RESULTS FOR THE 12 MONTHS ENDED 28 FEBRUARY 2019

C&C Group plc ('C&C' or the 'Group'), the leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits, and soft drinks across the UK and Ireland announces results for the 12 months ended 28 February 2019 ("FY2019").

FY2019 Financial highlights **€m except per share items**	**Core C&C Group(i)(ii)**	**11mths MCW and Bibendum(ii)(iii)**	**Total C&C Group(ii)**	**Organic change %(iv)(v)**
Net revenue	564.4	1,010.5	1,574.9	+3.2%
Adjusted EBITDA(vi)	101.7	18.3	120.0	+1.4%
Operating profit	88.8	15.7	104.5	+3.3%
Operating margin	*15.7%*	*1.6%*	*6.6%*	*(Flat)*
				Reported change %
Basic EPS (cent)			23.4	(9.3%)
Adjusted diluted EPS(vii) (cent)			26.6	+20.9%
Dividend per share (cent)			15.31	+5.0%
Free cash flow (excl. exceptionals)(viii)			96.9	+36.9%
Free cash flow(viii)/Adjusted EBITDA(vi) (% conversion)			80.8%	+103bps
Net debt(ix)			301.6	

FINANCIAL

- Adjusted diluted EPS(vii) of 26.6c representing 20.9% year on year growth, Basic EPS was 23.4c.
- Group net revenue growth of 188.1%(v) and operating profits(ii) up 21.5%(v), includes €15.7m for Matthew Clark and Bibendum.
- Core C&C business organic net revenue increase of +3.2%(v) and operating profit of +3.3%(ii) (v).
- Net debt(ix) to EBITDA(vi) at 28 February 2019 of 2.51x (28 February 2018: 2.37x).
- Strong free cash flow(viii) of €96.9m(ii) and cash conversion 80.8%(ii) of Adjusted EBITDA(vi).
- Proposed final dividend 9.98c per share +6.5%, making a total dividend for the year of 15.31c (+5.0%).

OPERATIONAL HIGHLIGHTS

- Bulmers, Magners and Tennent's in revenue growth (+5.5%) in their key home markets.
- Super-premium and craft portfolio now 7.9% of branded revenues; with volume growth +46.2% (Organic +15.0%).
- Multi-year sponsorship of Cheltenham Gold Cup by Magners and Bulmers.
- Significant investment in IT Systems in Ireland and a new Visitor Centre and Waste Water Treatment Plant in Wellpark.

STRATEGIC INVESTMENT

- Acquisition of Matthew Clark and Bibendum in the period.
    - Stabilisation programme completed.
    - Strong underlying cash flow in H2.
    - Good progress in the identification of revenue and cost synergies across the combined Group.
    - 'Steady-state' margin target 3.0%+.
- Admiral

- Good performance from Admiral Taverns comparable EBITDA of £23.8m +1.8%[x], plus an uplift in carrying values and good growth of Magners.

CURRENT TRADING AND OUTLOOK

- Solid start to FY2020, trading in-line with expectations.
- Targeting double-digit EPS growth in FY2020 and mid-to-high single digit thereafter.

Stephen Glancey, C&C Group CEO, commented:

"FY2019 was a transformational year for the Company. Despite strong multi beverage brand led positions in Ireland and Scotland, access to the wider UK on-trade had always been a challenge, the acquisition of Matthew Clark and Bibendum changes this dynamic.

We are now the largest final mile distributor to the on-trade of alcohol and other drinks in the British Isles with unparalleled access to this profitable market channel. In the longer term this will provide the platform for developing our high premium speciality beers and ciders. It will also make C&C the natural partner for others seeking a gateway through to 60 million high value consumers. As our customers seek channel differentiation and their customers look for choice as well as local authentic product, we are uniquely placed to provide the market solution.

At the heart of the business the Bulmers, Magners and Tennent's brand remain remarkably strong and relevant to today's consumers. We will continue to invest behind the long term health of these brands and innovate to ensure that we adapt to changing consumer requirements and needs. Minimum unit pricing in Scotland demonstrated the value of strong local brands against price led competitors. We are confident that the introduction of similar regulations in Ireland will be equally relevant to Bulmers.

Our super-premium and craft range has delivered stellar growth in volume and value. We will continue to nurture and grow distribution for these authentic products protecting long term equity value. The Matthew Clark and Bibendum networks, of course, will help achieve this ambition.

In the acquired business our plan is to steadily restore the equity value rather than chase short term growth or synergy. Value and earnings from a low cost base will take priority and our focus will be on low risk, high value product and customers.

Everyone associated with Matthew Clark and Bibendum from employees through to suppliers and customers has had a pretty difficult year or so. We are very grateful for all the support we received from key stakeholders, from customers through to suppliers and of course, our colleagues. The key to restoring long term confidence is in the skill set of our managers and their colleagues and this will require shareholder support and patience.

Our capital allocation strategy will remain set at the return criteria previously described. In principle we seek to invest primarily in our existing business infrastructure and thereafter only in assets aligned to the current operation span. We aim to keep leverage contained to maintain balance sheet flexibility. Thereafter where appropriate we will return surplus cash to shareholders.

2019 was of course an exceptional year for trading and the weather impact is not something we can necessarily hope to repeat. There remains uncertainty ranging from the impact of geo-political events to the, as yet, unclear Brexit process. Any such event could, of course, impact upon the economic environment within our key markets and consumer confidence. This includes currency risk and the ability to trade freely across borders. Naturally, we have taken all necessary steps to plan for the worst while hoping for the most rationale outcome.

Set against this backdrop, earnings predictability is a challenge. However, we have continuing momentum across our business. The recovery and performance of Matthew Clark and Bibendum since acquisition is particularly pleasing. These factors contributed to earnings growth of 20% in FY2019. Reflecting the inherent strength of our business today, we are targeting continued, double digit EPS growth in the current financial year. Thereafter, assuming 'steady state' market conditions, we will target EPS growth in a mid to high single digit range. C&C is highly cash generative and has inherent balance sheet strength to support our targeted growth range."

ENDS

Summary notes to highlights pages are set out below.

(i) Core C&C businesses as at 1 March 2018 (prior to the acquisition of the Matthew Clark and Bibendum and other marketing services businesses acquired on 4 April 2018) financial results for the 12 months to 28 February 2019.

(ii) Before exceptional items.

(iii) The financial results of the Matthew Clark and Bibendum and other marketing services businesses acquired on 4 April 2018 (date of acquisition) until 28 February 2019.

(iv) Organic growth (adjusting for constant currency) of the businesses owned by Group in both the period 1 March 2017 to 28 February 2018 and 1 March 2018 to 28 February 2019.

(v) Adjusted for constant currency (ie. FY2018 financials translated at FY2019 F/X rates).

(vi) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, share of equity accounted profit after tax, tax, depreciation and amortisation charges. A reconciliation of the Group's operating profit to Adjusted EBITDA is set out on page 18.

(vii) Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please also see note 8 of the condensed financial statements.

(viii) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €152.6m (2018:€63.5) to year end cash in the period. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out on page 18.

(ix) Net debt comprises borrowings (net of issue costs) less cash.

(x) Comparable EBITDA growth in Admiral Taverns is calculated as earnings before interest, tax, depreciation and amortisation and exceptional items and adjusted for the impact of pub acquisitions and disposals and the KNDL distribution contract entered into in July 2017.

Conference call details | Analysts & Institutional Investors

C&C Group plc will host a live conference call and webcast, for analysts and institutional investors, today, **22 May 2019, at 08:15 BST (03:15 ET).** Dial in details are below for the conference call. The webcast can be accessed on the Group's website: www.candcgroupplc.com.

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For all conference call replay numbers, please contact FTI Consulting.

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About C&C Group plc

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

- C&C Group's portfolio of owned/exclusive brands include: Bulmers, the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; as well as a range of fast-growing, super-premium and craft ciders and beers, such as Heverlee, Menabrea and Orchard Pig. C&C exports its Magners and Tennent's brands to over 60 countries worldwide.
- C&C Group has owned brand and contract manufacturing/packing operations in Co.Tipperary, Ireland; Glasgow, Scotland; and Vermont, US, where it manufactures Woodchuck, a leading craft cider brand in the United States.
- C&C is the No.1 drinks distributor to the UK and Ireland hospitality sectors. Operating under the Matthew Clark, Bibendum, Tennent's and C&C Gleeson brands, the Group supplies over 35,000 pubs, bars, restaurants and hotels, and is a key route-to-market for major international beverage companies.
- C&C Group also has an investment in the Admiral Taverns tenanted pub group, which owns over 800 pubs across England & Wales.

C&C Group is headquartered in Dublin and is listed on the Irish and London Stock Exchanges.

Note regarding forward-looking statements

This announcement includes forward-looking statements, including statements concerning current expectations about future financial performance and economic and market conditions which C&C believes are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including those factors discussed on page 21-23 that could cause actual results to differ materially from those anticipated.

OPERATING REVIEW

Ireland

€m	**Ireland**		
Constant currency(i)	**FY2019**	**FY2018**	**Change %**
Net revenue(ii)	219.2	214.8	+2.0%
- Price / mix impact			*(0.6%)*
- Volume impact			*+2.6%*
Operating profit(iii)	40.3	40.1	+0.5%
Operating margin(iii)	*18.4%*	*18.7%*	*(30bps)*
Volume – (kHL)	1,359	1,324	+2.6%
- of which Bulmers	*392*	*386*	*+1.6%*

Market insight(iv)

Long alcoholic drink (LAD) volumes in the Republic of Ireland were +0.9%(iv) in the 12 months to 28 February 2019, benefitting from the good summer and the World Cup in the first half. Growth came in the off-trade (+4.7%)(iv), with on-trade volumes remaining under pressure at -2.2%(iv). Cider increased its share of LAD to 13.0%(iv) (FY2018:12.7%)(iv).

Competition remains intense with new product launches by major international brewers across beer and cider, heightening competition for bar space and consumer attention. Economic expansion in Ireland remains concentrated in the major urban areas. Given uncertainty around Brexit, consumer spending particularly in rural areas remains under pressure, with the on-trade also impacted by the tightening of drink-driving sanctions during 2018.

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

Operating performance

Cider

Bulmers had an excellent year, returning to volume growth +1.6% and revenue growth +2.9%, increasing its share of LAD by 30bps to 7.8%(iv) and its share of cider by 110bps to 60.2%(iv). In line with the broader market, this growth was led by a strong outperformance in the off-trade, growing both volume and share from 45.4% to 49.2% while maintaining a price premium over standard lager at 10%. In support of the critical on-trade market we switched investment from above the line brand spend to enhanced in pub activation and created a separate branded sales team (combining Bulmers & Five Lamps). Good progress was made in winning key on-trade, high volume accounts in Dublin. Accordingly, Bulmers share stabilised during the year in the on-trade and margins improved.

Bulmers' positive summer performance and momentum into H2 demonstrates the inherent strength of the brand. Our latest brand health scores confirm Bulmers as consistently ranked the No.1 cider brand in Ireland across all measures and the No.3 brand in LAD[iv]. Our sponsorship of the Cheltenham Gold Cup will only serve to strengthen further Bulmers' close affinity with Irish consumers.

Super-premium and Craft

Our super-premium and craft portfolio had another strong year in Ireland. Five Lamps, our Dublin craft brewery increased volumes +35%, despite unprecedented launch activity by the major brewers. Recent innovation with Five Lamps Red Ale and Five Lamps Light, further strengthen the craft portfolio and our brand proposition to the Dublin market. Our regional craft offerings include Dowd's Lane range of traditional craft Ales, Stouts and Ciders, Whitewater in Northern Ireland and new distribution partnerships with the craft brands Killarney Brewing Company and Sullivans Brewing Company. Heverlee, our premium Belgian lager, had another strong performance, particularly in Northern Ireland, with volumes and revenues up by double-digits.

Wholesale distribution and wine

C&C Gleeson together with our wine specialist Gilbey's have seen significant momentum during the year with wholesale volume growth of +8%. This was driven by a strengthened management team, new customer wins and the enhanced range, service and value we can now offer with Matthew Clark and Bibendum as part of the Group. In Gilbey's (now renamed *Gilbey's with Bibendum*) we have the largest independent wine business in Ireland shipping 878k cases annually.

Financial performance

The net revenue performance of the division +2.0% was driven primarily by strong off-trade volume growth of our Irish ciders, plus the good on-trade performance in super-premium and craft as well as Wholesale. Price/mix for the division was negative -0.6% reflecting greater off-trade branded and Wholesale business mix.

Operating profit for the division was marginally ahead for the year. Good operational gearing in our branded business was diluted in part by rising input costs, business mix (as detailed above) and an adverse movement of €2.6m in pension charges as pension credits in the prior period normalised.

Great Britain (GB)

€m	Great Britain				
Constant currency[i]		**FY2019**		**FY2018**	
	GB Division*	**MCB adj.***	**Group Reported**		**Change % Like-for-like**
Net revenue[ii]	310.0	(3.7)	306.3	291.7	+6.3%
- Price / mix impact					*+3.5%*
- Volume impact					*+2.8%*
Operating profit[iii]	42.1		42.1	39.4	+6.9%
Operating margin[iii]	*13.6%*		*13.7%*	*13.5%*	*+10bps*
Volume – (kHL)	2,648	(20)	2,628	2,576	+2.8%
- of which Tennent's	*1,015*	*(11)*	*1,004*	*1,017*	*(0.2%)*
- of which Magners	*543*	*-*	*543*	*520*	*+4.4%*

**In FY2019 our GB division made intercompany sales to the value of €3.7m (20kHL) to Matthew Clark which were removed from GB net revenues/volumes on consolidation. These principally comprised of Tennent's €1.9m (11kHL) and Menabrea €1.4m (7kHL). GB division sales of Magners and the Group's other cider brands through MCB in the current financial year (FY2019) were conducted via our distribution arrangements with AB InBev and are therefore accounted for as third-party sales in both divisions. MCB had net revenues of €3.9m (18kHL) from Magners and €0.8m (4kHL) from other C&C ciders in FY2019.*

Market insight

Beer and cider markets in GB performed positively through the year, assisted by the good summer weather, the World Cup and a mild festive trading period. Volumes in the period were +1.8%[vi] for GB beer and +2.7%[vi] for GB cider and value was ahead by +3.7%[vi] and +4.3%[vi], respectively.

In Scotland, Minimum Unit Pricing (MUP) legislation was implemented from 1 May 2018. The anticipated reduction in overall off-trade beer and cider volumes was alleviated by the good weather and the World Cup during the summer. Accordingly, the full year total beer volumes in Scotland were only marginally down (0.2%)[vii], with value +4.7%[vii].

Operational performance

Tennent's

The Tennent's brand has had an excellent trading period. The Group has been supportive of MUP since inception, but it still represented one of the most significant and far-reaching legislative changes in alcohol retailing for a generation. In the event our volumes in the year were flat and we gained significant share (24% to 26% in the grocery channel)[viii] as weaker brands and private label lost ground. We had planned ahead and sourced consumer insight on likely behavioural change. This ensured that our pack sizing and linked commercial strategy delivered both value and significant share gain. We see further opportunities, particularly as consumption shifts towards the convenience channel. We took the decision to bring in house our outsourced distribution operation in Scotland. We also made further select investments in our distribution infrastructure and are already seeing significant volume growth and new direct customer wins.

On-trade volumes were flat overall, but in the important direct supply independent free trade Tennent's continued to grow revenue.

Recent brand investment has been focussed on strengthening consumer perceptions around quality and growing share in the East of Scotland where Tennent's has traditionally under-indexed. Our *"Turning rain* *into beer since 1885"* campaign across outdoor and social media has helped push YouGov brand quality scores up by 163pts over the last 12 months[v]. Tennent's sponsorship of Scottish Rugby under the *"Bring It On!"* tag line delivered 2.1 million meaningful brand impacts across Edinburgh during the Six Nations, as well as 200,000 rugby fans at Murrayfield and an estimated 10 million viewers at home.

The new visitors centre is an important investment behind experiential marketing and provides many Instagram and Snapchat opportunities for visitors. The centre was opened in November and has hosted a number of celebrity visits including Martin Compston from *Line of Duty*.

Magners and GB cider portfolio

The Magners brand also performed strongly continuing the momentum of recent years. The brand had a very strong summer with H1 volumes +8% in the Scottish IFT and +12% across the rest of the UK (through AB InBev); well ahead of the category as a whole[vii]. Good weather and the World Cup clearly contributed. The second half was more subdued with significant competitor activity through the Christmas period and brand volumes for the full year FY2019 were +4.4%, still ahead of the market at +2.7%[vii]. Magners Dark Fruit gained national listings in both the on and off-trades.

The brand had a positive uptake within the Admiral estate, with taps nearly doubling to 633 installed as at year end and a healthy rate of sale.

March 2019 saw the inaugural running of the Magners / Bulmers Cheltenham Gold Cup. This significant multi-year brand investment demonstrates the ambition we have for our Irish cider brands and it will build on their current momentum across the UK and Ireland.

Wholesale distribution and wine

Financial performance at our wholesale distribution and wine businesses in Scotland continued to strengthen through the year. The combination of the Tennent's brand, excellent service levels, plus unrivalled product breadth, expertise and value following the acquisitions of Matthew Clark and Bibendum, are the drivers of this performance. Our distribution and wine business grew sales revenue 10.0% and we expanded our customer base through increased distribution points from 3,644 to 3,882. Our online ordering platform now accounts for 36% of value (FY2018: 24%).

This strong performance includes our specialist wine business in Scotland which sold c. 176k cases in the year. The increased breadth of portfolio and expertise provided by Matthew Clark and Bibendum is already proving instrumental in a number of new client wins, particularly amongst premium outlets.

Super-premium and Craft

Our super-premium and craft brands had another strong period of organic growth in Scotland and across the rest of Great Britain meeting the consumer's increasing desire for choice, quality and premium products. Including distribution through Matthew Clark, Menabrea increased volumes by +28.8% in GB, achieving solid growth in all channels. Heverlee was +35.5% and Drygate was +16.5%. We strengthened our international premium beer portfolio securing exclusive rights to distribute Tsingtao, the leading Chinese beer, across Ireland and the UK.

The acquisition of Matthew Clark and Bibendum presents an exciting opportunity to accelerate the momentum we have already seen from this premium portfolio into the broader UK on-trade. Distribution points for our premium portfolio have already increased by 46% to 1,240 since acquisition.

Admiral Taverns

Admiral Taverns has traded positively through the period, with its predominantly wet-led, community pubs benefitting from good weather, the World Cup and continued investment. Comparable EBITDA[ix] for the 12 months to February 2019 is up 1.8% at £23.8 million. Admiral contributed €3.8 million of after tax income (pre-exceptionals) to the Group in the period, impacted by an increased deferred tax charge.

Reflecting increasing asset values across the pub sector and an Admiral property valuation conducted during the year, we recognised a net gain of €3.8 million in the current financial year. This is in addition to negative goodwill arising on acquisition of €13.3 million booked in the prior year.

Financial performance

Revenue and profit increases were predominantly driven by the strong performance across our Tennent's, Magners and super-premium and craft brand portfolios, as well as continued progress in drinks distribution, especially wine. Price/mix for the division was positive reflecting the strong rate performance of Tennent's which was offset in part by new contract wins in own label at lower rates and margin. Operating margins were 10bps ahead, due to strong operational gearing within our branded businesses, offset by rising input costs and changes in business mix, primarily new distribution and own-label wins.

Matthew Clark and Bibendum

Matthew Clark and Bibendum	11 months to 28 February 2019 €m
Net revenue[ii]	1,010.5
Adjusted EBITDA[iii] [x]	18.3
Adjusted EBITDA margin	*1.8%*
Operating profit[iii]	15.7
Operating margin[iii]	*1.6%*
Volumes – (kHL)	2,639

On 4 April 2018, the Group announced the acquisition of Matthew Clark and Bibendum (MCB) from the administrators of Conviviality Group Plc. The businesses were acquired as going concerns ensuring business continuity for customers and suppliers. They had been operating under severe financial and operational stress for an extended period and stock availability, customer service levels, supplier relations and financial controls were in our view below the appropriate level. Since then we have made significant progress in stabilising and restoring these businesses to their respected position within the UK hospitality sector.

In aggregate, Matthew Clark and Bibendum form the UK's No.1 drinks distribution business to UK licensed on-trade. Matthew Clark is the leading independent composite drinks distributor with unrivalled product breadth across all categories and serving a customer base of over 20,000 outlets from a national network of 12 warehouses. Bibendum is the leading premium wine and spirits specialist with an enviable reputation product expertise and long-standing, trusted relationships with the UK's premium bars, restaurants and hotels, particularly in London. They serve the large, attractive and robust UK drinks market valued at €50 billion which grew at 3% by value last year[xii].

Customers

Customer service levels have been restored to normalised levels, with On Time in Full deliveries (OTIF) through the key trading month of December running at 96% (April 2018: 64%).

Customer retention has been very encouraging. Matthew Clark distribution points averaged 96% in FY2019 led by a good recovery and latterly growth in our National Accounts business. In Bibendum, there were a small number of customer losses in H1. However, our management team have moved quickly to restore customer confidence in Bibendum's key proposition of premium wines and spirits, exemplary service and product passion and expertise. The business is winning awards (Wine Merchant of the Year), new accounts and Net Promoter Scores have moved from <10 pre-acquisition to 45 in the last quarter.

Going forward the strategy will be to focus both businesses on segments of the market and customers where our relationships, logistics platform and product expertise add genuine value. We will not chase low margin top-line growth, but instead focus on improving yields, rate of sale and ultimately margin.

Suppliers

The supplier base across both businesses has been hugely supportive of the recovery programme, underlining their importance as key route-to-market partners for major brand owners as well as craft and artisanal producers. All overdue balances (including to HMRC) were settled by Christmas and supplier relations and creditlines have been re-established.

Cash and working capital

During the first half of the year, we invested in working capital to re-build customer and supplier confidence and restore service levels to the highest standards. This investment was funded from the balance sheets of the acquired businesses through the Group receivables purchase programme. In the second half, as trading relations normalised we have significantly improved the working capital metrics of the business, generating free cash inflow. Accordingly, the net cash investment in Matthew Clark and Bibendum by the Group as at end February 2019 is c. £76 million taking account of nominal share consideration paid, debt acquired on acquisition (£102 million), subsequent trading, working capital and other cash movements (£55 million) and £81 million of receivables financing.

We anticipate further underlying working capital improvements can be extracted from Matthew Clark and Bibendum during FY2020. Medium term we are confident the business can at least match the Group's free cashflow conversion guidance range of 60-70%.

Financial control

Since the acquisition a huge amount of work has gone into establishing a robust financial control and reporting environment at both Matthew Clark and Bibendum. A rigorous system of daily, weekly and quarterly cashflow forecasting and monitoring has been implemented. We also completed a thorough programme of purchase ledger, sales ledger and bank reconciliations.

Ernst & Young were appointed as auditors to Matthew Clark and Bibendum in April 2018 and completed a substantive audit for the year ended 29 April 2018 delivering a clean audit opinion for the principle trading subsidiaries.

Management

Experienced management teams were appointed at both Matthew Clark and Bibendum, augmented with financial and commercial support from C&C. Steve Thomson and David Philips at Matthew Clark Wholesale and Michael Saunders and James Kowzsun at Bibendum, had run their respective businesses prior to Conviviality ownership and combine deep knowledge and experience of the markets they serve, with the vision and drive to restore these businesses to their pre-eminent positions within the UK drinks industry. They, their teams and their entire staff deserve great credit for the huge progress we have made in such a short space of time.

Simplification and Optimisation programmes and updated margin guidance

With both businesses trading robustly through the key Christmas trading period, we have moved now from the Stabilisation phase of our recovery plan into Simplification and Optimisation. A restructure has been completed at both businesses, which will reduce complexity at the corporate centre and focus resources on core operations and delivering an excellent localised service to customers. In addition, we have made good progress in identifying cost-savings across the Group in logistics and goods not for re-sale.

We have also been working with our suppliers to identify procurement opportunities as we combine our buying processes across our Scottish and Irish distribution businesses, as well as Matthew Clark and Bibendum.

Through Matthew Clark's distribution reach, we see the opportunity to raise the profile of C&C's premium beer and cider portfolio within the UK on-trade and improve current brand penetration and rate of sale.

In aggregate, we anticipate that these Simplification and Optimisation programmes should deliver a 'steady-state' operating margin of 3.0%+ across the combined businesses.

Financial performance

The performance of MCB in the 11 months to 28 February 2019, was severely impacted by the business disruption linked to Conviviality Group's collapse into administration in April 2018. However, trading stabilised across the division through the second half and MCB recovered to generate EBIT of €15.7m for the 11 month period since acquisition. The EBIT margin for FY2019 was 1.6% (5 months to Aug-18: 1.2%).

International

€m	International		
Constant currency(i)	**FY2019**	**FY2018**	**Change %**
Net revenue(ii) (xi)	38.9	40.2	(3.2%)
- Price / mix impact			*+18.0%*
- Volume impact			*(21.2%)*
Operating profit(iii)	6.4	6.5	(1.5%)
Operating margin(iii)	*16.5%*	*16.2%*	*+30bps*
Volume – (kHL)	253	321	(21.2%)

Operating performance

After a period of significant geographic expansion, this year has been one of consolidation within our International division, but also some disappointment. To reduce complexity and improve quality of earnings, we have re-focussed our International strategy on core brands (Magners and Tennent's) and core markets where there is the greatest opportunity to build meaningful, long term brand value. We also accelerated our strategy of rationalising our international distributor network towards a smaller number of higher quality, proven international partners.

During the year, Joris Brams the Head of International stepped down from the board and left the company to pursue other interests. Our International division is now run by Patrick McMahon, Director of Finance and Strategy and Jason Ash, the Group's Chief Marketing Officer.

Europe and Africa

Our EMEA markets have had a challenging year. The transition of Tennent's to distribution by AB InBev in Italy has resulted in significant disruption to volumes in what was the brand's largest export market. Increased competitor activity in Spain and France and reduced British tourist numbers impacted the performance of Magners in these markets. In addition, planned withdrawals from low value markets in Africa and non-core brands in the travel retail channel also had a significant impact on volumes, albeit limited impact on margin. Overall, EMEA volumes were 113.8kHL (–23%).

Asia Pacific

Volumes were down in Australia and New Zealand in the year due to the phasing of shipments in the prior period to support of the launch of Juicy Apple in New Zealand and to ensure certainty of supply through last year's transition to Coca-Cola Amatil (CCA) in Australia. However, depletions data is positive and we see significant opportunity for Magners in these markets through the CCA relationship.

North America

From 1 April 2018, our team in Vermont resumed full control for the sales and marketing of our American and International cider brands in the US. This is a smaller team focused on core brands, in key regions and meaningful distributor relationships. Accordingly, branded volumes still declined in the period by -17.5% (FY2018: -25%) as some national listings unwound, but on an improving trend through the year. Operating profits remained stable year-on-year.

Innovation is again driving growth in the US cider category (+8.4% in 2018). A stronger category, together with our improving sales trend through FY2019 and our own innovation pipeline, should support another stable profit performance in FY2020.

Financial performance

As expected, operating profits for the International division were broadly stable versus the same period last year at €6.4m, with simplification and reduced cost infrastructure within our Export businesses offsetting the volume declines.

Operational efficiency and capital expenditure

We continue to invest in the operational side of our business to deliver on-going efficiency and sustainability benefits for the Group. We completed the implementation of the JDE platform for our business in Ireland. This brings all areas of the Group (including Matthew Clark and Bibendum) onto the same IT platform, enhancing our management information and on-line ordering capabilities, as well as bringing back office efficiencies. We also brought back in-house certain outsourced logistics operations in Scotland.

During the year a waste water anaerobic digester was constructed and a CO_2 recovery plant is planned for FY20. Both investments are at Wellpark, to reduce external charges and improve our environmental footprint. The latter will also ensure self-sufficiency of CO_2 supply across the business.

We also opened a new visitor centre at the Tennent's Brewery in Wellpark, Glasgow in November. The UK's biggest beer attraction tells *The Tennent's Story* from 1556, when brewing first began at the site, to the present day, and is targeting 50,000 visitors annually.

Notes to Operating Review are set out below.

(i) FY2018 comparative adjusted for constant currency (FY2018 translated at FY2019 F/X rates) as outlined on page 20.
(ii) Net revenue is defined by the Group as revenue less excise duty paid by the Group. The duty number disclosed represents the cash cost of duty paid on the Group's products. Where goods are bought duty paid and subsequently sold, the duty element is not included in the duty line but within the cost of goods sold.
(iii) Before exceptional items.
(iv) Nielsen Ireland Databases on and off-trade – MAT and 12 months to 28 February 2019 as stated and comparative periods.
(v) YouGov Brand Index polling – Republic of Ireland – 09.03.19.
(vi) GB: off-trade Nielsen scantrack 52 weeks to 23 February 2019; off-trade CGS OPMS 52 weeks to 23 February 2019.
(vii) Scotland: off-trade Nielsen scantrack 52 weeks to 23 February 2019; off-trade CGS OPMS 52 weeks to 23 February 2019.
(viii) Scotland: off-trade Nielsen scantrack week: 23 February 2019. Tennent's average share 24% in the 12 months ahead of MUP introduction; 26% as at February 2019.
(ix) Comparable EBITDA in Admiral Taverns is calculated as earnings before interest, tax, depreciation and amortisation and exceptional items and adjusted for the impact of the KNDL distribution contract entered into in July 2017.
(x) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, share of equity accounted investments' profit after tax, tax, depreciation and amortisation charges. A reconciliation of the Group's operating profit to Adjusted EBITDA is set out on page 18.
(xi) Under the terms of the distribution agreement with Pabst Brewing Company (PBC), C&C's reported revenues and net revenue in the US up to 1st April 2018 comprised Cost of Goods Sold at production cost plus a royalty payment. From 1st April 2018, C&C's reported revenue and net revenue in the US comprised third party achieved selling price. For comparative purposes only, the impact of this change in commercial terms for our US revenues would be to increase reported net revenues for the comparative period FY2018 by €6.1 million.
(xii) *Source: OUTLET On Trade Market model (on-trade); Ac Nielsen* Total Business Report to 09.03.19 (GB off-trade); CACI NI weekly OA Expenditiure (NI on-trade); Internal calculations (NI Off trade).

FINANCE REVIEW

	Year ended 28 February 2019(i) €m	Year ended 28 February 2018(i) €m	CC (i) (ii) 28 February 2018 €m	Change %	CC(ii) Change %
Net revenue	**1,574.9**	548.2	546.7	187.3%	188.1%
Operating profit	**104.5**	86.1	86.0	21.4%	21.5%
Net finance costs	**(15.6)**	(8.1)			
Share of equity accounted investments' profit after tax	**4.0**	1.2			
Profit before tax	**92.9**	79.2			
Income tax expense	**(10.8)**	(11.3)			
Effective tax rate(iv)	***12.1%***	*14.5%*			
Profit for the financial year	**82.1**	67.9			
Basic EPS	**23.4 cent**	25.8 cent			
Adjusted diluted EPS(iii)	**26.6 cent**	22.0 cent			
Dividend per Share	**15.31 cent**	14.58 cent			
Dividend payout ratio (Dividend per Share/Adjusted diluted EPS)	**57.6%**	66.3%			

The Group's net revenue of €1,574.9m has substantially increased due to the acquisition of Matthew Clark and Bibendum in April 2018. Excluding Matthew Clark and Bibendum, and on a constant currency(ii) basis, net revenue was up 3.2% on prior year at €564.4m (2018: €546.7m).

Operating profit(i) for the Group at €104.5m was up 21.5% on a constant currency(ii) basis, again impacted by the acquisition of Matthew Clark and Bibendum. On a like for like comparative basis, operating profit was up 3.3%(ii).

Adjusted diluted EPS(iii) of 26.6 cent was up 20.9% on FY2018. Basic EPS was 23.4 cent down 9.3% on the prior year as the prior year benefitted from the recognition of €13.3m negative goodwill re the finalisation of the acquisition accounting re Admiral Taverns as noted below.

FINANCE COSTS, INCOME TAX AND SHAREHOLDER RETURNS

Net finance cost was €15.6m for the year (FY2018: €8.1m). The increase on the prior year was due to higher levels of borrowings on average during the year, following the acquisition of Matthew Clark and Bibendum; the new funding margin being marginally more expensive than our previous facility reflecting changes in reference base rates and increased interest expense on the receivables purchase programme following the inclusion of the Matthew Clark and Bibendum receivables into the Group's programme. Net finance costs also included €0.3m with respect to the ineffective portion of cash flow hedges (FY2018: €nil) and the unwinding of a discount on provisions charge of €0.3m (FY2018: €0.3m).

The income tax charge in the year was €10.8m. This excludes the credit in relation to exceptional items and the share of equity accounted investments' tax charge and represents an effective tax rate of 12.1%(iv) reflecting a decrease of 2.4 percentage points on the prior year, primarily as a result of the release of a historic provision in respect of a potential exposure that was concluded during the year with no outlay. Excluding the impact of the provision release, the Group's effective tax rate would have been 14.3%(iv). The Group is established in Ireland and as a result it benefits from the 12.5% corporate tax rate on profits generated in Ireland. Excluding the impact of the current year provision release, the effective tax rate is higher than the standard corporate tax rate of 12.5% for the Group mainly as a result of a higher proportion of profits subject to taxation coming from outside of Ireland. The Group's effective tax rate is subject to a number of factors, such as local and international tax reform including the OECD's Base Erosion and Project Shifting project "BEPS", EU directives and initiatives and the consequences of Brexit. In any given financial year the effective tax rate reflects a variety of factors that may not be present in subsequent financial years and may be affected by changes in profit mix, challenges brought by tax authorities, amendments in tax law, guidance and related interpretations.

Subject to shareholder approval, the proposed final dividend of 9.98 cent per share will be paid on 19 July 2019 to ordinary shareholders registered at the close of business on 31 May 2019. The Group's full year dividend will therefore amount to 15.31 cent per share, a 5% increase on the previous year. The proposed full year dividend per share will represent a pay-out of 57.6% (FY2018: 66.3%) of the full year reported adjusted diluted earnings per share(iii). The return to mid-single digit growth in dividend is a signal of our confidence in the continued earnings momentum, our underlying cash flow performance and our ability to meet our de-leveraging targets.

A scrip dividend alternative will be available. Total dividends to ordinary shareholders in FY2019 amounted to €45.5m, of which €36.0m was paid in cash, €9.2m or 20.2% (FY2018: 9.8%) was settled by the issue of new shares and €0.3m (FY 2018: €nil) was accrued with respect to LTIP 2015 (Part 1) dividend entitlements.

In addition to increased dividends, we invested €1.9m (including commission and related costs) in market share buybacks, to minimise the dilutive impact of the scrip dividends, purchasing 576,716 of our own shares at an average price of €3.18. Our stockbrokers, Davy, conducted the share buyback programme. All shares acquired during the current financial year were subsequently cancelled.

EXCEPTIONAL ITEMS

Exceptional loss of €11.1m on a before tax basis were charged in FY2019 which, due to their nature and materiality, were classified as exceptional items for reporting purposes. In the opinion of the Board, this presentation provides a more useful analysis of the underlying performance of the Group.

The main items which were classified as exceptional include:-

(a) Restructuring costs

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

(b) Revaluation/impairment of property, plant & equipment

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

(c) Acquisition related expenditure

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

(d) Share of equity accounted investments exceptional items

Property within Admiral Taverns are valued at fair value on the Balance Sheet, the result of the fair value exercise at 28 February 2019 resulted in a revaluation loss (the Group's share of this loss equated to €3.3m) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €7.1m) accounted for within Other Comprehensive Income.

Finalisation of the Group's share of assets acquired following the December 2017 investment in Admiral Taverns resulted in the recognition of an increased investment of €13.3m and the recognition of negative goodwill. This measurement period adjustment was reflected in the prior period in line with accounting standards.

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 our policy to ensure that a medium/long-term debt funding structure is in place to provide us with the financial capacity to promote the future development of the business and to achieve its strategic objectives.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €200m, subject to agreeing the terms and conditions with the lenders. Consequently the Group is permitted under the terms of the agreement, to have debt capacity of €900m. The Group had total debt of €450.6m drawn at 28 February 2019, including £25.0m of non-bank borrowings.

At 28 February 2019 net debt(v) was €301.6m, representing a net debt(v):EBITDA(vi) ratio of 2.51x. Net debt(v) to EBITDA(vi) as defined under our banking covenants was 2.55x, well within our bank covenant of 3.75x.

CASH GENERATION

Management reviews the Group's cash generating performance by measuring the conversion of EBITDA(vi) to Free Cash Flow(vii) 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(vi) to Free Cash Flow(vii) conversion ratio pre-exceptional costs of 80.8%. The Group's year end cash position benefited from the Group's receivables purchase programme which contributed €152.6m to year end cash (2018:€63.5m).

A reconciliation of EBITDA(vi) to operating profit(i) is set out below.

RECONCILIATION OF EBITDA(VI) TO OPERATING PROFIT(I)	2019	2018
	€m	€m
Operating profit	**96.7**	79.1
Exceptional items	**7.8**	7.0
Operating profit before exceptional items	**104.5**	86.1
Amortisation and depreciation charge	**15.5**	14.3
Adjusted EBITDA (vi)	**120.0**	100.4

CASH FLOW SUMMARY	2019	2018
	€m	€m
Adjusted EBITDA (vi)	**120.0**	100.4
Working capital	**19.9**	(8.3)
Advances to customers	**(0.9)**	0.6
Net finance costs	**(12.5)**	(6.4)
Tax paid	**(8.6)**	(5.9)
Pension contributions paid	**(0.2)**	(1.2)
Tangible/intangible expenditure	**(22.1)**	(14.0)
Disposal proceeds property, plant & equipment	**0.1**	3.7
Exceptional items paid	**(5.9)**	(4.8)
Other*	**1.2**	1.9
Free cash flow(vii)	**91.0**	66.0
Free cash flow conversion ratio	**75.8%**	65.7%
Free cash flow*(vii)*	***91.0***	*66.0*
- Exceptional cash outflow	***5.9***	*4.8*
- Free cash flow excluding exceptional cash outflow	***96.9***	*70.8*
- Free cash flow conversion ratio excluding exceptional cash outflow	***80.8%***	70.5%

Reconciliation to Group Condensed Cash Flow Statement

Free cash flow(vii)	**91.0**	66.0
Net proceeds from exercise of share options/equity Interests	**-**	2.0
Shares purchased under share buyback programme	**(1.9)**	(33.1)
Drawdown of debt	**736.0**	86.8
Repayment of debt	**(786.2)**	(61.2)
Prepaid issue costs	**(5.0)**	-
Acquisition of subsidiaries	**-**	(10.3)
Cash outflows re acquisition of equity accounted investments	**-**	(44.2)
Dividends paid	**(36.0)**	(40.6)
Net decrease in cash	**(2.1)**	(34.6)

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

RETIREMENT BENEFITS

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

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. The most recent actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. As a result of these updated valuations the Group has committed to contributions of 27.5% of pensionable salaries for the Group's staff defined benefit pension scheme. There is no funding requirement with respect to the Group's Executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus.

There are 3 active members in the NI scheme and 57 active members (less than 10% of total membership) in the ROI staff defined benefit pension scheme, and no active members in the executive defined benefit pension scheme.

At 28 February 2019, the retirement benefits computed in accordance with IAS 19(R) *Employee Benefits* amounted to a net deficit of €3.2m gross of deferred tax (€12.2m deficit with respect to the Group's staff defined benefit pension scheme, €3.5m surplus with respect to the Group's Executive defined benefit pension scheme and a €5.5m surplus with respect to the Group's NI defined benefit pension scheme) and a net deficit of €4.1m net of deferred tax (FY2018: net surplus of €1.0m gross and net deficit of €0.1m net of deferred tax).

The movement from opening net surplus to a closing net deficit gross of deferred tax is as follows:

	€m
Net surplus at 1 March 2018	**1.0**
Employer contributions paid	**0.2**
Charge to Other Comprehensive Income	**(3.6)**
Charge to the Income Statement	**(0.9)**
FX adjustment on retranslation	**0.1**
Net deficit at 28 February 2019	**(3.2)**

The decrease in the surplus of €1.0m to a deficit of €3.2m is primarily due to an actuarial loss of €3.6m. The actuarial loss was driven by the reduction in the discount rates used to value the pension benefit obligation. The impact of the reduction in discount rates was partially offset by other actuarial gains such as the lower than expected benefit inflation experienced over the year and, to a lesser extent, changes to assumptions regarding future pensionable salary growth (ROI Staff) and future rates of mortality improvements (NI) . All other assumptions used to value the pension benefit obligation are consistent with those used as at 28 February 2018.

FOREIGN CURRENCY AND COMPARATIVE REPORTING

		2019	**2018**
Translation exposure	Euro: Sterling (£)	£0.884	£0.881
	Euro: US Dollars ($)	$1.166	$1.157

As shown above, the average rate for the translation of results from sterling currency operations was €1:£0.884 (year ended 28 February 2018: €1:£0.881) and from US Dollar operations was €1:$1.166 (year ended 28 February 2018: €1:$1.157). Comparisons for revenue, net revenue and operating profit before exceptional items for each of the Group's reporting segments are shown at constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's sterling and US dollar denominated subsidiaries by restating the prior year at current year average rates.

	Year ended 28 February 2018 €m	FX transaction €m	FX translation €m	Year ended 28 February 2018 adjusted comparative €m
Revenue				
Ireland	312.1	-	(0.2)	311.9
Great Britain	459.8	-	(1.6)	458.2
International	41.6	(0.1)	(0.2)	41.3
Total	**813.5**	**(0.1)**	**(2.0)**	**811.4**
Net revenue				
Ireland	215.0	-	(0.2)	214.8
Great Britain	292.7	-	(1.0)	291.7
International	40.5	(0.1)	(0.2)	40.2
Total	**548.2**	**(0.1)**	**(1.4)**	**546.7**
Operating profit(i)				
Ireland	40.1	-	-	40.1
Great Britain	39.5	-	(0.1)	39.4
International	6.5	-	-	6.5
Total	**86.1**	**-**	**(0.1)**	**86.0**

NOTES TO FINANCE REVIEW

(i) Before exceptional items.

(ii) FY2018 comparative adjusted for constant currency (FY2018 translated at FY2019 F/X rates).

(iii) Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please also see note 8 of the condensed financial statements.

(iv) Effective tax rate is calculated on the Group's profit before tax, excluding exceptional items and excluding the share of equity accounted investments' profit after tax.

(v) Net debt comprises borrowings (net of issue costs) less cash.

(vi) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' profit after tax. A reconciliation of the Group's operating profit to EBITDA is set out on page 18.

(vii) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €152.6m (2018:€63.5) to year end cash in the period. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out on page 18.

PRINCIPAL RISKS AND UNCERTAINTIES

During the year the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties set out below represent the principal uncertainties that the Board believes may impact the Group's ability to deliver effectively its strategy in the future. The list does not include all risks that the Group faces and it does not list the risks in any order of priority.

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, associates and joint ventures and entry into new markets. The Group is prepared to take measured risks to acquire new assets, talent, brands and innovation. 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 proactively monitoring the market to identify suitable acquisition targets, due diligence, careful investment and integration planning and continuing monitoring and management post-acquisition. Only acquisitions that the Board believe will add value and are a strategic fit are considered.
As the Group grows through acquisition, it is necessary to adjust to change and assimilate new business cultures. The breadth and pace of change can present strategic and operational challenges. Business integration and change that are not managed effectively could result in unrealised synergies, poor project delivery, increased staff turnover, erosion of value and failure to deliver growth.	Significant acquisitions have formal leadership and project management teams to deliver integration. Regular Group communications ensure effective information, engagement and feedback flow to support cultural change. The executive management team oversees change management and integration risks through regular people, planning and product meetings.
Risks And Uncertainties Relating To Revenue And Profits	
Consumers may shift away from larger brands towards more localised, premium and niche products.	Through diversification, innovation and strategic partnerships, we are developing our product portfolio to enhance our offering of niche and premium products to satisfy changing consumer requirements.
Seasonal fluctuations in demand, especially an unseasonably bad summer in Ireland could materially affect demand for the Group's cider products.	The Group seeks to mitigate this risk through geographical and brand diversification.
Consumer preference may change in our core geographies, 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. The Group also operates a brand-led model in our core geographies with a comprehensive range to meet consumer needs.
The off-trade and increasingly the on-trade in Great Britain continues to be highly competitive, driven by consumer pressure, customer buying power, consolidation and vertical integration of distribution channels and the launch of heavily-invested competing products.	The Group seeks to mitigate the impact on volumes and margins through developing a focused portfolio approach, innovation, strategic partnerships and acquisitions, the introduction of brand propositions that are in tune with shifting consumer and customer needs and through seeking cost efficiencies.
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 continuously.
The Group is reliant on the performance of its distribution partners for the distribution of its products in international markets and the UK.	The Group mitigates these risks by continuously monitoring the performance of its distribution partners and having agreements with appropriate protections in place in relation to inadequate performance.

Key strategic partnerships may not be renewed or may be renewed on less favourable terms.	The Group seeks to mitigate this risk by managing its relationship with its key strategic partners and by putting long-term arrangements in place in relation to termination and renewal.
Risks and Uncertainties Relating to Costs, Systems and Operations	
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 through business continuity plans, which are tested regularly to ensure that interruptions to the business are prevented or minimised and that data is protected from unauthorised access, contingency planning, including involving the utilisation of third party sites and the adoption of fire safety standards and disaster recovery protocols. The Group seeks to mitigate the financial impact of such an event through business interruption and other insurances.
Increased levels of cybercrime represent a threat to the Group's businesses and may lead to business disruption or loss of data. The Group is exposed to the risk of external parties gaining access to Group systems to deliberately disrupt business, steal information or commit fraud. Theft of data relating to employees, business partners or customers may result in a regulatory breach and impact the reputation of the Group.	The Group has a number of IT security controls in place including gateway firewalls, intrusion prevention systems, security incident monitoring and virus scanning. The Group's approach is one of ongoing enhancement of controls as threats evolve with the target being to align controls, and in particular to implement any new services or changes to the environment, with reference to the ISO 27001 international standard. The Group also has a suite of information security policies in place.
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.
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 an enhanced transfer value exercise which the Group conducted in FY2016 and FY2017 in relation to its Irish defined benefit pension schemes.
Fiscal, Regulatory and Political Risks and Uncertainties	
The Group may be adversely affected by changes in excise duty or taxation on alcoholic products in Ireland, the UK, the US and other territories.	The Group seeks to mitigate this risk by playing an active role in industry bodies and engaging with governmental tax and regulatory authorities. In Ireland, we engage with the Government in relation to excise duty reductions in support of domestic producers. In the UK, the Group is a board member of the National Association of Cider Makers, a steering committee member of the all-party Parliamentary beer group and a member of the British Beer and Pub Association. The Group is a member of the Wine and Spirit Trade Association "WSTA" in the UK. In the US, we are active in the United States Association of Cider Makers.

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.
The UK vote to leave the European Union has created significant uncertainty about the near term outlook and prospects for the UK, Ireland and European Union economies. While the economic effect of the UK leaving the European Union is uncertain, it could have the effect of negatively impacting the UK, Irish and European Union economies and currencies and the financial performance of the Group, reducing demand in the Group's markets and increasing business and regulatory costs including through the application of additional tariffs and transaction taxes on the Group's products and raw materials. While recent developments in relation to the transition period have brought greater clarity for that period and there have potentially been positive developments in relation to a free trade agreement after that period, were WTO tariffs to be applied to our exports from Ireland to the UK or were there to be a hard border in relation to the movement of people and goods within the Island of Ireland, it would negatively impact the Group. With our reporting currency as the Euro, the Group is exposed to the translation impact of a weaker Sterling.	The Board and executive management team will continue to consider the impact on the Group's businesses, monitor developments and play a role in influencing the UK, Irish and Scottish Governments to help ensure a manageable outcome for our businesses. We are working closely with the Food and Drink Federation in Ireland and the European Cider Association in relation to the implications of the UK vote for our businesses. Our manufacturing capability in Scotland may also provide opportunities for the Group arising from Brexit. On an ongoing basis, we seek, where appropriate, to mitigate currency risk through hedging and structured financial contracts and take appropriate action to help mitigate the consequences of any decline in demand in our markets.
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.

CONSOLIDATED CONDENSED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019

		Year ended 28 February 2019			Year ended 28 February 2018		
		Before exceptional items	**Exceptional items (note 6)**	**Total**	Before exceptional items	Exceptional items as restated (note 6)	Total as restated
	Notes	**€m**	**€m**	**€m**	€m	€m	€m
Revenue	4	**1,997.3**	**-**	**1,997.3**	813.5	-	813.5
Excise duties		**(422.4)**	**-**	**(422.4)**	(265.3)	-	(265.3)
Net revenue	4	**1,574.9**	**-**	**1,574.9**	548.2	-	548.2
Operating costs		**(1,470.4)**	**(7.8)**	**(1,478.2)**	(462.1)	(7.0)	(469.1)
Group operating profit/(loss)	4	**104.5**	**(7.8)**	**96.7**	86.1	(7.0)	79.1
Finance income		**0.1**	**-**	**0.1**	0.1	-	0.1
Finance expense		**(15.7)**	**-**	**(15.7)**	(8.2)	-	(8.2)
Share of equity accounted investments' profit/(loss) after tax		**4.0**	**(3.3)**	**0.7**	1.2	13.3	14.5
Profit/(loss) before tax		**92.9**	**(11.1)**	**81.8**	79.2	6.3	85.5
Income tax (expense)/credit		**(10.8)**	**1.1**	**(9.7)**	(11.3)	5.4	(5.9)
Group profit/(loss) for the financial year		**82.1**	**(10.0)**	**72.1**	67.9	11.7	79.6
Attributable to:							
Equity holders of the parent		**82.3**	**(10.0)**	**72.3**	67.9	11.7	79.6
Non-controlling interests		**(0.2)**	**-**	**(0.2)**	-	-	-
Group profit/(loss) for the financial year		**82.1**	**(10.0)**	**72.1**	67.9	11.7	79.6
Basic earnings per share (cent)	8			**23.4**			25.8
Diluted earnings per share (cent)	8			**23.4**			25.8

All of the results are related to continuing operations.

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019

	Notes	2019 €m	2018 as restated €m
Other Comprehensive Income:			
Items that may be reclassified to Income Statement in subsequent years:			
Foreign currency translation differences arising on the net investment in foreign operations		**13.2**	(17.7)
Losses relating to cash flow hedges		**(1.8)**	-
Deferred tax asset relating to cash flow hedges		**0.3**	-
Share of equity accounted investments' Other Comprehensive Income		**7.1**	-
Gain on revaluation of property, plant & equipment		**-**	3.4
Items that will not be reclassified to Income Statement in subsequent years:			
Actuarial (loss)/gain on retirement benefits	11	**(3.6)**	16.8
Deferred tax credit/(charge) on actuarial (loss)/gain on retirement benefits		**0.3**	(2.8)
Gains transferred to inventory purchased during the year		**0.4**	-
Net profit/(loss) recognised directly within Other Comprehensive Income		**15.9**	(0.3)
Group profit for the financial year		**72.1**	79.6
Comprehensive income for the financial year		**88.0**	79.3
Attributable to:			
Equity holders of the parent		**88.2**	79.3
Non-controlling interests		**(0.2)**	-
Comprehensive income for the financial year		**88.0**	79.3

CONSOLIDATED CONDENSED BALANCE SHEET AS AT 28 FEBRUARY 2019

	Notes	2019 €m	2018 as restated €m
ASSETS			
Non-current assets			
Property, plant & equipment		**144.5**	135.2
Goodwill & intangible assets		**683.7**	541.1
Equity accounted investments		**71.4**	61.7
Retirement benefits	11	**9.0**	4.8
Deferred income tax assets		**4.0**	1.7
Trade & other receivables		**25.7**	40.4
		938.3	784.9
Current assets			
Inventories		**184.1**	88.1
Trade & other receivables		**162.6**	79.9
Cash		**144.4**	145.5
		491.1	313.5
TOTAL ASSETS		**1,429.4**	1,098.4
EQUITY			
Capital and reserves			
Equity share capital		**3.2**	3.2
Share premium		**152.6**	143.4
Treasury shares		**(37.1)**	(37.3)
Other reserves		**96.4**	82.6
Retained income		**383.7**	355.0
Equity attributable to equity holders of the parent		**598.8**	546.9
Non-controlling interests		**(0.8)**	-
Total Equity		**598.0**	546.9
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings		**390.8**	383.5
Retirement benefits	11	**12.2**	3.8
Provisions		**11.1**	7.8
Deferred income tax liabilities		**16.9**	11.2
		431.0	406.3
Current liabilities			
Derivative financial liabilities		**2.0**	-
Trade & other payables		**336.3**	132.7
Interest bearing loans & borrowings		**55.2**	-
Provisions		**4.6**	3.6
Current income tax liabilities		**2.3**	8.9
		400.4	145.2
Total liabilities		**831.4**	551.5
TOTAL EQUITY & LIABILITIES		**1,429.4**	1,098.4

CONSOLIDATED CONDENSED CASHFLOW STATEMENT - YEAR ENDED 28 FEBRUARY 2019

	2019	2018 as restated
	€m	€m
CASH FLOWS FROM OPERATING ACTIVITIES		
Group profit for the year	**72.1**	79.6
Finance income	**(0.1)**	(0.1)
Finance expense	**15.7**	8.2
Income tax expense	**9.7**	5.9
Profit on share of equity accounted investments	**(0.7)**	(14.5)
Impairment of property, plant & equipment	**0.4**	5.0
Depreciation of property, plant & equipment	**13.1**	14.0
Amortisation of intangible assets	**2.4**	0.3
Net profit on disposal of property, plant & equipment	**(0.1)**	(0.8)
Charge for equity settled share-based payments	**1.9**	0.9
Pension contributions paid plus amount credited to Income Statement	**0.7**	(2.2)
	115.1	96.3
Increase in inventories	**(34.2)**	(3.5)
Decrease in trade & other receivables	**137.2**	5.2
Decrease in trade & other payables	**(81.8)**	(6.8)
Decrease in provisions	**(2.2)**	(2.6)
	134.1	88.6
Interest received	**0.1**	0.1
Interest and similar costs paid	**(12.6)**	(6.5)
Income taxes paid	**(8.6)**	(5.9)
Net cash inflow from operating activities	**113.0**	76.3
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	**(19.0)**	(14.0)
Purchase of intangible assets	**(3.1)**	-
Net proceeds on disposal of property, plant & equipment	**0.1**	3.7
Acquisition of subsidiaries (net of cash acquired)	**-**	(10.3)
Cash outflow re acquisition of equity accounted investments	**-**	(44.2)
Net cash outflow from investing activities	**(22.0)**	(64.8)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options/equity Interests	**0.2**	2.1
Drawdown of debt	**736.0**	86.8
Repayment of debt	**(786.2)**	(61.2)
Payment of issue costs	**(5.0)**	-
Shares purchased to satisfy share option entitlements	**(0.2)**	(0.1)
Shares purchased under share buyback programme	**(1.9)**	(33.1)
Dividends paid	**(36.0)**	(40.6)
Net cash outflow from financing activities	**(93.1)**	(46.1)
Decrease in cash	**(2.1)**	(34.6)
Reconciliation of opening to closing cash		
Cash at beginning of year	**145.5**	187.6
Translation adjustment	**1.0**	(7.5)
Net decrease in cash	**(2.1)**	(34.6)
Cash at end of financial year	**144.4**	145.5

A reconciliation of cash to net debt is presented in note 10.

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019	Equity share capital	Share premium	Other un-denominated reserve	Cash flow hedge reserve	Capital reserve	Share-based payments reserve	Currency translation reserve	Revaluation reserve	Treasury shares	Retained income as restated	Total as restated	Non-controlling interest	Total as restated
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
At 28 February 2017	3.3	136.9	0.7	-	24.9	4.4	62.1	7.0	(38.0)	337.1	538.4	-	538.4
Profit for the financial year	-	-	-	-	-	-	-	-	-	79.6	79.6	-	79.6
Other comprehensive (expense)/income	-	-	-	-	-	-	(17.7)	3.4	-	14.0	(0.3)	-	(0.3)
Total comprehensive (expense)/income	-	-	-	-	-	-	(17.7)	3.4	-	93.6	79.3	-	79.3
Dividend on ordinary shares (note 7)	-	4.4	-	-	-	-	-	-	-	(45.0)	(40.6)	-	(40.6)
Exercised share options	-	1.4	-	-	-	-	-	-	-	-	1.4	-	1.4
Reclassification of share-based payments reserve	-	-	-	-	-	(3.0)	-	-	-	3.0	-	-	-
Joint Share Ownership Plan	-	0.7	-	-	-	(0.2)	-	-	0.7	(0.6)	0.6	-	0.6
Shares purchased under share buyback programme and subsequently cancelled	(0.1)	-	0.1	-	-	-	-	-	-	(33.1)	(33.1)	-	(33.1)
Equity settled share-based payments	-	-	-	-	-	0.9	-	-	-	-	0.9	-	0.9
Total transactions with owners	(0.1)	6.5	0.1	-	-	(2.3)	-	-	0.7	(75.7)	(70.8)	-	(70.8)
At 28 February 2018	**3.2**	**143.4**	**0.8**	**-**	**24.9**	**2.1**	**44.4**	**10.4**	**(37.3)**	**355.0**	**546.9**	**-**	**546.9**
Profit/(loss) for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**72.3**	**72.3**	**(0.2)**	**72.1**
Other comprehensive (expense)/income	**-**	**-**	**-**	**(1.1)**	**-**	**-**	**13.2**	**-**	**-**	**3.8**	**15.9**	**-**	**15.9**
Total comprehensive (expense)/income	**-**	**-**	**-**	**(1.1)**	**-**	**-**	**13.2**	**-**	**-**	**76.1**	**88.2**	**(0.2)**	**88.0**
Dividend on ordinary shares (note 7)	**-**	**9.2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(45.5)**	**(36.3)**	**-**	**(36.3)**
Reclassification of share-based payments reserve	**-**	**-**	**-**	**-**	**-**	**(0.2)**	**-**	**-**	**-**	**0.2**	**-**	**-**	**-**
Sale of treasury shares/purchase of shares to satisfy employee share entitlements	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.2**	**(0.2)**	**-**	**-**	**-**
Shares purchased under share buyback programme and subsequently cancelled	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.9)**	**(1.9)**	**-**	**(1.9)**
Non-controlling interests arising on acquisition (note 9)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.6)**	**(0.6)**
Equity settled share-based payments	**-**	**-**	**-**	**-**	**-**	**1.9**	**-**	**-**	**-**	**-**	**1.9**	**-**	**1.9**
Total transactions with owners	**-**	**9.2**	**-**	**-**	**-**	**1.7**	**-**	**-**	**0.2**	**(47.4)**	**(36.3)**	**(0.6)**	**(36.9)**
At 28 February 2019	**3.2**	**152.6**	**0.8**	**(1.1)**	**24.9**	**3.8**	**57.6**	**10.4**	**(37.1)**	**383.7**	**598.8**	**(0.8)**	**598.0**

NOTES TO THE PRELIMINARY ANNOUNCEMENT

1. BASIS OF PREPARATION

The financial information presented in this report has been prepared in accordance with the Listing Rules of the Irish Stock Exchange and the UK Listing Authority and the accounting policies that the Group has adopted under International Financial Reporting Standards (IFRS) as approved by the European Union and issued by the International Accounting Standards Board (IASB) for the financial year ended 28 February 2019.

2. STATUTORY ACCOUNTS

The financial information prepared in accordance with IFRS as adopted by the European Union included in this report does not constitute the statutory financial statements for the purposes of Chapter 4 of Part 6 of the Companies Act 2014. Full statutory accounts for the year ended 28 February 2019 prepared in accordance with IFRS, upon which the auditors have given an unqualified report, have not yet been filed with the Registrar of Companies. Full accounts for the year ended 28 February 2018, prepared in accordance with IFRS and containing an unqualified audit report have been delivered to the Registrar of Companies.

The information included has been extracted from the Group's financial statements, which have been approved by the Board of Directors on 22 May 2019.

3. REPORTING CURRENCY

The Group's financial statements are presented in Euro millions to one decimal place. The results of the Group's subsidiaries with non-Euro functional currencies have been translated into Euro at average exchange rates for the year with the related balance sheets consolidated using the closing rate at the balance sheet date. Foreign currency movements arising on restatement of the results and opening net assets of non-Euro functional currency companies at closing rates are recognised in the Currency Translation Reserve via the Statement of Comprehensive Income, together with currency movements arising on foreign currency borrowings designated as net investment hedges and currency movements arising on retranslation of the Group's long-term sterling and US dollar intra-group loans which are considered quasi equity in nature and part of the Group's net investment in its foreign operations.

The exchange rates used in translating Sterling and US Dollar balance sheet and Income Statement amounts were as follows:-

		2019	2018
Balance Sheet (closing rate):	Euro: Sterling (£)	**£0.858**	£0.884
Income Statement (average rate):	Euro: Sterling (£)	**£0.884**	£0.881
Balance Sheet (closing rate):	Euro: US Dollars ($)	**$1.142**	$1.221
Income Statement (average rate):	Euro: US Dollars ($)	**$1.166**	$1.157

4. SEGMENTAL REPORTING

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

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, assesses and monitors the operating results of segments separately via internal management reports in order to effectively manage the business and allocate resources. Due to the acquisition of MCB on the 4 April 2018, an additional operating segment has been identified in the current financial year. MCB is run independently, with its own Management team, and its results are reviewed by the CODM independently of any other element of the Group's business.

In the prior financial year, due to a consolidation in the management of the business in that year, the Group had changed its basis of segmentation. The previous segments of Scotland and C&C Brands are now managed by one Managing Director and are supported by the one management team. The Group therefore combined both, in the prior financial year, to form the new segment Great Britain. The previous segments of Export and North America are also now controlled by one Managing Director and the one management team and were therefore also combined into the new International segment in the prior financial year. There has been no change to this structure in the current financial year and hence this basis of segmentation remains appropriate.

The identified business segments are as follows:-

(i) Ireland
This segment includes the financial results from sale of own branded products on the Island of Ireland, principally Bulmers, Outcider, Tennent's, Magners, Clonmel 1650, Five Lamps, Heverlee, Roundstone Irish Ale, Dowd's Lane traditional craft ales, Finches and Tipperary Water. It also includes the financial results from beer, wines and spirits distribution, wholesaling, following the acquisition of Gleeson, the results from sale of third party brands as permitted under the terms of a distribution agreement with AB InBev and production of third party products.

(ii) Great Britain
This segment includes the results from sale of the Group's own branded products in Scotland, England and Wales, with Tennent's, Magners, Heverlee, Caledonia Best, Blackthorn, Olde English, Chaplin & Cork's, Orchard Pig and K Cider the principal brands. It also includes the financial results from AB InBev beer distribution in Scotland, third party brand distribution and wholesaling in Scotland, following the acquisition of the TCB Wholesale business (formally Wallaces Express), the distribution of the Italian lager Menabrea, the American lager Pabst, the Chinese beer Tsingtao and the production and distribution of private label products.

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

(iv) Matthew Clark and Bibendum
This segment includes the results from the newly acquired Matthew Clark and Bibendum business. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 4,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark also has a number of exclusive distribution agreements for third party products (mainly wines) into the UK market and also has a limited range of own brand wines. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads, which are allocated on a reasonable basis in presenting information to the CODM.

Inter-segmental revenue is not material and thus not subject to separate disclosure.

(a) Analysis by reporting segment

	2019 Revenue €m	2019 Net revenue €m	2019 Operating profit €m	2018 Revenue €m	2018 Net revenue €m	2018 Operating Profit as restated €m
Ireland	**318.3**	**219.2**	**40.3**	312.1	215.0	40.1
Great Britain	**482.7**	**306.3**	**42.1**	459.8	292.7	39.5
International	**39.7**	**38.9**	**6.4**	41.6	40.5	6.5
Matthew Clark and Bibendum (MCB)	**1,156.6**	**1,010.5**	**15.7**	-	-	-
Total before exceptional items	**1,997.3**	**1,574.9**	**104.5**	813.5	548.2	86.1
Exceptional items (note 6)	**-**	**-**	**(7.8)**	-	-	(7.0)
Group operating profit	**-**	**-**	**96.7**	-	-	79.1
Finance income	**-**	**-**	**0.1**	-	-	0.1
Finance expense	**-**	**-**	**(15.7)**	-	-	(8.2)
Share of equity accounted investments' profit after tax before exceptional items	**-**	**-**	**4.0**	-	-	1.2
Share of equity accounted investments' exceptional items (note 6)	**-**	**-**	**(3.3)**	-	-	13.3
Total	**1,997.3**	**1,574.9**	**81.8**	813.5	548.2	85.5

Of the exceptional items in the current year of €7.8m, €0.8m relates to Ireland, €1.1m relates to Great Britain, €5.2m relates to MCB, €0.2m relates to International and €0.5m is unallocated as it does not relate to any particular segment. The exceptional loss with respect to equity accounted investments of €3.3m related to Great Britain. Of the exceptional loss in the prior year of €7.0m on a before tax basis, €4.6m related to Ireland, €1.9m related to Great Britain and €0.5m did not relate to any particular segment. The exceptional gain in the prior year, with respect to the equity accounted investments of €13.3m, related to Great Britain.

Of the share of equity accounted investments' profit after tax before exceptional items of €4.0m in the current financial year, €3.9m relates to Great Britain with €0.1m relating to International. In the prior financial year the share of equity accounted investments' profit after tax of €1.2m related to Great Britain €1.1m and International €0.1m.

Total assets for the year ended 28 February 2019 amounted to €1,429.4m (2018: €1,098.4m).

(b) Other operating segment information

	2019 Tangible and intangible expenditure €m	2019 Depreciation/ amortisation/ impairment €m	2018 Tangible and intangible expenditure €m	2018 Depreciation/ amortisation/ impairment €m
Ireland	**6.0**	**7.6**	8.6	12.3
Great Britain	**10.2**	**4.4**	1.5	5.6
International	**1.8**	**1.3**	0.6	1.4
Matthew Clark and Bibendum	**4.1**	**2.6**	-	-
Total	**22.1**	**15.9**	10.7	19.3

(c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2019	2018	**2019**	2018
	€m	€m	**€m**	€m
Ireland	**318.3**	312.1	**219.2**	215.0
Great Britain*	**1,639.3**	459.8	**1,316.8**	292.7
International*	**39.7**	41.6	**38.9**	40.5
Total	**1,997.3**	813.5	**1,574.9**	548.2

** The comparatives have been amended to be consistent with current year presentation, the current year presentation is aligned with segmental reporting. Scotland, England and Wales have been included in Great Britain and US, Canada and Other have been included in International.*

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

(d) Geographical analysis of non-current assets

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

	Ireland €m	Great Britain as restated* €m	International* €m	Total as restated €m
28 February 2018				
Property, plant & equipment	68.9	52.5	13.8	135.2
Goodwill & intangible assets	155.9	329.3	55.9	541.1
Equity accounted investments	0.3	58.1	3.3	61.7
Total	225.1	439.9	73.0	738.0

** The comparatives have been amended to be consistent with current year presentation, the current year presentation is aligned with segmental reporting. Scotland, England and Wales have been included in Great Britain and US, Canada and Other have been included in International.*

The geographical analysis of non-current assets, with the exception of goodwill & intangible assets, is based on the geographical location of the assets. The geographical analysis of goodwill & intangible assets is allocated based on the country of destination of sales at date of acquisition.

(e) Disaggregated net revenue

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

Principal activities and products – Net revenue

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

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

	Ireland €m	Great Britain €m	International €m	Total €m
28 February 2018				
Own brand alcohol	87.1	153.6	38.3	279.0
Other sources*	127.9	139.1	2.2	269.2
Total Group from continuing operations	215.0	292.7	40.5	548.2

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

5. CYCLICALITY OF OPERATIONS

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

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

Operating profit before exceptional items for the financial year ended 28 February 2019 was split H1: 56% and H2: 44%.

6. EXCEPTIONAL ITEMS

	2019 **€m**	2018 as restated €m
Operating costs		
Restructuring Costs	**(5.3)**	(1.9)
Impairment of property, plant & equipment	**(0.4)**	(5.0)
Acquisition related expenditure	**(2.1)**	(0.1)
	(7.8)	(7.0)
Share of equity accounted investments' exceptional items	**(3.3)**	13.3
Total (loss)/profit before tax	**(11.1)**	6.3
Income tax credit	**1.1**	5.4
Total (loss)/profit after tax	**(10.0)**	11.7

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

In the prior financial year, restructuring costs of €1.9m were incurred relating to severance costs of €1.5m arising from the change in the distribution arrangements with AB InBev in England and Wales, as well as other restructuring initiatives in our strategy and export divisions within the Group. Other costs of €0.4m primarily relate to the closure of a warehousing facility.

(b) Impairment of property, plant & equipment
In the current financial year, the Group took the decision to impair an element of its IT system at a cost of €0.4m which had become redundant following a system upgrade.

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. The Group engages external valuation teams triennially and during the intervening years management undertake a valuation assessment internally. During the prior financial year, the Group engaged external valuers to value the land and buildings and plant and machinery at the Group's Clonmel (Tipperary) and Wellpark (Glasgow) sites, along with depots in Dublin, Cork and Galway. Using the valuation methodologies, this resulted in a net revaluation loss of €5.0m accounted for in the Income Statement and a gain of €3.4m accounted for within Other Comprehensive Income. The valuations in the current financial year did not result in an adjustment.

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

In the prior financial year, the Group incurred professional fees of €0.1m associated with the assessment and consideration of strategic opportunities by the Group during that financial year.

(d) Share of equity accounted investments' exceptional items
Property within Admiral Taverns are valued at fair value on the Balance Sheet, the result of the fair value exercise at 28 February 2019 resulted in a revaluation loss (the Group's share of this loss equated to €3.3m) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €7.1m) accounted for within Other Comprehensive Income.

In the prior financial year, the Group recognised its provisional estimate of assets acquired with respect to its investment in Admiral Taverns. In the current financial year, the Group completed its final determination and the Group's share of assets acquired was calculated at £50.1m (€56.8m euro equivalent on date of investment). The most significant asset acquired was property and detailed fair value calculations were performed to determine the value of the property assets on acquisition, consideration was also given to the value all other assets and liabilities on acquisition including deferred tax balances. The final determination of assets acquired resulted in a measurement period adjustment of £11.7m (€13.3m euro equivalent) which has been recognised in the prior period in line with IFRS 3 *Business Combinations*. This necessitated the restatement of the prior year equity accounted investment balance on the prior year balance sheet and the recognition of negative goodwill which was booked as an exceptional credit in the prior year.

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

Of the total tax credit of €5.4m in the prior financial year, €4.4m related to the reassessment of the calculation of deferred income tax balances arising on historical business combinations.

7. DIVIDENDS

	2019 €m	2018 €m
Dividends paid:		
Final: paid 9.37c per ordinary share in July 2018 (2018: 9.37c paid in July 2017)	**28.8**	29.0
Interim: paid 5.33c per ordinary share in December 2018 (2018: 5.21c paid in December 2017)	**16.7**	16.0
Total equity dividends	**45.5**	45.0
Settled as follows:		
Paid in cash	**36.0**	40.6
Scrip dividend	**9.2**	4.4
Accrued with respect of LTIP 2015 (Part 1) dividend entitlements	**0.3**	-
	45.5	45.0

In order to achieve better alignment of the interest of share based remuneration award recipients with the interests of shareholders, shareholder approval was given at the 2012 AGM to a proposal that awards made and that vest under the LTIP 2015 (Part I) incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends during the vesting period. An amount of €0.3m (2018: €nil) was accrued during the current financial year in this regard.

The Directors have proposed a final dividend of 9.98 cent per share (2018: 9.37 cent), to ordinary shareholders registered at the close of business on 31 May 2019, which is subject to shareholder approval at the Annual General Meeting, giving a proposed total dividend for the year of 15.31 cent per share (2018: 14.58 cent). Using the number of shares in issue at 28 February 2019 (excluding those shares for which it is assumed that the right to dividend will be waived) and including an accrual for dividends with respect to LTIP 2015 (Part 1) entitlements, this would equate to a distribution of €31.1m.

Total dividends of 14.70 cent per ordinary share were recognised as a deduction from the retained income reserve in the year ended 28 February 2019 (2018: 14.58 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.

8. EARNINGS PER SHARE

	2019 Number '000	2018 Number '000
Denominator computations		
Number of shares at beginning of year	**317,876**	325,546
Shares issued in lieu of dividend	**3,055**	1,368
Shares issued in respect of options exercised	**-**	454
Shares repurchased and subsequently cancelled	**(577)**	(9,492)
Number of shares at end of year	**320,354**	317,876
Weighted average number of ordinary shares (basic)*	**308,460**	308,164
Adjustment for the effect of conversion of options	**1,075**	249
Weighted average number of ordinary shares, including options (diluted)	**309,535**	308,413

* Excludes 10.9m treasury shares (2018: 11.0m)

Profit attributable to ordinary shareholders	2019 €m	2018 as restated €m
Group profit for the financial year	**72.1**	79.6
Loss attributable to non-controlling interest	**0.2**	-
Profit attributable to equity holders of the parent	**72.3**	79.6
Adjustment for exceptional items, net of tax (note 6)	**10.0**	(11.7)
Earnings as adjusted for exceptional items, net of tax and non-controlling interest	**82.3**	67.9

Basic earnings per share	**Cent**	**Cent**
Basic earnings per share	**23.4**	25.8
Adjusted basic earnings per share	**26.7**	22.0
Diluted earnings per share		
Diluted earnings per share	**23.4**	25.8
Adjusted diluted earnings per share	**26.6**	22.0

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and accounted for as treasury shares (at 28 February 2019: 10.9m shares; at 28 February 2018: 11.0m shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period of the year that the options were outstanding.

Employee share awards (excluding awards which were granted under plans where the rules stipulate that obligations must be satisfied by the purchase of existing shares), which are performance-based are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. In accordance with IAS 33 *Earnings per Share*, these contingently issuable shares are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the reporting period

(1,222,812 at 28 February 2019 and 1,649,124 at 28 February 2018). 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.

9. BUSINESS COMBINATIONS

Year ended 28 February 2019

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

The Group has a non-controlling interest with respect to Peppermint, in which it has a 61% holding. As outlined in the table below, the Group has recognised the non-controlling interest's proportionate share of net assets acquired, in which the carrying value approximates fair value.

Matthew Clark and Bibendum

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

	Initial value assigned €m	Adjustment to initial fair value €m	Revised final fair value €m
ASSETS			
Non-current assets			
Goodwill*	-	103.5	103.5
Property, plant & equipment	4.3	-	4.3
Brands	-	16.9	16.9
Intangible assets	2.2	8.1	10.3
Deferred income tax assets	2.3	-	2.3
Total non-current assets	**8.8**	**128.5**	**137.3**
Current assets			
Cash	-	-	-
Inventories	61.2	-	61.2
Trade & other receivables	196.2	-	196.2
Current income tax asset	6.3	-	6.3
Current assets	**263.7**	**-**	**263.7**
LIABILITIES			
Trade & other payables	(274.3)	-	(274.3)
Borrowings	(116.5)	-	(116.5)
Provisions	(5.9)	-	(5.9)
Deferred income tax liabilities	-	(4.3)	(4.3)
Total liabilities	**(396.7)**	**(4.3)**	**(401.0)**
Net identifiable (liabilities)/assets acquired	(124.2)	124.2	-
Non-controlling interest/adjustment to goodwill*	0.6	(0.6)	-
Equity holder of the parent (liabilities)/assets acquired	(124.8)	124.8	-
Total	**(124.2)**	**124.2**	**-**
Satisfied by:			
Cash consideration	**-**	**-**	**-**
Analysis of cash flows on acquisition			
Transaction costs of the acquisition (included in cash flows from operating activities)			**0.8**

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

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

Post-acquisition impact

The post-acquisition impact of acquisitions completed during the current financial year on Group operating profit was as follows:

	2019
	€m
Revenue	1,156.6
Operating profit	15.7

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

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

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

10. ANALYSIS OF NET DEBT

	1 March 2018	Translation adjustment	Arising on acquisition (note 9)	Cash flow, net	Non-cash changes	28 February 2019
	€m	€m	€m	€m	€m	€m
Group						
Interest bearing loans & borrowings	**(383.1)**	**(0.5)**	**(116.5)**	**55.2**	**(1.1)**	**(446.0)***
Cash	**145.5**	**1.0**	**-**	**(2.1)**	**-**	**144.4**
	(237.6)	**0.5**	**(116.5)**	**53.1**	**(1.1)**	**(301.6)**

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

	1 March 2017	Translation adjustment	Arising on acquisition	Cash flow, net	Non-cash changes	28 February 2018
	€m	€m	€m	€m	€m	€m
Group						
Interest bearing loans & borrowings	(358.2)	1.1	-	(25.6)	(0.4)	(383.1)*
Cash	187.6	(7.5)	-	(34.6)	-	145.5
	(170.6)	(6.4)	-	(60.2)	(0.4)	(237.6)

** Interest bearing loans & borrowings at 28 February 2018 were net of unamortised issue costs of €0.7m of which €0.4m was classified on the balance sheet as a current asset.*

The non-cash change to the Group's interest bearing loans and borrowings in the current financial year relates to the amortisation of issue costs of €1.1m. The non-cash change to the Group's interest bearing loans and borrowings in the prior financial year relate to the amortisation of issue costs of €0.4m.

Borrowing facilities

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

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank, and Ulster Bank. The multi-currency facility agreement is repayable in a single instalment on 12 July 2023 while the Euro term loan is repayable in instalments, with the last instalment payable on 12 July 2021.

Under the terms of the multi-currency facility and the Euro term loan, the Group must pay a commitment fee based on 35% of the applicable margin on undrawn committed amounts and variable interest on drawn amounts based on variable Euribor/Libor interest rates plus a margin, the level of which is dependent on the net debt:EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, three or six months.

The Group has further financial indebtedness of €29.1m at 28 February 2019, which is repayable by instalments with the last instalment payable on 3 April 2021. The Group pays variable interest on these drawn amounts based on a variable Libor interest rate plus a margin.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €200m, subject to agreeing the terms and conditions with the lenders. Consequently the Group is permitted under the terms of the agreement, to have debt capacity of €900m of which €450.6m was drawn at 28 February 2019. In the prior financial year, the Group had €383.8m of drawn debt under the Group's 2014 multi-currency revolving loan facility.

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

All borrowings of the Group at 28 February 2019 are repayable in full on change of control of the Group.

Covenants

The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants:

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt:EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2018 and February 2019 will not exceed 3.75:1
- Net debt:EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2019 and thereafter will not exceed 3.5:1

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

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt:EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

The Group complied with all covenants throughout the current and prior financial year.

11. RETIREMENT BENEFITS

The Group operates a number of defined benefit pension schemes for certain employees, past and present, in the Republic of Ireland (ROI) and in Northern Ireland (NI), all of which provide pension benefits based on final salary and the assets of which are held in separate trustee administered funds. The Group closed its defined benefit pension schemes to new members in March 2006 and provides only defined contribution pension schemes for employees joining the Group since that date. The Group provides permanent health insurance cover for the benefit of certain employees and separately charges this to the 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 (2018: no active members). There are 57 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (2018: 57 active members) and 3 active members in the NI defined benefit pension scheme (2018: 4 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 2015 and thereafter for all future pension increases to be awarded on a discretionary basis.

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

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

The 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.

At 28 February 2019, the retirement benefits computed in accordance with IAS 19(R) *Employee Benefits* amounted to a net deficit of €3.2m gross of deferred income tax (€12.2m deficit with respect to the Group's Staff defined benefit pension scheme, €3.5m surplus with respect to the Group's executive defined benefit pension scheme and a €5.5m surplus with respect to the Group's NI defined benefit pension scheme) and a net deficit of €4.1m net of deferred tax (FY2018: net surplus of €1.0m gross and net deficit of €0.1m net of deferred tax).

The movement from the opening net surplus to the closing net deficit gross of deferred tax is as follows:-

	€m
Net surplus at 1 March 2018	**1.0**
Employer contributions paid	**0.2**
Charge to Other Comprehensive Income	**(3.6)**
Charge to the Income Statement	**(0.9)**
FX adjustment on retranslation	**0.1**
Net deficit at 28 February 2019	**(3.2)**

The decrease in the net surplus of €1.0m to a net deficit of €3.2m is primarily due to an actuarial loss of €3.6m. The actuarial loss was driven by the reduction in the discount rates used to value the pension benefit obligation. The impact of the reduction in discount rates was partially offset by other actuarial gains such as the lower than expected benefit inflation experienced over the year and, to a lesser extent, changes to assumptions regarding future pensionable salary growth (ROI Staff) and future rates of mortality improvements (NI) . All other assumptions used to value the pension benefit obligation are consistent with those used as at 28 February 2018.

12. 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 investments, transactions entered into by the Group with these subsidiary undertakings and equity accounted investments and the identification and compensation of and transactions with key management personnel.

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

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

Equity accounted investments
In the current financial year, the Group made a 33.3% investment in a Belgium entity CVBA Braxatorium Parcensis for less than €0.1m. The entity did not trade during the financial year. The Group also assumed an equity investment in European Wine Partnerships LLP following the acquisition of Matthew Clark and Bibendum. This was a dormant entity which has subsequently been dissolved, accordingly the Group had no transactions with European Wine Partnerships LLP during the year.

In the prior financial year, on 6 December 2017, the Group entered into a joint venture arrangement for a 49.9% share in Brady P&C Limited, a UK incorporate entity with Proprium Capital Partners (50.1%). Brady P&C Limited subsequently incorporated a UK company, Brady Midco Limited where Admiral management acquired 6.5% of the shares. Brady Midco Limited incorporated Brady Bidco Limited which acted as the acquisition vehicle to acquire the entire share capital of AT Brit Holdings Limited (trading as Admiral Taverns). The equity investment by the Group represents 46.65% of the issued share capital of Admiral Taverns. Admiral Taverns currently own and operate pubs, mainly in England and Wales, with a broad geographic distribution.

On 28 July 2017, the Group acquired 10.7% of the equity share capital of a Canadian Company for CAD$2.5m (€1.8m euro equivalent on date of investment). This followed a previous investment, on 11 May 2016, when the Group acquired 14% of the equity share capital of the same entity.

On 20 December 2016, the Group acquired 25% of the equity share capital of Whitewater Brewing Company Limited, an Irish Craft brewer for £0.3m (€0.3m).

During the financial year ended 28 February 2015, 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 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 had no transactions with The Irish Brewing Company Limited (Ireland) which is a non-trading entity.

A subsidiary of the Group holds a 33% investment in Shanter Inns Limited.

Loans extended by the Group to equity accounted investments are considered trading in nature and are included within advances to customers in Trade & other receivables.

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

	Joint ventures		**Associates**	
	2019	2018	**2019**	2018
	€m	€m	**€m**	€m
Net revenue	**0.9**	0.5	**0.6**	0.3
Debtors	**0.2**	0.2	**-**	-
Purchases	**0.6**	0.3	**0.1**	0.3
Creditors	**-**	0.2	**-**	-
Loans	**1.6**	1.7	**3.0**	2.7

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

Key management personnel
For the purposes of the disclosure requirements of IAS 24 *Related Party Disclosures*, the Group has defined the term 'key management personnel', as its executive and non-executive Directors. Executive Directors participate in the Group's equity share award schemes, permanent health insurance (or reimbursement of premiums paid into a personal policy) and death in service insurance programme. Executive Directors may also benefit from medical insurance under a Group policy (or the Group will reimburse premiums). No other non-cash benefits are provided. Non-executive Directors do not receive share-based payments nor post employment benefits.

Details of key management remuneration are as follows:-

	2019	2018
	Number	Number
Number of individuals	**11**	12
	€m	€m
Salaries and other short term employee benefits	**4.2**	2.9
Post employment benefits	**0.4**	0.3
Equity settled share-based payments	**1.3**	0.7
Termination payment	**0.5**	0.2
Total	**6.4**	4.1

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

For the purposes of the Section 305 of the Companies Act 2014, the aggregate gains by Directors on the exercise of share options during FY2019 was €nil (FY2018 €166,576).

13. POST BALANCE SHEET EVENTS

No significant events affecting the Group have occurred since the year end which would require disclosure or amendment of the financial statements.

14. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Directors on 22 May 2019.