



H1 2010 Results

October, 2009



Presentation Agenda

- Introduction
- H1 2010 Financial Performance
- Market Overview
- Outlook
- Q&A

H12010 Performance Overview

- Revenue* declined 6.3% to €257.5 million
- Operating profit* before exceptional items declined 2% to €57.4 million
- Operating margin* increased 1.0pt to 22.3%
- Adjusted basic EPS of 15.3 cent for the first half
- Strong free cash flow of €53.4 million - representing 83% of EBITDA
- Net debt reduction of 24% to €171.1 million - representing 1.7 times EBITDA
- First half DPS of 3 cent per share

** Constant currency*

H12010 Performance Overview

	H1 2010	H1 2009	Change	Change
	€m	€m		<i>Constant Currency</i>
➤ Total revenue	257.5	287.7	(10.5%)	(6.3%)
➤ Cider	200.7	224.7	(10.7%)	(6.2%)
➤ Spirit & Liqueurs	33.2	41.3	(19.6%)	(20.2%)
➤ Distribution	23.6	21.7	+8.8%	+22.3%
➤ Cider Volumes				Unch.
➤ Spirit & Liqueurs Shipments				(15%)

H12010 Performance Overview

- On target to deliver objective of stabilised cider volumes in 2009/10
- Successful launch of Bulmers & Magners Pear
- On trade pint bottle price reduction of 10% in Ireland
- Cost base and organisation structure aligned with current operating environment
- Acquisition of AB InBev's Irish Northern Irish and Scottish assets for €205 million (Stg£180m)
- Marketing investment plans cider brands under review following acquisition and weaker trading in August and September



H12010 Income Statement

	H1 2010	H1 2009	Change
	€m	€m	
Revenue	257.5	287.7	(10.5%)
Operating costs	200.1	221.3	(9.6%)
Operating profit before exceptionals	57.4	66.4	(13.6%)
Net finance charges	(3.3)	(6.4)	(48.4%)
Taxation	(5.7)	(6.4)	(10.9%)
<i>Effective tax rate</i>	10.5%	10.6%	
Discontinued operations	-	(0.5)	NM
Net profit before exceptionals	48.4	53.1	(8.9%)
Adjusted basic EPS	15.3c	17.0c	(10.0%)
<i>Adjusted diluted EPS</i>	15.2c	16.9c	(10.1%)

Segmental Reporting

- C&C manages and assesses performance across five operating segments:

Cider Republic Of Ireland (ROI)

Cider Great Britain (GB)

Cider Rest of World (ROW)

Spirits & Liqueurs

Distribution

H12010 | Segmental Reporting

Cider ROI <i>Constant Currency</i>	H1 2010 <i>€m</i>	H1 2009 <i>€m</i>	Change
➤ Revenue	90.3	94.3	(4.2%)
➤ Operating profit	29.5	30.4	(3.0%)
<i>Operating margin</i>	<i>32.7%</i>	<i>32.2%</i>	<i>+0.5pts</i>
➤ Volumes			Unch.

H12010 | Segmental Reporting

Cider GB <i>Constant Currency</i>	H1 2010 <i>€m</i>	H1 2009 <i>€m</i>	Change
➤ Revenue	90.8	99.8	(9.0%)
➤ Operating profit	20.9	20.9	Unch.
<i>Operating margin</i>	<i>23.0%</i>	<i>20.9%</i>	<i>+2.1pts</i>
➤ Volumes			(2%)

H12010 | Segmental Reporting

Spirits & Liqueurs <i>Constant Currency</i>	H1 2010 <i>€m</i>	H1 2009 <i>€m</i>	Change
➤ Revenue	33.2	41.6	(20.2%)
➤ Operating profit	4.9	7.9	(38.0%)
<i>Operating margin</i>	<i>14.8%</i>	<i>19.0%</i>	<i>(4.2pts)</i>
➤ Shipments			(15%)

H12010 Cashflow

	H1 2010	H1 2009	Change
	€m	€m	Year-on-Year
Operating profit	57.4	66.4	(13.6%)
Depreciation	6.9	9.4	(26.6%)
EBITDA	64.3	75.3	(14.6%)
Net capital expenditure	(4.2)	(9.0)	(53.3%)
<i>% of depreciation</i>	<i>61%</i>	<i>96%</i>	
Working capital/other	12.7	(15.5)	NM
Operating cash flow	72.8	50.8	+37.8%
<i>% of EBITDA</i>	<i>113%</i>	<i>67%</i>	
Exceptional items paid	(12.4)	3.5	NM
Net finance charges paid	(3.2)	(5.8)	(45%)
Tax paid	(3.8)	(1.5)	+153%
Free cash flow	53.4	47.0	+13.6%
<i>% of EBITDA</i>	<i>83%</i>	<i>62%</i>	

H12010 Balance Sheet

	H12010
	€m
Net debt* at 1 March, 2009	226.2
<i>Net Debt to EBITDA</i>	<i>1.9x</i>
Free cash flow in period	(53.4)
Other	(1.7)
Net debt* at 31 August, 2009	171.1
<i>Net Debt to EBITDA</i>	<i>1.7x</i>
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Pension deficit at 1 March, 2009	45.5
Pension deficit at 31 August, 2009	34.3

**Excludes fair value of swap instruments*



Market Overview



Cider ROI | Bulmers

H1 Performance | 2009

	Bulmers	Market
	Vol. Growth	Vol. Growth
Total LAD Market	Unch.	(11%)
On-Trade	(6%)	(14%)
Off-Trade	+8%	(4%)

Note: Irish LAD market is approximately 69% On-Trade and 31% Off-Trade and comprises total volume of 5.3m hectolitres

Source: Nielsen & Company Data

Cider GB | Magners

H1 Performance | 2009

	Magners Vol. Growth	Cider Market Vol. Growth
Total Cider Market (On & Off Trade)	(2%)	+11%
On-Trade	(12%)	+2%*
Off-Trade	+18%	+16%**

**5 Months to July, 2009*

***6 Months to 5 Sep, 2009*

Note: GB LAD market is approximately 54% On-Trade and 46% Off-Trade and comprises total volume of 51.8m hectolitres

Source: Nielsen and Company Data

Spirits & Liqueurs

H1 2010	Shipments	Depletions
Tullamore Dew	(19%)	(3%)
Carolans	(7%)	(5%)
Frangelico	(21%)	(9%)
Irish Mist	(18%)	(8%)
Total	(15%)	(5%)

- Volume decline reflects continuing de-stocking
- Continuing investment in brands – with a consequent impact on margins
- Recent indications are that de-stocking process may now be drawing to an end



Acquisition Integration

- Acquisition of AB InBev's Irish Northern Irish and Scottish assets
- Completed 28 September, 2009
- Experienced integration team established ahead of completion
- Close co-operation with AB InBev
- Transitional operational arrangements agreed with AB Inbev are in place and process of integration is underway
- Tennent's management team remains with the business



Outlook

“Following a positive start to the first half, trading conditions in August and September have been more challenging. However, we remain on track to deliver on the objective of stabilised volumes and a full year operating profit outcome in line with our stated guidance.”

“We expressed our intention to invest an additional €8m (of incremental profit growth) behind the Group’s cider brands. Following the acquisition of the Tennent’s business and, in light of recent trading conditions, we will now review overall marketing investment and deploy our marketing spend where we believe we can get the best returns for shareholders.”

John Dunsmore

CEO

8 October, 2009



BULMERS

IRISH CIDER

Original



Time
dedicated
to you

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