



Interim Management Statement

Dublin, London, 17 January 2012: C&C Group plc ('C&C' or the 'Group'), a leading manufacturer, marketer and distributor of branded long alcoholic drinks, principally in Ireland and the UK, today issues the following Interim Management Statement covering the period from 1 September 2011 to the date of this statement.

Highlights

- ❖ Strong performance from Magners in Great Britain ('GB') in the three months to 30 November with a 5.8% increase in volume and a 7.8% increase in net revenue
- ❖ Continued momentum in Magners exports (sales outside Ireland and the UK) in the three months to 30 November with a 31.9% increase in volume delivering 25.3% growth in the nine month period
- ❖ Robust performance for Tennent's brand in the key Scottish independent free trade channel and overall operating margin improving despite reported decline in net revenue
- ❖ Bulmers net revenue remains under pressure from a weak on trade and an increase in promotional pricing in the Irish off trade.
- ❖ Continuing momentum in beer in Ireland
- ❖ Improvement in trading in Ireland and the UK during the Christmas period
- ❖ Operating profit guidance of circa €110m for the full year, within the previously guided range.

Performance Review and Outlook

The strength of C&C's business model, despite a challenging economic backdrop, should deliver solid earnings growth in the current financial year. Operating profit is currently expected to be circa €110m for the full year in line with the Group's stated guidance.

Net cash flow in the second half of the year is anticipated to be effectively neutral after absorbing the cash payment for the Hornsby's business in November 2011. However, the Group reported strong free cash flow in the first half of the year and has a strong balance sheet.

Divisional Review

GB Cider

Change on Prior Year	6 months ended 31 Aug 2011	3 months ended 30 Nov 2011	9 months ended 30 Nov 2011
Magners Volume	2.9%	5.8%	3.6%
Magners Net revenue (constant currency)	(2.3%)	7.8%	0.2%
Gaymers Volume	(27.3%)	(30.0%)	(28.1%)
Gaymers Net revenue (constant currency)	(20.9%)	(24.8%)	(22.1%)

Magners volume growth accelerated to 5.8% in the third quarter and was accompanied by a robust performance on value. Unit revenues increased delivering 7.8% net revenue growth in the third quarter and lifting nine month net revenue for Magners into positive territory. In England & Wales, on trade volume grew by 2.5% in the three month period with growth in Magners Golden Draught and Magners Pear volumes offsetting a decline in Magners Original volumes. In the off trade, pack and customer mix contributed to net revenue growth of 8.3% ahead of volume growth of 6.5%.

The performance of the Gaymers portfolio in the first half of the financial year continued into the third quarter and the Group's primary focus remains on value. Despite a significant reduction in volume and net revenue, the removal of loss making activity should ensure that the Gaymers business contributes earnings in line with expectations in this financial year.

Republic of Ireland

Change on Prior Year	6 months ended 31 Aug 2011	3 months ended 30 Nov 2011	9 months ended 30 Nov 2011
Cider Volume	(3.2%)	(4.6%)	(3.6%)
Cider Net revenue	(8.4%)	(12.3%)	(9.5%)
Beer Volume	22.8%	23.0%	23.0%
Beer Net revenue	15.2%	11.3%	15.0%

The on trade channel in the Republic of Ireland remains very challenging while long alcoholic drinks ('LAD') sales through the off trade continue to grow. Bulmers volume performance reflects this trend with off trade growth of 2.1% and an on trade decline of 11.5% in the three months to 30 November. Of the total Bulmers volume shipped in the quarter, the off trade channel accounted for 51%. Significant price led promotional activity in the off trade continues to impact net revenue.

Despite the challenging top line in cider, earnings contribution from the Irish business in this financial year is expected to be broadly in line with last year. Trading in December was more robust than the previous three months. Growth trends in the C&C beer portfolio continued in the quarter with good momentum in the Tennent's brand in both channels of trade. In November the Bulmers Specials range was launched in Ireland, bringing further innovation into the cider category.

Export

Change on Prior Year	6 months ended 31 Aug 2011	3 months ended 30 Nov 2011	9 months ended 30 Nov 2011
Magners Volume	22.7%	31.9%	25.3%
Magners Net revenue (constant currency)	19.3%	15.6%	18.3%

Export volume of Magners in the quarter ended 30 November increased by 31.9% on the prior year, lifting growth for the first nine months to 25.3%. Magners has good momentum in the Australian and Canadian markets. Growth in the US is steady and a new distributor relationship in Spain is now operational. Net revenue movement in the quarter is distorted by the impact of the change in the nature of the trading relationship with Suntory, the Group's distributor in Australia. The new arrangement means reduced net revenue but higher operating margins. Under the former arrangement with Suntory, the reported nine month net revenue growth of 18.3% would have been circa 27%.

Magners Export volumes accounted for 14.6% of total Magners sold in the nine months to 30 November.

The Hornsby's brand acquired in November continues to perform in line with recent trends. The transitional arrangements with E&J Gallo are operating smoothly. Integration planning is well underway and it is currently expected that full commercial management of the brand will pass to C&C in April 2012 as planned.

Tennent's

Change on Prior Year	6 months ended 31 Aug 2011	3 months ended 30 Nov 2011	9 months ended 30 Nov 2011
Volume	(8.2%)	(15.7%)	(10.7%)
Net revenue (constant currency)	(5.7%)	(3.2%)	(5.0%)

While the reported volume and net revenue movements in Tennent's are weak, the underlying economic performance of Tennent's in the quarter was robust. Channel performance follows the same trends evident in the first half results. The Group's pursuit of value in the off trade continues to be a significant negative for overall brand volumes and net revenues but positive for operating margins. In the independent free trade in Scotland, the brand continues to excel. On-trade volume decline of 1.3% for the nine months ended 30 November 2011 represents good share gain in the lager category in Scotland; net revenues are up 3.7% for the same period. Similarly, Tennent's continues to perform robustly in the on trade in Northern Ireland. The launch of Caledonia Best at the end of October has been well received by customers and consumers.

Trading since 1 December 2011

Trading over the Christmas period was positive in both Ireland and the UK with last year's comparatives impacted by adverse weather in both markets. Volume of Bulmers shipped in December was up 1% versus the prior year, volume of Magners shipped in GB was also up 1% year on year while Tennent's volume in the Scottish on trade was up 12% in the month. Magners export volume for December was up 22% year on year.

ENDS

About C&C Group plc

C&C Group plc is a leading manufacturer, marketer and distributor of branded long alcoholic drinks, principally in Ireland and the UK. C&C manufactures Bulmers, the leading Irish cider brand, Magners, the premium international cider brand, the Gaymer Cider Company range of branded and private label ciders and the Tennent's beer brand. C&C also owns Hornsby's, a leading craft cider brand in the United States. The Group also distributes a number of beer brands in the Scottish, Irish and Northern Irish markets, primarily for Anheuser-Busch InBev (AB InBev).

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 believe are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including the specific factors discussed on page 35 of the 2011 Annual Report, that could cause actual results to differ materially from those anticipated.

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