has an equity investment in Shanter Inns Limited, Beck & Scott (Services) Limited (Northern Ireland) and The Irish Brewing Company Limited (Ireland). The value of these investments is less than €0.1m in the current and prior financial year.

(b) Investment in subsidiary undertakings - Company

	2015 €m	2014 €m
Equity investment in subsidiary undertakings at cost		
At beginning of year	**977.9**	977.1
Capital contribution in respect of share options granted to employees of subsidiary undertakings	**0.2**	0.8
At end of year	**978.1**	977.9

The total expense of €0.2m (2014: €0.8m) attributable to equity settled awards granted to employees of subsidiary undertakings has been included as a capital contribution in financial assets.

In the opinion of the Directors, the shares in the subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet. Details of subsidiary undertakings are set out in note 27.

14. INVENTORIES

	2015 €m	2014 €m
Group		
Raw materials & consumables	**40.6**	31.6
Finished goods & goods for resale	**52.9**	40.6
Total inventories at lower of cost and net realisable value	**93.5**	72.2

Inventory write-down recognised as an expense within operating costs amounted to €4.3m (2014: €1.2m). The level of inventory write-down in the current financial year is impacted by the write-off of inventory in Australia following a change of the Group's distributor and the write-off of packaging stocks in VHCC. The inventory write-down in the prior financial year was primarily as a result of the write-off of inventory work in progress ('WIP') and packaging stocks following the transfer of production of the Hornsby's brand to the Vermont cidery, and the discontinuation of some flavoured Hornsby's ciders on integrating the VHCC business with the Group's existing US business. Previously impaired inventory recovered during the financial year and recognised as exceptional income (note 5) amounted to €0.3m (2014: €nil).

15. TRADE & OTHER RECEIVABLES

	Group		Company	
	2015 €m	2014 €m	2015 €m	2014 €m
Amounts falling due within one year:				
Trade receivables	**122.4**	118.8	**-**	-
Advances to customers	**8.5**	8.4	**-**	-
Prepayments and other receivables	**17.3**	12.4	**0.1**	-
	148.2	139.6	**0.1**	-
Amounts falling due after one year:				
Advances to customers	**46.2**	40.9	**-**	-
Amounts due from Group undertakings	**-**	-	**239.0**	50.5
Prepayments and other receivables	**-**	-	**2.0**	-
	46.2	40.9	**241.0**	50.5
Total	**194.4**	180.5	**241.1**	50.5

The aged analysis of trade receivables and advances to customers analysed between amounts that were neither past due nor impaired and amounts past due at 28 February 2015 and 28 February 2014 were as follows:-

	Gross 2015 €m	Impairment 2015 €m	Gross 2014 €m	Impairment 2014 €m
Group				
Neither past due nor impaired	**158.8**	**-**	141.9	-
Past due				
Past due 0-30 days	**10.8**	**(1.1)**	12.0	(0.8)
Past due 31-120 days	**7.0**	**(2.8)**	16.3	(1.3)
Past due 121-365 days	**8.0**	**(4.3)**	4.9	(4.9)
Past due more than one year	**5.1**	**(4.4)**	1.5	(1.5)
Total	**189.7**	**(12.6)**	176.6	(8.5)

Notes forming part of the financial statements (continued)

All trade & other receivables and advances to customers are monitored on an on-going basis for evidence of impairment and assessments are undertaken for individual accounts. A provision for impairment is created where the Group expects it may not be able to collect all amounts due in accordance with the original terms of the agreement with the customer. Balances included in the impairment provision are generally written off when there is no expectation of recovery.

Trade receivables are on average receivable within 47 days (2014: 47 days) of the balance sheet date, are unsecured and are not interest-bearing. An impairment provision is created in relation to advances to customers considered receivable in a period outside that originally contracted. The movement in the allowance for impairment in respect of trade receivables and advances to customers during the year was as follows:-

	2015	2014
	€m	€m
Group		
At beginning of year	**8.5**	6.3
Recovered during the year	**(0.8)**	(0.5)
Provided during the year	**4.1**	4.0
Written off during the year	**(0.3)**	(1.7)
Translation adjustment	**1.1**	0.4
At end of year	**12.6**	8.5

16. TRADE & OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	€m	€m	€m	€m
Trade payables	**73.5**	74.5	**-**	-
Payroll taxes & social security	**3.3**	3.0	**-**	-
VAT	**11.3**	8.7	**-**	-
Excise duty	**17.1**	17.4	**-**	-
Deferred consideration re acquisition of business	**3.2**	4.4	**-**	-
Accruals	**67.7**	63.3	**0.4**	0.9
Amounts due to Group undertakings	**-**	-	**163.0**	129.2
Total	**176.1**	171.3	**163.4**	130.1

The Group's exposure to currency and liquidity risk related to trade & other payables is disclosed in note 22.

Company

The Company has entered into financial guarantee contracts to guarantee the indebtedness of the liabilities of certain of its subsidiary undertakings. As at 28 February 2015, the Directors consider these to be in the nature of insurance contracts and do not consider it probable that the Company will have to make a payment under these guarantees and as such discloses them as a contingent liability as detailed in note 25.

17. PROVISIONS

	Restructuring 2015 €m	Onerous lease 2015 €m	Other 2015 €m	Total 2015 €m	Total 2014 €m
At beginning of year	**1.2**	**10.1**	**0.2**	**11.5**	12.2
Translation adjustment	**0.2**	**1.1**	**-**	**1.3**	0.6
Charged during the year	**2.8**	**-**	**-**	**2.8**	6.7
Released during the year	**-**	**-**	**-**	**-**	(0.9)
Unwind of discount on provisions	**-**	**0.9**	**-**	**0.9**	0.9
Utilised during the year	**(2.2)**	**(2.1)**	**-**	**(4.3)**	(8.0)
At end of year	**2.0**	**10.0**	**0.2**	**12.2**	11.5
Current				**3.8**	2.7
Non-current				**8.4**	8.8
				12.2	11.5

Restructuring
The closing restructuring provision and current year charge primarily relate to severance costs arising from a reorganisation programme in England & Wales. The prior year closing restructuring provision and the amount utilised in the current financial year primarily relate to the Group's reorganisation programme in Ireland following the prior year acquisition of Gleeson. The provision is expected to be fully utilised in the next financial year.

Onerous leases
The onerous lease provision relates to two onerous leases in relation to warehousing facilities acquired as part of the acquisition of the Gaymers cider business in 2010. These onerous leases expire in 2017 and 2026 respectively. The Group also had an onerous lease, which expired during the prior financial year, in relation to the consolidation of the Group's Dublin offices into a single location in 2009. This resulted in a release of €0.3m to the income statement in the prior financial year (note 5).

Other
Other provisions relate to a provision for the Group's exposure to employee and third party insurance claims. Under the terms of employer and public liability insurance policies, the Group bears a portion of the cost of each claim up to the specified excess. The provision is calculated based on the expected portion of settlement costs to be borne by the Group in respect of specific claims arising before the balance sheet date.

Notes forming part of the financial statements (continued)

18. INTEREST BEARING LOANS & BORROWINGS

Group

	2015 €m	2014 €m
Non-current liabilities		
Unsecured bank loans repayable by one repayment on maturity	**339.7**	307.9
Current liabilities		
Unsecured bank loans	**-**	0.1
Total borrowings	**339.7**	308.0

Unamortised issue costs are netted against outstanding non-current bank loans and are being amortised to the income statement over the remaining life of the Group's multi-currency facility. The value of unamortised issue costs at 28 February 2015 was €3.1m (2014: €1.7m)

Terms and debt repayment schedule

	Currency	Nominal rates of Interest	Year of maturity	2015 Carrying value €m	2014 Carrying value €m
Unsecured bank loans repayable by one repayment on maturity	Multi	Euribor/Libor + 1.20%	2019	**342.8**	-
Unsecured bank loans repayable by one repayment on maturity	Multi	Euribor/Libor + 1.70%	2017	**-**	309.6
Unsecured bank loans repayable in FY2015	Euro	Euribor + 8.52%	2014	**-**	0.1
				342.8	309.7

Borrowing facilities

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

In December 2014, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility with seven banks, namely Bank of Ireland, Bank of Scotland, Barclays Bank, Danske Bank, HSBC, Rabobank, and Ulster Bank, repayable in a single instalment on 22 December 2019. The facility agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €150m, subject to agreeing the terms and conditions with the lenders. Consequently the Group is permitted under the terms of the agreement, to have debt capacity of €700m of which €342.8m was drawn at 28 February 2015 (2014: €309.6m was drawn under the Group's 2012 multi-currency facility). This 5 year multi-currency facility replaces the Group's previous multi-currency facility which was negotiated in February 2012 and which was due to mature in February 2017. Balances outstanding under the 2012 facility were deemed to have been repaid as part of the December 2014 refinancing with amounts simultaneously re-drawn under the amended facility.

Under the terms of the agreement, the Group must pay a commitment fee based on 40% of the applicable margin on undrawn committed amounts and variable interest on drawn amounts based on variable Euribor/Libor interest rates plus a margin, the level of which is dependent on the net debt:EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, two, three or six months.

All non-current bank loans are guaranteed by a number of the Group's subsidiary undertakings. The facility agreement allows the early repayment of debt without incurring additional charges or penalties. All non current bank loans are repayable in full on change of control of the Group.

The Group's multi-currency debt facility incorporates two financial covenants:

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half year date will not be less than 3.5:1
- Net debt/EBITDA: The ratio of net debt on each half year date to EBITDA for a period of 12 months ending on a half year date will not exceed 3.5:1

The Group complied with both covenants throughout the current and prior financial year.

Further information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in note 22.

Debt on acquisition
During the prior financial year, the Group acquired debt of €3.6m on the acquisition of Biofun, of which €3.5m was repaid during the prior financial year with the remaining outstanding debt as at 28 February 2014 of €0.1m classified within current liabilities. This outstanding debt was fully repaid and cancelled on 21 March 2014.

19. ANALYSIS OF NET DEBT

	1 March 2014 €m	Translation adjustment €m	Debt arising on acquisition €m	Cash flow €m	Non-cash changes €m	28 February 2015 €m
Group						
Interest bearing loans & borrowings	**308.0**	**34.9**	**-**	**(3.8)**	**0.6**	**339.7**
Cash & cash equivalents	**(162.8)**	**(13.2)**	**-**	**(5.9)**	**-**	**(181.9)**
	145.2	**21.7**	**-**	**(9.7)**	**0.6**	**157.8**

	1 March 2013 €m	Translation adjustment €m	Debt arising on acquisition €m	Cash flow €m	Non-cash changes €m	28 February 2014 €m
Group						
Interest bearing loans & borrowings	244.4	(7.3)	51.5	18.9	0.5	308.0
Cash & cash equivalents	(121.0)	(3.6)	-	(38.2)	-	(162.8)
	123.4	(10.9)	51.5	(19.3)	0.5	145.2

The non-cash change to the Group's interest bearing loans and borrowings relate to the amortisation of issue costs of €0.6m (2014:€0.5m).

	1 March 2014 €m	Translation adjustment €m	Cash flow €m	Non-cash changes €m	28 February 2015 €m
Company					
Prepaid issue costs	**-**	**-**	**(2.0)**	**-**	**(2.0)**
Cash & cash equivalents	**(0.2)**	**-**	**0.2**	**-**	**-**
	(0.2)	**-**	**(1.8)**	**-**	**(2.0)**

Notes forming part of the financial statements (continued)

The Company is an original borrower under the terms of the Group's revolving credit facility but is not a borrower in relation to the Group's drawn debt as at 28 February 2015. As outlined in further detail in note 25, the Company, together with a number of its subsidiaries, gave a letter of guarantee to secure its obligations in respect of debt drawn by the Group under the terms of the Group's revolving credit facility agreement. The cash flow with respect to the Company's prepaid issue costs relate to issue costs with respect to the Group's 2014 revolving credit facility; the amortisation of such issue costs was less than €0.1m in the year.

	1 March 2013 €m	Translation Adjustment €m	Cash flow €m	Non-cash changes €m	28 February 2014 €m
Company					
Cash & cash equivalents	(0.1)	-	(0.1)	-	(0.2)

20. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	2015			2014		
	Assets €m	Liabilities €m	Net assets/ (liabilities) €m	Assets €m	Liabilities €m	Net assets/ (liabilities) €m
Group						
Property, plant & equipment	**-**	**(2.9)**	**(2.9)**	0.3	(3.4)	(3.1)
Intangible assets	**-**	**(3.1)**	**(3.1)**	-	(3.0)	(3.0)
Retirement benefit obligations	**4.6**	**(0.7)**	**3.9**	2.8	(0.2)	2.6
Trade related items & losses	**0.4**	**-**	**0.4**	1.6	-	1.6
	5.0	**(6.7)**	**(1.7)**	4.7	(6.6)	(1.9)

The Group has not recognised deferred tax in relation to temporary differences applicable to investments in subsidiaries on the basis that the Group can control the timing and the realisation of these temporary differences and it is unlikely that the temporary differences will reverse in the foreseeable future. The aggregate amount of temporary differences applicable to investments in subsidiaries and equity accounted investees in respect of which deferred tax liabilities have not been recognised is immaterial on the basis that the participation exemptions and foreign tax credits should be available such that no material temporary differences arise. There are no other unrecognised deferred tax liabilities.

In addition, no deferred tax asset has been recognised in respect of certain tax losses incurred by the Group on the basis that the recovery is considered unlikely in the foreseeable future. The value of such tax losses is €5.5m in the current financial year (2014: €1.7m). In the event that sufficient taxable profits arise in the relevant jurisdictions in future years, these losses may be utilised. The vast majority of these losses are due to expire in 2035.

Company

The company had no deferred tax assets or liabilities at 28 February 2015 or at 28 February 2014.

Analysis of movement in net deferred tax assets/(liabilities)

	1 March 2014 €m	Recognised in income Statement €m	Recognised on acquisition €m	Recognised in other comprehensive income €m	Translation adjustment €m	28 February 2015 €m
Group						
Property, plant & equipment: ROI	**0.3**	**(0.7)**	**-**	**(0.2)**	**-**	**(0.6)**
Property, plant and equipment: other	**(3.4)**	**1.5**	**(0.1)**	**-**	**(0.3)**	**(2.3)**
Provision for trade related items	**1.6**	**(1.3)**	**-**	**-**	**0.1**	**0.4**
Intangible assets	**(3.0)**	**0.3**	**-**	**-**	**(0.4)**	**(3.1)**
Retirement benefit obligations	**2.6**	**(1.2)**	**-**	**2.6**	**(0.1)**	**3.9**
	(1.9)	**(1.4)**	**(0.1)**	**2.4**	**(0.7)**	**(1.7)**

	1 March 2013 €m	Recognised in income statement €m	Recognised on acquisition €m	Recognised in other comprehensive income adjustment €m	Translation adjustment €m	28 February 2014 €m
Group						
Property, plant & equipment: ROI	2.3	(2.3)	0.3	-	-	0.3
Property, plant and equipment: other	(5.0)	2.0	(0.2)	-	(0.2)	(3.4)
Provision for trade related items	1.1	(0.1)	0.6	-	-	1.6
Intangible assets	(2.5)	(0.4)	-	-	(0.1)	(3.0)
Retirement benefit obligations	2.7	(0.8)	-	0.7	-	2.6
Derivative financial instruments	(0.2)	-	-	0.2	-	-
	(1.6)	(1.6)	0.7	0.9	(0.3)	(1.9)

21. RETIREMENT BENEFIT OBLIGATIONS

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 April 2007 and provides only defined contribution pension schemes for employees joining the Group since that date. The Group provides permanent health insurance cover for the benefit of certain employees and separately charges this to the income statement.

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 Executive defined benefit pension scheme (2014: no active members). There are 73 active members, representing < 10% of total membership, in the ROI Staff defined benefit pension scheme (2014: 80 active members) and 4 active members in the NI scheme (2014: 5 active members). The Group's ROI defined benefit pension reform programme concluded during the financial year ended 29 February 2012 with the Pensions Board issuing a directive under Section 50 of the Pensions Act 1990 to remove the mandatory pension increase rule, which guaranteed 3% per annum increase to certain pensions in payment, and to replace it with guaranteed pension increases of 2% per annum for each year 2012 to 2014 and thereafter for all future pension increases to be awarded on a discretionary basis.

Notes forming part of the financial statements (continued)

Actuarial valuations – funding requirements
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 schemes were carried out with an effective date of 1 January 2012 while the date of the most recent actuarial valuation of the NI scheme was 31 December 2011. These valuations are currently being updated and are due to be completed by September 2015. 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 main schemes on 1 January 2009 the schemes' independent actuary, Mercer (Ireland) Limited, submitted Actuarial Funding Certificates to the Pensions Board confirming that the Schemes did not satisfy the Minimum Funding Standard at that date. Given that the removal of guaranteed pension increases would not correct this situation, Funding Proposals including an updated actuarial valuation were submitted to, and approved by the Pensions Board on 23 February 2012, which the Directors believe will enable the schemes to meet the Minimum Funding Standard by 31 December 2016. The Funding Proposals commit the Group to contributions of 14% of Pensionable Salaries to fund future pension accrual of benefits (previously 38.1% of Pensionable Salaries), a deficit contribution of €3.4m and an additional supplementary deficit contribution of €1.9m which the Group reserves the right to reduce or terminate on consultation with the Trustees, if the Scheme Actuary advises that it is no longer required due to a correction in market conditions. Funding Proposals cover the period to 31 December 2016. However, they will cease at an earlier date if the scheme funding target is met before then. The actuaries advised that as at 31 December 2014 the schemes were on track to meet the minimum funding standard and risk reserve by 31 December 2016, the end of the Funding Proposal period.

Following the 2011 actuarial valuation of the NI defined benefit pension scheme, a Schedule of Contributions and Recovery Plan was agreed committing the Group to annual contributions of £0.4m which the Directors believe will enable the scheme to meet the Statutory Funding Objective by June 2015.

The Group is exposed to a number of risks in relation to the funding position of these schemes, namely:-

Asset volatility: It is the Group's intention to pursue a long term investment policy that emphasises investment in secure monetary assets to provide for the contractual benefits payable to members. The investment portfolio has exposure to equities, other growth assets and fixed interest investments the returns from which are uncertain and may fluctuate significantly in line with market movements. Assets held are valued at fair value using bid prices where relevant.

Discount rate: The discount rate is the rate of interest used to discount post-employment benefit obligations and is determined by reference to market yields at the balance sheet date on high quality corporate bonds with a currency and term consistent with the currency and estimated term of the Group's post employment benefit obligations. Movements in discount rates have a significant impact on the value of the schemes' liabilities.

Longevity: The value of the defined benefit obligations is influenced by demographic factors such as mortality experience and retirement patterns. Changes to life expectancy have a significant impact on the value of schemes' liabilities.

Method and assumptions
The schemes' independent actuary, Mercer (Ireland) Limited, has employed the projected unit credit method to determine the present value of the defined benefit obligations arising and the related current service cost.

The financial assumptions that have the most significant impact on the results of the actuarial valuations are those relating to the discount rate used to convert future pension liabilities to current values and the rate of inflation/salary increase. These and other assumptions used to determine the retirement benefit obligations and current service cost under IAS19(R) *Employee Benefits* are set out below.

Mortality rates also have a significant impact on the actuarial valuations, as the number of deaths within the scheme have been too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality, the rates used have been based on the most up-to-date mortality tables, (the S2PMA 80% (males) and S2PFA 75% (females) for the ROI schemes and SNA02M year of birth tables with CMI 2011 projections for the NI scheme) with age ratings and loading factors to allow for future mortality improvements. These tables conform to best practice. The growing trend for people to live longer and the expectation that this will continue has been reflected in the mortality assumptions used for this valuation as indicated below. This assumption will continue to be monitored in light of general trends in mortality experience. Based on these tables, the assumed life expectations on retirement are:

		ROI		NI	
		2015	2014	2015	2014
Future life expectations at age 65		No of years	No of years	No of years	No of years
Current retirees – no allowance for future improvements	Male	**22.8-23.6**	23.5	**22.9**	22.9
	Female	**24.8-25.6**	24.9	**25.5**	25.4
Future retirees – with allowance for future improvements	Male	**23.9-24.8**	24.9	**25.8**	25.7
	Female	**26.0-26.8**	26.0	**28.4**	28.3

Scheme liabilities:
The average age of active members is 46 and 50 years for the ROI Staff and the NI defined benefit pension schemes respectively (the executive defined benefit pension scheme has no active members), while the average duration of liabilities ranges from 17 to 27 years.

The principal long-term financial assumptions used by the Group's actuaries in the computation of the defined benefit liabilities arising on pension schemes as at 28 February 2015 and 28 February 2014 are as follows:-

	2015		2014	
	ROI	NI	ROI	NI
Salary increases	**0.0%-2.5%**	**3.5%**	0.0%-2.5%	3.7%
Increases to pensions in payment	**1.5%**	**1.7%**	2.0%	2.5%
Discount rate	**1.7-1.9%**	**3.6%**	3.4% - 3.6%	4.4%
Inflation rate	**1.5%**	**3.1%**	2.0%	3.3%

A reduction in discount rate used to value the schemes' liabilities by ¼% would increase the valuation of liabilities by €12.3m while an increase in inflation/salary increase expectations of ¼% would increase the valuation of liabilities by €11.8m. The sensitivity is calculated by changing the individual assumption while holding all other assumptions constant.

Scheme assets:
The revised IAS19 *Employee Benefits* accounting standard came into effect for accounting periods commencing on or after 1 January 2013. Under IAS19(R) *Employee Benefits*, the net interest charge for funded defined benefit plans is calculated by reference to the liability discount rate at the beginning of the period, rather than a separate expected return on assets assumption.

The pension assets and liabilities on the following pages have been prepared in accordance with IAS19(R) *Employee Benefits*.

Notes forming part of the financial statements (continued)

a. Impact on Group income statement

	2015 ROI €m	2015 NI €m	2015 Total €m	2014 ROI €m	2014 NI €m	2014 Total €m
Analysis of defined benefit pension expense:						
Current service cost	**0.6**	**-**	**0.6**	0.7	0.1	0.8
Past service gain	**(1.8)**	**(1.3)**	**(3.1)**	(1.1)	-	(1.1)
Interest cost on scheme liabilities	**6.5**	**0.3**	**6.8**	7.2	0.2	7.4
Interest income on scheme assets	**(5.8)**	**(0.4)**	**(6.2)**	(6.4)	(0.2)	(6.6)
Total (income)/expense recognised in income statement	**(0.5)**	**(1.4)**	**(1.9)**	0.4	0.1	0.5

Analysis of amount recognised in other comprehensive income

	2015 ROI €m	2015 NI €m	2015 Total €m	2014 ROI €m	2014 NI €m	2014 Total €m
Actual interest income on scheme assets	**29.8**	**1.5**	**31.3**	8.9	0.4	9.3
Expected interest income on scheme assets	**(5.8)**	**(0.4)**	**(6.2)**	(6.4)	(0.2)	(6.6)
Experience gains and losses on scheme liabilities	**0.9**	**-**	**0.9**	8.4	-	8.4
Effect of changes in assumptions on scheme liabilities	**(45.6)**	**(1.1)**	**(46.7)**	(17.5)	-	(17.5)
Total (expense)/income	**(20.7)**	**-**	**(20.7)**	(6.6)	0.2	(6.4)
Scheme assets	**192.6**	**10.7**	**203.3**	163.8	7.6	171.4
Scheme liabilities	**(229.9)**	**(7.0)**	**(236.9)**	(186.6)	(6.2)	(192.8)
Deficit in scheme	**(37.3)**	**-**	**(37.3)**	(22.8)	-	(22.8)
Surplus in scheme	**-**	**3.7**	**3.7**	-	1.4	1.4

b. Impact on Group balance sheet

The retirement benefit obligations surplus/(deficit) at 28 February 2015 and 28 February 2014 is analysed as follows:-

Analysis of net pension deficit

	2015 ROI €m	2015 NI €m	2015 Total €m	2014 ROI €m	2014 NI €m	2014 Total €m
Bid value of assets at end of year:						
Equity(i)	**58.8**	**5.5**	**64.3**	45.1	3.8	48.9
Bonds	**87.0**	**5.2**	**92.2**	74.6	3.8	78.4
Property	**8.8**	**-**	**8.8**	4.5	-	4.5
Cash	**10.8**	**-**	**10.8**	14.6	-	14.6
Alternatives	**27.2**	**-**	**27.2**	25.0	-	25.0
	192.6	**10.7**	**203.3**	163.8	7.6	171.4
Actuarial value of scheme liabilities	**(229.9)**	**(7.0)**	**(236.9)**	(186.6)	(6.2)	(192.8)
(Deficit)/surplus in the scheme	**(37.3)**	**3.7**	**(33.6)**	(22.8)	1.4	(21.4)
Related deferred tax asset/(liability)	**4.6**	**(0.7)**	**3.9**	2.8	(0.2)	2.6
Net pension (deficit)/surplus	**(32.7)**	**3.0**	**(29.7)**	(20.0)	1.2	(18.8)

(i) The defined benefit pension schemes have a passive self investment in C&C Group plc of €nil (2014: €nil).

The alternative investment category includes investments in various asset classes including equities, commodities, currencies and funds. The investments are managed by fund managers.

Reconciliation of scheme assets

	2015 ROI €m	2015 NI €m	2015 Total €m	2014 ROI €m	2014 NI €m	2014 Total €m
Assets at beginning of year	**163.8**	**7.6**	**171.4**	155.2	6.2	161.4
Movement in year:						
Translation adjustment	**-**	**1.0**	**1.0**	-	0.5	0.5
Expected interest income on scheme assets, net of pension levy	**5.8**	**0.4**	**6.2**	6.4	0.2	6.6
Actual expected interest income less interest income on scheme assets	**24.0**	**1.1**	**25.1**	2.5	0.2	2.7
Employer contributions	**5.7**	**0.7**	**6.4**	6.2	0.6	6.8
Member contributions	**0.2**	**-**	**0.2**	0.3	-	0.3
Benefit payments	**(6.9)**	**(0.1)**	**(7.0)**	(6.8)	(0.1)	(6.9)
Assets at end of year	**192.6**	**10.7**	**203.3**	163.8	7.6	171.4

The expected employer contributions to fund defined benefit scheme obligations for year ending 28 February 2016 is €5.9m (2014: €6.4m).

The scheme assets had the following investment profile at the year end:

	2015 ROI	2015 NI	2014 ROI	2014 NI
Equities	**30%**	**51%**	28%	50%
Bonds	**45%**	**49%**	45%	50%
Property	**5%**	**-**	3%	-
Cash	**6%**	**-**	9%	-
Alternatives	**14%**	**-**	15%	-
	100%	**100%**	100%	100%

Reconciliation of actuarial value of scheme liabilities

	2015 ROI €m	2015 NI €m	2015 Total €m	2014 ROI €m	2014 NI €m	2014 Total €m
Liabilities at beginning of year	**186.6**	**6.2**	**192.8**	177.2	5.7	182.9
Movement in year						
Translation adjustment	**-**	**0.8**	**0.8**	-	0.3	0.3
Current service cost	**0.6**	**-**	**0.6**	0.7	0.1	0.8
Past service gain	**(1.8)**	**(1.3)**	**(3.1)**	(1.1)	-	(1.1)
Interest cost on scheme liabilities	**6.5**	**0.3**	**6.8**	7.2	0.2	7.4
Member contributions	**0.2**	**-**	**0.2**	0.3	-	0.3
Actuarial loss immediately recognised in equity	**44.7**	**1.1**	**45.8**	9.1	-	9.1
Benefit payments	**(6.9)**	**(0.1)**	**(7.0)**	(6.8)	(0.1)	(6.9)
Liabilities at end of year	**229.9**	**7.0**	**236.9**	186.6	6.2	192.8

Notes forming part of the financial statements (continued)

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's multinational operations expose it to various financial risks in the ordinary course of business that include credit risk, liquidity risk, commodity price risk, currency risk and interest rate risk. This note discusses the Group's exposure to each of these financial risks, summarises the risk management strategy for managing these risks and details the accounting treatment applied to the Group's derivative financial instruments and hedging activities. The note is presented as follows:-

(a) Overview of the Group's risk exposures and management strategy
(b) Financial assets and liabilities as at 28 February 2015 / 28 February 2014 and determination of fair value
(c) Market risk
(d) Credit risk
(e) Liquidity risk
(f) Accounting for derivative financial instruments and hedging activities

(a) Overview of the Group's risk exposures and management strategy

The most significant financial market risks that the Group is exposed to include foreign currency exchange rate risk, commodity price fluctuations, interest rate risk and financial counterparty creditworthiness. There has been no significant change during the financial year to either the financial risks faced by the Group or the Board's approach to the management of these risks.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This is executed through various committees to which the Board has delegated appropriate levels of authority. An essential part of this framework is the role undertaken by the Audit Committee, supported by the internal audit function, and the Group Chief Financial Officer. The Board, through its Committees, has reviewed the internal control environment and the risk management systems and process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers these to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

The Group's risk management programme seeks to minimise the potential adverse effects, arising from fluctuations in financial markets, on the Group's financial performance in a non speculative manner at a reasonable cost when economically viable to do so. The Group achieves the management of these risks in part, where appropriate, through the use of derivative financial instruments. All derivative financial contracts entered into in this regard are in liquid markets with credit rated parties. Treasury activities are performed within strict terms of reference that have been approved by the Board.

(b) Financial assets and liabilities

The carrying and fair values of financial assets and liabilities by measurement category were as follows:-

Group	Derivative financial instruments €m	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
28 February 2015					
Financial assets:					
Cash & cash equivalents	-	181.9	-	181.9	181.9
Trade receivables	-	122.4	-	122.4	122.4
Advances to customers	-	54.7	-	54.7	54.7
Financial liabilities:					
Interest bearing loans & borrowings	-	-	(339.7)	(339.7)	(342.8)
Derivative financial instruments	(0.2)	-	-	(0.2)	(0.2)
Trade & other payables	-	-	(176.1)	(176.1)	(176.1)
Provisions	-	-	(12.2)	(12.2)	(12.2)
	(0.2)	359.0	(528.0)	(169.2)	(172.3)

Group	Derivative financial instruments €m	Other Financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
28 February 2014					
Financial assets:					
Cash & cash equivalents	-	162.8	-	162.8	162.8
Derivative financial instruments - foreign currency contracts	3.1	-	-	3.1	3.1
Trade receivables	-	118.8	-	118.8	118.8
Advances to customers	-	49.3	-	49.3	49.3
Financial liabilities:					
Interest bearing loans & borrowings	-	-	(308.0)	(308.0)	(302.8)
Derivative financial instruments	(2.5)	-	-	(2.5)	(2.5)
Trade & other payables	-	-	(171.3)	(171.3)	(171.3)
Provisions	-	-	(11.5)	(11.5)	(11.5)
	0.6	330.9	(490.8)	(159.3)	(154.1)

Company	Derivative financial instruments €m	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
28 February 2015					
Financial assets:					
Amounts due from Group undertakings	**-**	**239.0**	**-**	**239.0**	**239.0**
Financial liabilities:					
Amounts due to Group undertakings	**-**	**-**	**(163.0)**	**(163.0)**	**(163.0)**
Trade & other payables	**-**	**-**	**(0.4)**	**(0.4)**	**(0.4)**
	-	**239.0**	**(163.4)**	**75.6**	**75.6**

Company	Derivative financial instruments €m	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
28 February 2014					
Financial assets:					
Cash & cash equivalents	-	0.2	-	0.2	0.2
Amounts due from Group undertakings	-	50.5	-	50.5	50.5
Financial liabilities:					
Amounts due to Group undertakings	-	-	(129.2)	(129.2)	(129.2)
Trade & other payables	-	-	(0.9)	(0.9)	(0.9)
	-	50.7	(130.1)	(79.4)	(79.4)

Notes forming part of the financial statements (continued)

Determination of Fair Value

Set out below are the major methods and assumptions used in estimating the fair values of the Group's financial assets and liabilities. There is no material difference between the fair value of financial assets and liabilities falling due within one year and their carrying amount as due to the short term maturity of these financial assets and liabilities their carrying amount is deemed to approximate fair value.

Short term bank deposits and cash & cash equivalents

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

Advances to customers

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

Trade & other receivables/payables

The nominal amount of all trade & other receivables/payables after provision for impairment is deemed to reflect fair value at the balance sheet date with the exception of provisions and amounts due from Group undertakings after more than one year which are discounted to fair value.

Derivatives (forward currency contracts, put/call options in equity accounted investees)

The fair values of forward currency contracts, put/call options and interest rate swaps are based on market price calculations using financial models.

The Group has adopted the following fair value measurement hierarchy for financial instruments that are measured in the balance sheet at fair value:

• Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.

The fair value of financial instruments that are not traded in an active market (e.g. over the counter derivatives) are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

• Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The carrying values of any forward currency contracts held by the Group would be based on fair values arrived at using Level 2 inputs. There were no outstanding forward currency contracts held by the Group as at 28 February 2015 or 28 February 2014.

As set out further in note 13, as part of the Group's joint venture agreement in Thistle Pub Company Limited with Maclay Group plc during the financial year ended 28 February 2013, the Group granted Thistle Pub Company Limited and Maclay Group plc a call option enabling either of them to purchase the Group's share of equity at a fixed price at any time in the first 15 years after the date the joint venture was formed, resulting in the recognition of a €0.2m financial liability. The carrying value of the option is valued based on Level 3 inputs, with the fair value being arrived at through the use of a Black-Scholes model. The movement in the fair value of this derivative to 28 February 2015 was less than €0.1m.

Applying sensitivities to the key input assumptions used in valuing the above derivative financial instruments would not have a material impact on the carrying value of the derivative financial instruments or on the income statement.

Interest bearing loans & borrowings

The nominal amount of interest bearing loans & borrowings is deemed to reflect fair value at 28 February 2015 due to the close proximity of draw down to the year end date.

(c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group enters into derivative financial contracts, when deemed economically viable to do so, to mitigate risks arising in the ordinary course of business from foreign exchange rate and interest rate movements, and also incurs financial liabilities, in order to manage these market risks. The Group carries out all such transactions within the Treasury policy as set down by the Board of Directors.

Commodity price risk

The Group is exposed to variability in the price of commodities used in the production or in the packaging of finished products, such as barley, sugar, apple concentrate and aluminium. Commodity price risk is managed, where economically viable, through fixed price contracts with suppliers incorporating appropriate commodity hedging and pricing mechanisms. The Group does not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. It is Group policy to fix the cost of a certain level of its energy requirement through fixed price contractual arrangements directly with its energy suppliers.

Currency risk

The Company's functional and reporting currency and that of its share capital is euro. The euro is also the Group's reporting currency and the currency used for all planning and budgetary purposes. The Group is exposed to currency risk in relation to sales and purchase transactions by Group companies in currencies other than their functional currency (transaction risk), and fluctuations in the euro value of the Group's net investment in foreign currency (sterling and US dollar) denominated subsidiary undertakings (translation risk). Currency exposures for the entire Group are managed and controlled centrally.

The Group seeks to minimise its foreign currency transaction exposure when economically viable by maximising the value of its foreign currency input costs and creating a natural hedge. Group policy is to manage its remaining net exposure by hedging a portion of the projected non-euro forecast sales revenue up to a maximum of two years ahead. Forward foreign currency contracts are used to manage this risk. The Group does not enter into such derivative financial instruments for speculative purposes. All such derivative contracts entered into are in liquid markets with credit-approved counterparties. Treasury operations are controlled within strict terms of reference that have been approved by the Board.

In addition, the Group has a number of long term US dollar and sterling intra group loans for which settlement is neither planned nor likely to happen in the foreseeable future, and as a consequence of which are deemed quasi equity in nature and are therefore part of the Group's net investment in its foreign operations. The Group does not hedge the translation exposure arising on the translation of the profits of foreign currency subsidiaries.

The net currency gains and losses on transactional currency exposures are recognised in the income statement and the changes arising from fluctuations in the euro value of the Group's net investment in foreign operations are reported separately within other comprehensive income.

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 28 February 2015 is as follows:-

Group	Euro €m	Sterling €m	USD €m	CAD/AUD €m	Not at risk €m	Total €m
Cash & cash equivalents	**1.0**	**5.3**	**0.5**	**0.7**	**174.4**	**181.9**
Trade receivables	**-**	**0.6**	**0.3**	**1.1**	**120.4**	**122.4**
Advances to customers	**-**	**-**	**-**	**-**	**54.7**	**54.7**
Other derivative financial assets and liabilities	**-**	**-**	**-**	**-**	**(0.2)**	**(0.2)**
Interest bearing loans & borrowings	**-**	**-**	**-**	**-**	**(339.7)**	**(339.7)**
Trade & other payables	**(0.6)**	**(4.7)**	**(0.3)**	**(0.7)**	**(169.8)**	**(176.1)**
Provisions	**-**	**-**	**-**	**-**	**(12.2)**	**(12.2)**
Gross currency exposure	**0.4**	**1.2**	**0.5**	**1.1**	**(172.4)**	**(169.2)**

Notes forming part of the financial statements (continued)

The Group had no outstanding forward foreign currency contracts in place at 28 February 2015.

Company	Sterling €m	Not at risk €m	Total €m
Cash & cash equivalents	**-**	**-**	**-**
Net amounts due to Group undertakings	**(25.6)**	**101.6**	**76.0**
Accruals	**-**	**(0.4)**	**(0.4)**
Total	**(25.6)**	**101.2**	**75.6**

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 28 February 2014 is as follows:-

Group	Euro €m	Sterling €m	USD €m	CAD/AUD €m	Not at risk €m	Total €m
Cash & cash equivalents	1.6	3.5	2.9	5.0	149.8	162.8
Trade & other receivables	-	0.9	0.2	3.0	114.7	118.8
Advances to customers	-	-	-	-	49.3	49.3
Other derivative financial assets and liabilities	-	-	-	-	0.6	0.6
Interest bearing loans & borrowings	-	-	(221.9)	-	(86.1)	(308.0)
Trade & other payables	(0.6)	(4.4)	-	(0.5)	(165.8)	(171.3)
Provisions	-	-	-	-	(11.5)	(11.5)
Gross currency exposure	1.0	-	(218.8)	7.5	51.0	(159.3)
Designated as a net investment hedge	-	-	43.1	-	(43.1)	-
Designated as part of the Group's net investment in foreign operations	-	-	178.8	-	(178.8)	-
Net currency exposure	1.0	-	3.1	7.5	(170.9)	(159.3)

The Group had no outstanding forward foreign currency contracts in place at 28 February 2014.

Company	Sterling €m	Not at risk €m	Total €m
Cash & cash equivalents	-	0.2	0.2
Net amounts due to Group undertakings	(17.0)	(61.7)	(78.7)
Accruals	-	(0.9)	(0.9)
Total	(17.0)	(62.4)	(79.4)

A 10% strengthening in the euro against sterling and the Australian, Canadian and US dollars, based on outstanding financial assets and liabilities at 28 February 2015, would have a €0.3m negative impact on the income statement. A 10% weakening in the euro against sterling, and the Australian, Canadian and US dollars would have a €0.4m positive effect on the income statement. This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk
The interest rate profile of the Group and Company's interest-bearing financial instruments at the reporting date is summarised as follows:-

	Group 2015 €m	Group 2014 €m	Company 2015 €m	Company 2014 €m
Variable rate instruments				
Interest bearing loans & borrowings	**(342.8)**	(309.7)	**-**	-
Cash & cash equivalents	**181.9**	162.8	**-**	0.2
	(160.9)	(146.9)	**-**	0.2

The Group and Company's exposure to interest rate risk arises principally from its long-term debt obligations. It is Group policy to manage interest cost and exposure to market risk centrally by using interest rate swaps, where deemed appropriate, to give the desired mix of fixed and floating rate debt. The Group has no outstanding interest rate swap contracts at 28 February 2015 or 28 February 2014.

Financial instruments: Cash flow hedges
The Group had no outstanding derivatives as at 28 February 2015 or 28 February 2014.

(d) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, its cash advances to customers, cash & cash equivalents including deposits with banks and derivative financial instruments contracted with banks. The Group has an indirect exposure to European Sovereigns via its defined benefit pension scheme investment portfolio. In the context of the Group's operations, credit risk is mainly influenced by the individual characteristics of individual counterparties and is not considered particularly concentrated as it primarily arises from a wide and varied customer base; there are no material dependencies or concentrations of individual customers which would warrant disclosure under IFRS 8 *Operating Segments*.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables and advances to customers based on experience, customer track records and historic default rates. Generally, individual 'risk limits' are set by customer and risk is only accepted above such limits in defined circumstances. A strict credit assessment is made of all new applicants who request credit-trading terms. The utilisation and revision, where appropriate, of credit limits is regularly monitored. Impairment provision accounts are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amount is considered irrecoverable and is written off directly against the trade receivable. The Group also manages credit risk through the use of a receivables purchase arrangement, for an element of its trade receivables. Under the terms of this arrangement, the Group transfers the credit risk, late payment risk and control of the receivables sold. The total receivables sold at 28 February 2015 was €21.4m.

Advances to customers are generally secured by, amongst others, rights over property or intangible assets, such as the right to take possession of the premises of the customer. Interest rates calculated on repayment/annuity advances are generally based on the risk-free rate plus a margin, which takes into account the risk profile of the customer and value of security given. The Group establishes an allowance for impairment of customers advances that represents its estimate of potential future losses.

From time to time, the Group holds significant cash balances, which are invested on a short-term basis and disclosed under cash & cash equivalents in the balance sheet. Risk of counterparty default arising on short term cash deposits is controlled within a framework of dealing primarily with banks who are members of the Group's banking syndicate, and by limiting the credit exposure to any one of these banks or institutions. Management does not expect any counterparty to fail to meet its obligations.

The Company also bears credit risk in relation to amounts owed by Group undertakings and from guarantees provided in respect of the liabilities of wholly owned subsidiaries as disclosed in note 25.

Notes forming part of the financial statements (continued)

The carrying amount of financial assets, net of impairment provisions represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:-

	Group		Company	
	2015	2014	2015	2014
	€m	€m	€m	€m
Trade receivables	**122.4**	118.8	**-**	-
Advances to customers	**54.7**	49.3	**-**	-
Amounts due from Group undertakings	**-**	-	**239.0**	50.5
Cash & cash equivalents	**181.9**	162.8	**-**	0.2
Other derivative financial instruments	**-**	3.1	**-**	-
	359.0	334.0	**239.0**	50.7

The ageing of trade receivables and advances to customers together with an analysis of movement in the Group impairment provisions against these receivables are disclosed in note 15. The Group does not have any significant concentrations of risk.

(e) Liquidity risk
Liquidity risk is the risk that the Group or Company will not be able to meet its financial obligations as they fall due. Liquid resources are defined as the total of cash & cash equivalents. The Group finances its operations through cash generated by the business and medium term bank credit facilities; the Group does not use off-balance sheet special purpose entities as a source of liquidity or financing.

The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or committed bank facilities to meet all debt obligations as they fall due. To achieve this, the Group (a) maintains adequate cash or cash equivalent balances; (b) prepares detailed 3 year cash projections; and (c) keeps refinancing options under review. In addition, the Group maintains an overdraft facility that is unsecured.

In December 2014, the Group updated and amended its committed €450m multi-currency five year syndicated revolving loan facility with seven banks, namely Bank of Ireland, Bank of Scotland, Barclays Bank, Danske Bank, HSBC, Rabobank, and Ulster Bank, repayable in a single instalment on 22 December 2019. The facility agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €150m, subject to agreeing the terms and conditions with the lenders. Consequently the Group is permitted under the terms of the agreement, to have debt capacity of €700m of which €342.8m was drawn at 28 February 2015 (2014: €309.6m was drawn under the Group's 2012 multi-currency facility). This 5 year multi-currency facility replaces the Group's previous multi-currency facility which was negotiated in February 2012 and which was due to mature in February 2017.

The Group's debt facility incorporates two financial covenants:

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half year date will not be less than 3.5:1
- Net debt/EBITDA: The ratio of net debt on each half year date to EBITDA for a period of 12 months ending on a half year date will not exceed 3.5:1

Compliance with these debt covenants is monitored continuously.

The Group's main liquidity risk relates to maturing debt, however this risk is considered low at year end given the negotiation of a new five year committed facility in December 2014 as outlined above.

At the year end, the Group had net debt, net of unamortised issue costs, of €157.8m, with a Net debt/ EBITDA ratio of 1.1:1.

The following are the contractual maturities of financial liabilities, including interest payments and derivatives and excluding the impact of netting arrangements:-

Group	Carrying Amount	Contractual cash flows	6 mths or less	6-12 months	1-2 years	>2 years
2015	€m	€m	€m	€m	€m	€m
Interest bearing loans & borrowings	**(339.7)**	**(371.8)**	**(2.9)**	**(2.9)**	**(5.7)**	**(360.3)**
Trade & other payables	**(176.1)**	**(176.1)**	**(176.1)**	**-**	**-**	**-**
Provisions	**(12.2)**	**(17.1)**	**(3.4)**	**(1.1)**	**(2.5)**	**(10.1)**
Derivative financial instruments	**(0.2)**	**-**	**-**	**-**	**-**	**-**
Total contracted outflows	**(528.2)**	**(565.0)**	**(182.4)**	**(4.0)**	**(8.2)**	**(370.4)**
2014						
Interest bearing loans & borrowings	(308.0)	(335.0)	(3.9)	(4.2)	(8.2)	(318.7)
Trade & other payables	(171.3)	(171.3)	(171.3)	-	-	-
Provisions	(11.5)	(16.6)	(2.5)	(1.0)	(2.0)	(11.1)
Derivative financial instruments	(2.5)	-	-	-	-	-
Total contracted outflows	(493.3)	(522.9)	(177.7)	(5.2)	(10.2)	(329.8)

Company	Carrying amount	Contractual cash flows	6 mths or less	6-12 months	1-2 years	>2 years
2015	€m	€m	€m	€m	€m	€m
Amounts due to Group undertakings	**(163.0)**	**(163.0)**	**(163.0)**	**-**	**-**	**-**
Trade & other payables	**(0.4)**	**(0.4)**	**(0.4)**	**-**	**-**	**-**
Total contracted outflows	**(163.4)**	**(163.4)**	**(163.4)**	**-**	**-**	**-**
2014						
Amounts due to Group undertakings	(129.2)	(129.2)	(129.2)	-	-	-
Trade & other payables	(0.9)	(0.9)	(0.9)	-	-	-
Total contracted outflows	(130.1)	(130.1)	(130.1)	-	-	-

Notes forming part of the financial statements (continued)

(f) Accounting for derivative financial instruments and hedging activities

	Group		Company	
	2015	2014	2015	2014
Group	€m	€m	€m	€m
Financial assets: current				
Other derivative financial instruments	-	1.2	-	-
	-	1.2	-	-
Financial assets: non-current				
Other derivative financial instruments	-	1.9	-	-
	-	1.9	-	-
Financial liability: current				
Other derivative financial instruments	-	(1.2)	-	-
	-	(1.2)	-	-
Financial liabilities: non-current				
Other derivative financial instruments	**(0.2)**	(1.3)	-	-
	(0.2)	(1.3)	-	-

Derivatives are initially recorded at fair value on the date the contract is entered into and subsequently re-measured to fair value at reporting dates. The gain or loss arising on re-measurement is recognised in the income statement except where the instrument is a designated hedging instrument under the cash flow hedging model.

Cash flow hedges

The Group, when appropriate, also enters into forward exchange contracts designated as cash flow hedges to manage short term foreign currency exposures to expected future sales. There were no outstanding contracts as at 28 February 2015 and 28 February 2014.

In order to qualify for hedge accounting, the Group is required to document the relationship between the item being hedged and the hedging instrument and demonstrate, at inception, that the hedge relationship will be highly effective on an ongoing basis. The hedge relationship must also be tested for effectiveness retrospectively and prospectively on subsequent reporting dates.

Gains and losses on cash flow hedges that are determined to be highly effective are recognised in other comprehensive income and then reflected in a cash flow hedging reserve within equity to the extent that they are actually effective. When the related forecasted transaction occurs, the deferred gains or losses are reclassified from other comprehensive income to the income statement. Ineffective portions of the gain or loss on the hedging instrument are recognised immediately in the income statement.

The Group ordinarily seeks to apply the hedge accounting model to all forward currency contracts.

23. SHARE CAPITAL AND RESERVES SHARE CAPITAL

	Authorised Number	Allotted and called up Number	Authorised €m	Allotted and called up €m
At 28 February 2015				
Ordinary shares of €0.01 each	**800,000,000**	**348,547,138***	**8.0**	**3.5**
At 28 February 2014				
Ordinary shares of €0.01 each	800,000,000	346,840,406**	8.0	3.5
At 29 February 2013				
Ordinary shares of €0.01 each	800,000,000	344,331,716***	8.0	3.4

* inclusive of 16.5m treasury shares.
** inclusive of 7.6m treasury shares.
*** inclusive of 8.3m treasury shares.

All shares in issue carry equal voting and dividend rights.

Following shareholder approval at the Annual General Meeting on 27 June 2012, where Interests under the Joint Share Ownership Plan have vested and if the participant is a continuing employee and so agrees, the participant is entitled to dividends on the relevant Plan Shares in proportion to his economic interest. The Trustees of the Employee Trust are entitled to the dividends otherwise but have waived their entitlement. In the year to 28 February 2015, dividends of €0.5m were paid to Plan participants (2014: €0.5m).

Reserves
Group

	Allotted and called up Ordinary Shares		Ordinary Shares held by the Trustee of the Employee Trust*	
	2015 '000	2014 '000	2015 '000	2014 '000
As at 1 March	**346,840**	344,332	**7,583**	8,310
Shares issued in lieu of dividend	**1,381**	664	**-**	-
Shares issued in respect of options exercised	**326**	1,844	**-**	-
Shares disposed of or transferred to Participants	**-**	-	**(110)**	(727)
As at 28 February	**348,547****	346,840	**7,473**	7,583

* 249,739 (2014: 359,507) shares are held in the sole name of the Trustee of the Employee Trust.
** includes 9,025,000 shares bought by the Group during the current financial year and held as Treasury shares.

Movements in the year ended 28 February 2015
In July 2014, 724,691 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €4.49 per share, instead of part or all the cash element of their final dividend entitlement for the year ended 28 February 2014. In December 2014, 656,479 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €3.69 per share, instead of part or all the cash element of their interim dividend entitlement for the year ended 28 February 2015. Also during the financial year 325,562 ordinary shares were issued on the exercise of share options for a net consideration of €1.0m.

All shares held by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the C&C Employee Trust which were neither cancelled nor disposed of by the Trust at 28 February 2015 continue to be included in the treasury share reserve. During the financial year, 109,668 shares were sold by the Trustees and are no longer accounted for as treasury shares.

In the current financial year, as part of the Group's capital management strategy, a subsidiary of the Group invested €30.0m in an on-market share buyback programme, purchasing 9,025,000 of the Company's shares at an average price of €3.29. The Group's UK stockbrokers, Investec, conducted the share repurchase programme. All shares acquired as part of the share buyback programme are held as treasury shares. At the AGM held on 3 July 2014, shareholders granted the Group authority to make market purchases of up to 10% of its own shares.

Notes forming part of the financial statements (continued)

Movements in the year ended 28 February 2014
In July 2013, 250,883 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €4.72 per share, instead of part or all the cash element of their final dividend entitlement for the year ended 28 February 2013. In December 2013, 413,931 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €4.41 per share, instead of part or all the cash element of their interim dividend entitlement for the year ended 28 February 2014. Also during the financial year, 1,843,876 ordinary shares were issued on the exercise of share options for a net consideration of €5.0m.

During the financial year, 227,398 vested Interests awarded under the Joint Share Ownership Plan and held by a participant who had left the Group were acquired by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the C&C Employee Trust and held in trust. 727,575 shares were either sold by the Trustees or transferred to participants on the vesting of Interests and are no longer accounted for as treasury shares. All shares held by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the C&C Employee Trust which were neither cancelled nor disposed of by the Trust at 28 February 2014 continue to be included in the treasury share reserve.

Share premium - Group
The change in legal parent of the Group on 30 April 2004, as disclosed in detail in that year's annual report, was accounted for as a reverse acquisition. This transaction gave rise to a reverse acquisition reserve debit of €703.9m, which, for presentation purposes in the Group financial statements, has been netted against the share premium in the consolidated balance sheet.

Share premium - Company
The share premium, as stated in the Company balance sheet, represents the premium recognised on shares issued and amounts to €824.4m as at 28 February 2015 (2014: €817.7m). The current year movement relates to the exercise of share options and the issuance of a scrip dividend to those who elected to receive additional ordinary shares in place of a cash dividend.

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

Cash flow hedging reserve
The hedging reserve includes the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred together with any deferred gains or losses on hedging contracts where hedge accounting was discontinued but the forecast transaction was still anticipated to occur.

Share-based payment reserve
The reserve relates to amounts expensed in the income statement in connection with share option grants falling within the scope of IFRS 2 *Share-Based Payment*, plus amounts received from participants on award of Interests under the Group's Joint Share Ownership Plan, less reclassifications to retained income following exercise/forfeit post vesting or lapse of such share options and Interests, as set out in note 4.

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

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

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

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

Treasury shares

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

Capital management

The Board's policy is to maintain a strong capital base so as to safeguard the Group's ability: to continue as a going concern for the benefit of shareholders and stakeholders; to maintain investor, creditor and market confidence; and, to sustain the future development of the business through the optimisation of the value of its debt and equity shareholding balance.

The Board considers capital to comprise long-term debt and equity. There are no externally imposed requirements with respect to capital with the exception of a financial covenant in the Group's debt facilities which limits the Net debt:EBITDA ratio to a maximum of 3.5 times. This financial covenant was complied with throughout the year.

The Board periodically reviews the capital structure of the Group, considering the cost of capital and the risks associated with each class of capital. The Board approves any material adjustments to the capital structure in terms of the relative proportions of debt and equity. In order to maintain or adjust the capital structure, the Group may issue new shares, dispose of assets to reduce debt, alter dividend policy by increasing or reducing the dividend paid to shareholders, return capital to shareholders and/or buy back shares. In respect of the financial year ended 28 February 2015, the Company paid an interim dividend on ordinary shares of 4.5c per share (2014: 4.3c per share) and the Directors propose, subject to shareholder approval, that a final dividend of 7.0c per share (2014: 5.7c per share) be paid, bringing the total dividend for the year to 11.5c per share (2014: 10.0c per share).

In addition, as part of the Group's capital management strategy, the Group participated in a share buyback programme during the financial year. A subsidiary of the Group invested €30.0m as part of this on-market share buyback programme, purchasing 9,025,000 of the Company's shares at an average price of €3.29. The Group's UK stockbrokers, Investec, conducted the share repurchase programme. All shares acquired as part of the share buyback programme are held as treasury shares. At the AGM held on 3 July 2014, shareholders granted the Group authority to make market purchases of up to 10% of its own shares.

The Group monitors debt capital on the basis of interest cover and by the ratio of Net debt:EBITDA before exceptional items. In December 2014, the Group updated and amended its committed €450m multi-currency 5 year syndicated revolving facility with 7 banks which is repayable in a single instalment on 22 December 2019.

Company income statement

In accordance with Section 148(8) of the Companies (Amendment) Act, 1963, the income statement of the Company has not been presented separately in these consolidated financial statements. A profit of €185.5m (2014: €4.9m loss) was recognised in the individual Company income statement of C&C Group plc.

Notes forming part of the financial statements (continued)

24. COMMITMENTS

(a) Capital commitments

At the year end, the following capital commitments authorised by the Board had not been provided for in the financial statements:-

	2015 €m	2014 €m
Contracted	**1.3**	5.3
Not contracted	**10.3**	17.9
	11.6	23.2

The contracted capital commitments at 28 February 2015 primarily relate to commitments with respect to IT integration in the Scottish business, packaging line equipment and an on-going energy efficiency project at Wellpark Brewery. Commitments at 28 February 2014 primarily related to the expansion of the Group's cider facility in Vermont, US.

(b) Commitments under operating leases

Future minimum rentals payable under non-cancellable operating leases at the year end are as follows:-

	2015				2014			
	Land & buildings €m	Plant & machinery €m	Other €m	Total €m	Land & buildings €m	Plant & machinery €m	Other €m	Total €m
Payable in less than one year	**5.8**	**0.8**	**6.9**	**13.5**	5.1	1.7	1.2	8.0
Payable between 1 and 5 years	**12.8**	**2.1**	**22.7**	**37.6**	13.5	3.2	3.7	20.4
Payable greater than 5 years	**12.3**	**1.8**	**-**	**14.1**	12.6	0.3	-	12.9
	30.9	**4.7**	**29.6**	**65.2**	31.2	5.2	4.9	41.3

The land & buildings operating lease commitments primarily relate to two leases of warehousing facilities in the UK acquired as part of the acquisition of the Gaymers cider business in 2010. These leases are due to expire in 2017 and 2026 respectively. A related onerous lease provision is included in Provisions – note 17. The other operating lease commitments primarily relate to on trade assets across the Group.

(c) Other commitments

At the year end, the value of contracts placed for future expenditure was:-

2015	Apple concentrate €m	Glass €m	Marketing €m	Barley €m	Aluminium €m	Distribution €m	Polymer €m	Wheat €m	Sugar/ Glucose €m	Total €m
Payable in less than one year	**4.1**	**7.8**	**6.0**	**12.1**	**6.2**	**-**	**1.0**	**0.5**	**13.0**	**50.7**
Payable between 1 and 5 years	**-**	**-**	**0.8**	**7.2**	**2.5**	**-**	**-**	**-**	**4.1**	**14.6**
	4.1	**7.8**	**6.8**	**19.3**	**8.7**	**-**	**1.0**	**0.5**	**17.1**	**65.3**

2014	Apple concentrate €m	Glass €m	Marketing €m	Barley €m	Aluminium €m	Distribution €m	Polymer €m	Wheat €m	Total €m
Payable in less than one year	3.0	6.9	2.8	4.4	7.2	4.9	2.4	0.7	32.3
Payable between 1 and 5 years	-	-	3.1	9.5	-	2.9	-	0.2	15.7
	3.0	6.9	5.9	13.9	7.2	7.8	2.4	0.9	48.0

The commitments are principally due within a period of twenty four months.

25 GUARANTEES AND CONTINGENCIES

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. The Company treats the guarantee contract as a contingent liability until such time as it becomes probable that it will be required to make a payment under the guarantee.

As outlined in note 18, the Group has a multi-currency loan facility in place at year end, which it re-negotiated in December 2014. The Company, together with a number of its subsidiaries, gave a letter of guarantee to secure its obligations in respect of these loans. The actual loans outstanding at 28 February 2015 amounted to €342.8m (2014: €309.6m outstanding under the Group's 2012 multi-currency loan facility).

During the current financial year, a subsidiary of the Group entered into guarantees in favour of HSBC Bank plc, HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited whereby it guaranteed drawn debt plus interest charges by Drygate Brewing Company Limited to HSBC Bank PLC of up to £540,000 and to HSBC Asset Finance (UK) and HSBC Equipment Finance Limited of up to £225,000 in aggregate. The guarantees reduce on a pound for pound basis to the extent of capital repayments in respect of the drawn debt and any amounts realised by the bank pursuant to any security provided in respect of the debt. The Guarantee with respect to HSBC Bank plc expires on the earlier of 11 years and 3 months from the date on which the guarantee became effective, the secured liabilities are repaid, or by mutual agreement with HSBC Bank plc. The Guarantees with HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited expire after the secured liabilities are repaid, or by mutual agreement with HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited respectively.

Also during the current financial year a subsidiary of the Group entered into a guarantee with Ulster Bank Limited whereby it guaranteed repayment of a loan plus interest and charges, to a maximum value of €1,150,000, which was drawn by one of its customers. The guarantee expires on the earlier of 3 years from the date of the first drawdown or the date on which the customer discharges its liability in its entirety.

During the 2014 financial year, a subsidiary of the Group entered into a guarantee in favour of Bank of Scotland plc whereby it guaranteed repayment of a 5-year term loan facility of up to €1,000,000 made by Bank of Scotland plc to a customer of a subsidiary of C&C Group plc, together with interest and other charges due under the facility and account charges.

During the 2011 financial year, a subsidiary of the Group, entered into a guarantee with Clydesdale Bank plc whereby it guaranteed £250,000 plus interest and charges of the drawn debt of one of its customers. The guarantee expires on the earlier of: 10 years from the date on which the guarantee becomes effective, the secured liabilities are repaid, or by mutual agreement with Clydesdale Bank plc.

Invest Northern Ireland funding, in the form of an employment grant, of €0.2m (2014: €nil) was received in the current financial year. Enterprise Ireland funding of €nil (2014: €1.0m) has previously been received towards the costs of implementing developmental projects. Scottish Enterprise Board funding of €0.3m (€nil in the current financial year) has previously been received under the terms of its Regional Selective Assistance Scotland Scheme. All of these funds are fully repayable should the recipient subsidiary of the Group at any time during the term of the agreements be in breach of the terms and conditions of the agreements. The agreements terminate five years from date of the last receipt of funding which in the case of Invest Northern Ireland funding is September 2019, Enterprise Ireland funding is March 2018 and in the case of the Scottish Enterprise Board funding is July 2016.

Under the terms of the Sale and Purchase Agreements with respect to the disposal of the Wines and Spirits distribution businesses in the year ended to 28 February 2009, the Group had a maximum exposure of €9.6m with respect to the Republic of Ireland business and £1.9m with respect to the Northern Ireland business in relation to warranties undertaken. The time limit for all claims with respect to these warranties expired on 13 June 2010 and 26 August 2010 respectively, except for any claim relating to tax in Northern Ireland where the time limit is 7 years from the transaction date and is due to expire in February 2016.

Under the terms of the Sale and Purchase Agreement with respect to the disposal of the Group's Spirits & Liqueurs business to William Grant & Sons Holdings Limited in the year ended 28 February 2011, the Group had a maximum aggregate exposure of €300.0m in relation to warranties (€99.0m in relation to tax warranties). The time limit for the notification of all claims with respect to all warranties with the exception of tax claims expired on 29 October 2011. The time limit for any claim relating to tax is 5 years from the transaction date and is due to expire on 29 June 2015.

Notes forming part of the financial statements (continued)

Under the terms of the Sale and Purchase Agreement with respect to disposal of the Group's Northern Ireland wholesaling business in the year ended 29 February 2012, the Group has a maximum aggregate exposure of £4.3m in relation to warranties. The time limit for notification of all claims with respect to these warranties expired on 3 February 2013, with the exception of any claim relating to tax where the time limit is 7 years from the transaction date and is due to expire on 3 August 2018.

Pursuant to the provisions of Section 17 of the Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of certain of its subsidiary undertakings incorporated in the Republic of Ireland for the financial year to 28 February 2015 and as a result such subsidiaries are exempt from the filing provisions of Section 7, Companies (Amendment) Act, 1986 (note 27).

26. RELATED PARTY TRANSACTIONS

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group under IAS 24 *Related Party Disclosures* pertain to the existence of subsidiary undertakings and equity accounted investees, transactions entered into by the Group with these subsidiary undertakings and equity accounted investees and the identification and compensation of and transactions with key management personnel.

(a) Group

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 financial statements include the financial statements of the Company and its subsidiaries. A listing of all subsidiaries is provided in note 27. Sales to and purchases from subsidiary undertakings, together with outstanding payables and receivables, are eliminated in the preparation of the consolidated financial statements in accordance with IFRS 10 *Consolidated Financial Statements*.

Equity accounted investees

On 22 March 2013, the Group acquired 50% of the equity share capital of Wallaces Express Limited, a wholesaler of beverages in Scotland. The Group subsequently acquired the remaining 50% equity share capital of Wallaces Express Limited on 18 March 2014. The Group accounts for Wallaces Express Limited as a related party from date of the initial 50% investment, on 22 March 2013, to date of deemed disposal of this investment and subsequent acquisition of Wallaces Express Limited on 18 March 2014.

A subsidiary of the Group holds a 33% investment in Shanter Inns Limited with which the Group trades. Transactions between the Group and Shanter Inns are disclosed below.

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

On 28 November 2012, the Group invested £0.3m (€0.4m at date of payment) in Thistle Pub Company Limited, a joint venture with Maclay Group plc.

During the current financial year, the Group entered into a joint venture arrangement with Heather Ale Limited, run by the Williams brothers who are recognised as leading family craft brewers in Scotland, to form a new entity Drygate Brewing Company Limited. The joint venture, which is run independently of the joint venture partners existing businesses, operates a craft brewing and retail facility adjacent to Wellpark brewery. The total investment was €0.5m.

The Group also holds a 50% investment in Beck & Scott (Services) Limited (Northern Ireland) and a 45.61% investment in The Irish Brewing Company Limited (Ireland) following its acquisition of Gleeson. The Group traded with Beck & Scott (Services) Limited (Northern Ireland) during the financial year as outlined below. The Group had no transactions with The Irish Brewing Company Limited (Ireland) which is a non-trading entity.

Loans extended by the Group to equity accounted investees are considered trading in nature and are included within advances to customers in Trade & other receivables (note 15).

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

	Net revenue		Balance outstanding	
	2015	2014	2015	2014
	€m	€m	€m	€m
Sale of Goods to Equity accounted investees:				
Wallaces Express Limited	**0.4**	18.0	**-**	2.5
Maclay Group plc	**2.2**	1.4	**0.1**	0.2
Thistle Pub Company Limited	**0.5**	0.2	**0.1**	-
Shanter Inns Limited	**0.1**	-	**-**	-
Beck & Scott (Services) Limited	**0.2**	-	**-**	-
	3.4	19.6	**0.2**	2.7

	Balance outstanding	
	2015	2014
	€m	€m
Loans to Equity accounted investees:		
Thistle Pub Company Limited	**2.6**	1.3
Drygate Brewing Company Limited	**1.0**	-

	Purchases		Balance outstanding	
	2015	2014	2015	2014
	€m	€m	€m	€m
Purchase of Goods from Equity accounted investees:				
Wallaces Express Limited	**0.2**	6.6	**n/a**	1.3

All outstanding balances with equity accounted investees, which arose from arm's length transactions, are to be settled in cash within one month of the reporting date. The loan to Thistle Pub Company Limited is repayable by equal quarterly repayments over a period of fifteen years, from date of each drawdown, at an interest rate of 4.5% over the Bank of England base rate or notwithstanding the other provisions of the agreement on written demand by the Group.

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 (note 4) and death in service insurance programme and in the case of UK resident executive Directors are covered under the Group's permanent health insurance programme. The Group also provides private medical insurance for UK resident executive Directors. No other non-cash benefits are provided. Non-executive Directors do not receive share-based payments or post employment benefits.

Notes forming part of the financial statements (continued)

Details of key management remuneration are as follows:-

	2015 Number	2014 Number
Number of individuals	**10**	9
	€m	**€m**
Salaries and other short term employee benefits	**2.4**	2.5
Post employment benefits	**0.3**	0.4
Equity settled share-based payments	**(0.6)**	0.3
Dividend income with respect of JSOP Interests (note 23)	**0.5**	0.4
Total	**2.6**	3.6

The relevant disclosure of Directors remuneration as required under the Companies Act, 1963 is as outlined above.

Two of the Group's executive Directors were awarded Interests under the Group's Joint Share Ownership Plan (JSOP). When an award is granted to an executive under the Group's JSOP, its value is assessed for tax purposes with the resulting value being deemed to fall due for payment on the date of grant. Under the terms of the Plan, the executive must pay the Entry Price at the date of grant and, if the tax value exceeds the Entry Price, he must pay a further amount, equating to the amount of such excess, before a sale of the awarded Interests. The deferral of the payment of the further amount is considered to be an interest-free loan by the Company to the executive and a taxable benefit-in-kind arises, charged at the Revenue stipulated rates (Ireland 12.5% to 31 December 2012 and 13.5% from 1 January 2013, UK 4% to 5 April 2014 and 3.25% from 6 April 2014). The balances of the loans outstanding to the executive Directors in the context of the above as at 28 February 2015 and 28 February 2014 are as follows:-

	28 February 2015 €'000	28 February 2014 €'000
Stephen Glancey	**111**	111
Kenny Neison	**83**	83
Total	**194**	194

The loans fall due for repayment prior to the sale of their awarded Interests.

(b) Company

The Company has a related party relationship with its subsidiary undertakings. Details of the transactions in the year between the Company and its subsidiary undertakings are as follows:-

	2015 €m	2014 €m
Dividend income	**191.8**	-
Expenses paid on behalf of and recharged by subsidiary undertakings to the Company	**(3.3)**	(4.0)
Equity settled share-based payments for employees of subsidiary undertakings	**0.2**	0.8
Funding of cash requirements of subsidiary undertakings	**-**	-
(Drawdown)/repayment of cash funding and other cash movements with subsidiary undertakings	**(154.6)**	27.7

27. SUBSIDIARY UNDERTAKINGS

Trading subsidiaries	Notes	Nature of business	Class of shares held as at 28 February 2015 (100% unless stated)
Incorporated and registered in Republic of Ireland			
Bulmers Limited	(a) (m)	Cider	Ordinary
C&C Financing Limited	(b) (m) (n)	Financing company	Ordinary
C&C Group International Holdings Limited	(a) (m) (n)	Holding company	Ordinary & Convertible
C&C Group Irish Holdings Limited	(a) (m) (n)	Holding company	Ordinary
C&C Group Sterling Holdings Limited	(b) (m)	Holding company	Ordinary
C&C (Holdings) Limited	(a) (m)	Holding company	Ordinary
C&C Management Services Limited	(a) (m)	Provision of management services	6% Cumulative Preference, 5% Second Non-Cumulative Preference & Ordinary Stock
Cantrell & Cochrane Limited	(a) (m)	Holding company	Ordinary
Crystal Springs Water Company Limited	(b) (m)	Property holding company	Ordinary
Gleeson Logistic Services Limited	(b) (m)	Logistics	Ordinary
Gleeson Wines & Spirits Limited	(b) (m)	Wines & spirits	Ordinary
Greensleeves Confectionery Limited	(b) (m)	Soft drinks	Ordinary, 12% Cumulative Convertible Redeemable Preference and 3% Cumulative Redeemable Convertible Preference
Latin American Holdings Limited	(b) (m)	Holding company	Ordinary
M&J Gleeson & Co	(b) (m)	Wholesale of drinks	Ordinary
M and J Gleeson and Company Holdings Limited	(b) (m)	Holding company	Ordinary
M.& J. Gleeson (Investments) Limited	(b) (m)	Holding company	Ordinary
M. and J. Gleeson (Manufacturing) Company	(b) (m)	Soft drinks	Ordinary
M and J Gleeson (Manufacturing) Company Holdings Limited	(b) (m)	Holding company	Ordinary & Non-Voting Ordinary
M & J Gleeson Property Development Limited	(b) (m)	Property holding company	Ordinary
Tennent's Beer Limited	(a) (m)	Beer	Ordinary
The Annerville Financing Company	(a) (m)	Financing company	Ordinary
The Five Lamps Dublin Beer Company Limited	(b)	Beer	Ordinary (87.5%)
Tipperary Natural Mineral Water Company	(c) (m)	Water	Ordinary
Tipperary Natural Mineral Water Company Holdings Limited	(b) (m)	Holding company	Ordinary
Tipperary Natural Mineral Water (Sales)	(b) (m)	Water	Ordinary
Tipperary Natural Mineral Water (Sales) Holdings Limited	(b) (m)	Holding company	Ordinary
Wm. Magner Limited	(a) (m)	Cider	Ordinary
Wm. Magner (Trading) Limited	(a) (m)	Financing company	Ordinary
Incorporated and registered in Northern Ireland			
C&C Holdings (NI) Limited	(d)	Holding company	Ordinary
Gleeson N.I. Limited	(d)	Wholesale of drinks	Ordinary
Tennent's NI Limited	(d)	Cider and beer	Ordinary & 3.25% Cumulative Preference

Notes forming part of the financial statements (continued)

Incorporated and registered in England and Wales			
C&C Management Services (UK) Limited	(e)	Provision of management services	Ordinary
Green Light Brands Limited	(e)	Sales & Marketing	Ordinary
Magners GB Limited	(e)	Cider and beer	Ordinary
Monuriki Drinks Limited	(e)	Sales & Marketing	Ordinary
Monuriki Sales & Marketing Limited	(e)	Sales & Marketing	Ordinary
Incorporated and registered in Scotland			
Macrocom (1018) Limited	(g)	Investment	Ordinary
Tennent Caledonian Breweries UK Limited	(f)	Beer and cider	Ordinary
Tennent Caledonian Breweries Wholesale Limited (formerly Wallaces of Ayr Limited)	(g)	Wholesale of drinks	Ordinary
Wallaces Express Limited	(g)	Holding company	Ordinary
Wellpark Financing Limited	(f)	Financing company	Ordinary
Incorporated and registered in Luxembourg			
C&C IP Sàrl	(h)	Licensing activity	Class A to J Units
C&C IP (No. 2) Sàrl	(h)	Licensing activity	Class A to J Units
C&C Luxembourg Sàrl	(h)	Holding and financing company	Class A to J Units
Incorporated and registered Portugal			
Biofun - Produtos Biológicos Do Fundão Limitada	(i)	Ingredients	Ordinary
Frontierlicious Limitada	(i)	Orchard management	Ordinary
Incredible Prosperity Limitada	(i)	Orchard management	Ordinary
Incorporated and registered in Delaware, USA			
Green Mountain Beverages Management Corporation, Inc	(j)	Licensing activity	Common Stock
Vermont Hard Cider Company Holdings, Inc.	(j)	Holding company	Common Stock
Vermont Hard Cider Company, LLC	(j)	Cider	Membership Units
Wm. Magner, Inc.	(j)	Cider	Common Stock
Incorporated and registered in Singapore			
C&C International (Asia) Pte. Ltd.	(l)	Sales & Marketing	Ordinary

Non-trading subsidiaries

Incorporated and registered in Republic of Ireland

C&C Agencies Limited	(a) (m)	Non-trading	Ordinary
C&C Brands Limited	(a) (m)	Non-trading	Ordinary
C&C Gleeson Group Pension Trust Limited (formerly Calenford Limited)	(b)	Non-trading	Ordinary
C&C Group Pension Trust Limited	(a) (m)	Non-trading	Ordinary
C&C Group Pension Trust (No. 2) Limited	(a) (m)	Non-trading	Ordinary
C&C Profit Sharing Trustee Limited	(a) (m)	Non-trading	Ordinary
Ciscan Net Limited	(a) (m)	Non-trading	Ordinary & A Ordinary
Cooney & Co.	(b) (m)	Non-trading	Ordinary
Cravenby Limited	(a) (m)	Non-trading	Ordinary
Dowd's Lane Brewing Company Limited	(a) (m)	Non-trading	Ordinary
Edward and John Burke (1968) Limited	(a) (m)	Non-trading	Ordinary & A Ordinary
Findlater (Wine Merchants) Limited	(a) (m)	Non-trading	Ordinary & A Ordinary
Fruit of the Vine Limited	(a) (m)	Non-trading	Ordinary
Gleeson Management Services	(b) (m)	Non-trading	Ordinary
J.L. O'Brien Clonmel	(b) (m)	Non-trading	Ordinary
M&J Gleeson Nominees Limited	(b) (m)	Non-trading	Ordinary & Preference
Magners Irish Cider Limited	(a) (m)	Non-trading	Ordinary
Pastnow Limited	(b) (n)	Non-trading	Ordinary
Sceptis Limited	(a) (m)	Non-trading	Ordinary
Showerings (Ireland) Limited	(a) (m)	Non-trading	Ordinary
Tennmel Limited (formerly Bavaria City Racing Limited)	(b) (m)	Non-trading	Ordinary & A-E Non-Voting
Thwaites Limited	(a) (m)	Non-trading	A & B Ordinary
Vandamin Limited	(a) (m)	Non-trading	A & B Ordinary

Incorporated and registered in Northern Ireland

C&C 2011 (NI) Limited	(d)	Non-trading	Ordinary
C&C Profit Sharing Trustee (NI) Limited	(d)	Non-trading	Ordinary

Incorporated and registered in England and Wales

C&C (UK) Limited	(e)	Non-trading	Ordinary
Gaymer Cider Company Limited	(e)	Non-trading	Ordinary

Incorporated and registered in Germany

Wm. Magner GmbH	(k) (o)	Non-trading	Ordinary

Notes

(a) - (o)

The address of the registered office of each of the above companies is as follows:

(a) Annerville, Clonmel, Co. Tipperary, Ireland.
(b) Bulmers House, Keeper Road, Crumlin, Dublin 12, Ireland.
(c) Pallas Street, Borrisoleigh, Co Tipperary.
(d) 15 Dargan Road, Belfast, BT3 9LS.
(e) Kilver Street, Shepton Mallet, Somerset, BA4 5ND, England.
(f) Wellpark Brewery, 161 Duke St, Glasgow G31 1JD, Scotland.
(g) Crompton Way, North Newmoor Industrial Estate, Irvine, Strathclyde, KA11 4HU.
(h) L-2132 Luxembourg, 18 Avenue Marie-Therese, Luxembourg.
(i) Quinta Ferreira De Baxio, Castelo Branco, Fundão Parish, 6230 610 Salgueiro, Portugal.
(j) 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA.
(k) Hans-Stießberger-Strae 2b, 885540 Haar, Germany.
(l) 143, Cecil Street, #03-01, GB Building, Singapore – 069542.
(m) Companies covered by Section 17 guarantees (note 26).
(n) Immediate subsidiary of C&C Group plc.
(o) Wm Magner GmbH is in liquidation.

Notes forming part of the financial statements (continued)

Equity accounted investees

Company Name		Nature of business	Class of shares and % held
Beck & Scott (Services) Limited (Northern Ireland)	(a)	Wholesale of drinks	Ordinary, 50%
Drygate Brewing Company Limited (Scotland)	(b)	Brewing	B Ordinary, 49%
Maclay Group plc (Scotland)	(c)	Operator of managed public houses	B Ordinary, 23.5%
The Irish Brewing Company Limited (Ireland)	(d)	Non-trading	Ordinary, 45.61%
Thistle Pub Company Limited (Scotland)	(e)	Operator of public houses	B Ordinary, 47%
Shanter Inns Limited	(f)	Public houses	Ordinary, 33%

(a) - (f)
The address of the registered office of each of the above equity accounted investees is as follows:
(a) Unit 1, Ravenhill Business Park, Ravenhill Road, Belfast, BT6 8AW.
(b) 85 Drygate, Glasgow, G4 0UT.
(c) G1 Building, 5 George Square, Glasgow, G2 1DY.
(d) Bulmers House, Keeper Road, Crumlin, Dublin 12.
(e) Unit 2/4 The E-Centre, Cooperage Way Business Village, Alloa, FK10 3LP.
(f) 230 High Street, Ayr, KA7 1RQ.

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Directors on 13 May 2015.

Financial Definitions

Adjusted earnings	Profit for the year attributable to equity shareholders as adjusted for exceptional items
Company	C&C Group plc
Constant Currency	Prior year revenue, net revenue and operating profit for each of the Group's reporting segments is restated to constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's non-euro denominated subsidiaries by revaluing the prior year figures using the current year effective foreign currency rates
DWT	Dividend Withholding Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation charges excluding the Group's share of equity accounted investees' profit/(loss) after tax
Adjusted EBITDA	EBITDA as adjusted for exceptional items
EBIT	Earnings before Interest and Tax
Adjusted EBIT	EBIT as adjusted for exceptional items
Effective tax rate (%)	Income and deferred tax charges relating to continuing activities before the tax impact of exceptional items calculated as a percentage of Profit before tax for continuing activities before exceptional items and excluding the Group's share of equity accounted investees' profit/(loss) after tax
EPS	Earnings per Share
EU	European Union
Exceptional	Significant items of income and expense within the Group results for the year which by virtue of their scale and nature are disclosed in the income statement and related notes as exceptional items
Free cash flow	Free Cash Flow is a non-GAAP measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. Free Cash Flow highlights the underlying cash generating performance of the ongoing business
GB	Great Britain (i.e. England, Wales and Scotland)
Group	C&C Group plc and its subsidiaries
HL	Hectolitre (100 Litres)
	kHl = kilo hectolitre (100,000 litres)
	mHl = millions of hectolitres (100 million litres)
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards as adopted by the EU
Interest cover	Calculated by dividing the Group's EBITDA excluding exceptional items and discontinued activities by the Group's interest expense, excluding issue cost write-offs, fair value movements with respect to derivative financial instruments and unwind of discounts on provisions, of the same period
Export	Sales in territories outside of the Ireland, Scotland, England & Wales and North America
LAD	Long Alcoholic Drinks
Net debt/(cash)	Net debt/(cash) comprises cash and borrowings net of unamortised issue costs

Financial Definitions (continued)

Net debt:EBITDA	A measurement of leverage, calculated as the Group's interest-bearing debt less cash & cash equivalents, divided by its EBITDA excluding exceptional items and discontinued activities. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for the Group to pay back its debt if net debt and EBITDA are held constant
Net revenue	Net Revenue is defined by the Group as Revenue less Excise duty. Excise duties, which represent a significant proportion of Revenue, are set by external regulators over which the Group has no control and are generally passed on to the consumer, consequently the Directors consider that the disclosure of Net Revenue enhances the transparency and provides a more meaningful analysis of underlying sales performance
NI	Northern Ireland
Off-trade	All venues where drinks are sold for off-premise consumption including shops, supermarkets and cash & carry outlets selling alcohol for consumption off the premises
On-trade	All venues where drinks are sold at retail for on-premise consumption including pubs, hotels and clubs selling alcohol for consumption on the premises
Operating profit	Profit earned from the Group's core business operations before net financing and income tax costs and excluding the Group's share of Equity accounted investees' profit/(loss) after tax. In line with the Group's accounting policies certain items of income and expense are separately classified as exceptional items on the face of the Income Statement.
PPE	Property, plant & equipment
Revenue	Revenue comprises the fair value of goods supplied to external customers exclusive of intercompany sales and value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives
ROI	Republic of Ireland
TSR	Total Shareholder Return
UK	United Kingdom (Great Britain and Northern Ireland)
US	United States of America

Shareholder and Other Information

C&C Group plc is an Irish registered company. Its ordinary shares are quoted on the Irish and London Stock Exchanges (ISIN: IE00B010DT83 SEDOL: B010DT8).

C&C Group plc also has a Level 1 American Depository Receipts (ADR) programme for which Deutsche Bank acts as depository (symbol CCGGY). Each ADR share represents three C&C Group plc ordinary shares.

The authorised share capital of the Company at 28 February 2015 was 800,000,000 ordinary shares at €0.01 each. The issued share capital at 28 February 2015 was 348,547,138 ordinary shares of €0.01 each.

CREST

C&C Group plc is a member of the CREST share settlement system. Therefore transfers of the Company's shares takes place through the CREST settlement system. Shareholders have the choice of holding their shares in electronic form or in the form of share certificates. Shareholders should consult their stockbroker if they wish to hold their shares in electronic form.

SHARE PRICE DATA	2015	2014
Share price at 28 February	€3.861	€4.922
	Number	Number
No of Shares in issue at 28 February	348,547,138	346,840,406
Market capitalisation	€1,346m	€1,707m
Share price movement during the financial year		
-high	€4.936	€5.187
-low	€3.230	€3.750

DIVIDEND PAYMENTS

The Company may, by ordinary resolution declare dividends in accordance with the respective rights of shareholders, but no dividend shall exceed the amount recommended by the Directors. The Directors may also declare and pay interim dividends if they believe they are justified by the profits of the Company available for distribution.

An interim dividend of 4.5 cent per share was paid in respect of ordinary shares on 23 December 2014.

A final dividend of 7.0 cent, if approved by shareholders at the 2015 Annual General Meeting, will be paid in respect of ordinary shares on 10 July 2015 to shareholders on the record on 22 May 2015. A scrip alternative will be offered to shareholders.

Dividend Withholding Tax ('DWT') must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrars. DWT applies to dividends paid by way of cash or by way of shares under a scrip dividend scheme and is deducted at the standard rate of income tax (currently 20%). Non-resident shareholders and certain Irish companies, trusts, pension schemes, investment undertakings, companies resident in any member state of the European Union and charities may be entitled to claim exemption from DWT and have been sent the relevant exemption form. Further copies of the form may be obtained from the Company's Registrars. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed exemption form has not been received by the relevant record date. Shareholders who wish to have their dividend paid direct to a bank account, by electronic funds transfer, should contact Capita Registrars to obtain a mandate form. Tax vouchers will be sent to the shareholder's registered address under this arrangement.

CREST members

Shareholders who hold their shares via CREST will automatically receive dividends in euro unless they elect otherwise.

Non-CREST members

Shareholders who hold their shares in certificate form will automatically receive dividends in euro with the following exceptions:

- Shareholders with an address in the United Kingdom (UK) will automatically receive dividends in sterling,
- Shareholders who had previously elected to receive dividends in a particular currency will continue to receive dividends in that currency.

Shareholders who wish to receive dividends in a currency other than that which will be automatically used should contact the Company's Registrars.

Shareholder and Other Information (continued)

ELECTRONIC COMMUNICATIONS

Following the introduction of the Transparency Regulations 2007, and in order to promote a more cost effective and environmentally friendly approach, the Company provides the Annual Report electronically to shareholders via the Group's website and only sends a printed copy to those who specifically request one. Shareholders who wish to alter the method by which they receive communications should contact the Company's registrar. All shareholders will continue to receive printed proxy forms, dividend documentation, shareholder circulars, and, where the Company deems it appropriate, other documentation by post.

FINANCIAL CALENDAR	Date
Annual General Meeting	2 July 2015
Ex-dividend date	21 May 2015
Record date for dividend	22 May 2015
Latest date for receipt of elections and mandates	25 June 2015
Payment date for final dividend	10 July 2015
Interim results announcement	October 2015
Interim dividend payment	December 2015
Financial year-end	29 February 2016

COMPANY SECRETARY AND REGISTERED OFFICE

David Johnston, C&C Group plc
Bulmers House, Keeper Road, Crumlin, Dublin 12
Tel: +353 1 506 3900

REGISTRARS

Shareholders with queries concerning their holdings, dividend information or administrative matters should contact the Company's registrars:
Capita Asset Services, Shareholder solutions (Ireland)
2 Grand Canal Square, Dublin 2
Tel: +353 1 553 0050
Fax: +353 1 224 0700
Email: enquiries@capita.ie

AMERICAN DEPOSITARY RECEIPTS (ADR)

Shareholder with queries concerning their ADR holdings should contact:
Deutsche Bank Trust Company Americas
C/o American Stock Transfer & Trust Company, 6201 15th Avenue,
Brooklyn, NY 11219.
Tel: Toll free +1 866 249 2593
International +1 718 921 8137
Email: DB@amstock.com

INVESTOR RELATIONS

FTI Consulting
10 Merrion Square, Dublin 2

PRINCIPAL BANKERS

Bank of Ireland
Bank of Scotland
Barclays Bank
Danske Bank
HSBC
Rabobank
Ulster Bank

SOLICITORS
McCann FitzGerald
Riverside One, Sir John Rogerson's Quay, Dublin 2

STOCKBROKERS
Davy
49 Dawson Street, Dublin 2

Investec Bank plc
2 Gresham Street, London EC2V 7QP

AUDITOR
KPMG
Chartered Accountants
1 Stokes Place, St. Stephen's Green, Dublin 2

WEBSITE
Further information on C&C Group plc is available at
www.candcgroupplc.com

C&C group plc

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