

C&C Group plc agrees expanded manufacturing and distribution partnership with AB InBev, including new distribution arrangements for Magners in England, Wales, the Channel Islands and the Isle of Man

Dublin, London | 12 December 2016: C&C Group plc ("C&C" or the "Company"), a leading manufacturer, marketer and distributor of branded cider, beer, wine and soft drinks in Ireland and the UK, today announces that it has entered into expanded distribution and contract brewing agreements with AB InBev UK Limited ("AB InBev"), in respect of their respective cider and beer portfolios in the UK and Ireland (the "Expanded Partnership Agreements").

Key points of the Expanded Partnership Agreements:

- under a new distribution agreement AB InBev will be responsible for the sale and trade marketing of C&C's cider portfolio (including Magners, Chaplin & Corks and Blackthorn) in England, Wales, the Channel Islands and the Isle of Man, including on and off-trade national accounts;
- the existing contract brewing arrangements with AB InBev have been renewed and extended, whereby C&C will continue brewing, kegging, bottling and canning certain AB InBev products, including Stella Artois at C&C's Wellpark Brewery in Glasgow;
- the existing distribution arrangements with AB InBev, by which C&C distributes AB InBev's beer portfolio (including Becks, Stella Artois, Budweiser and Corona) in Ireland, Northern Ireland and Scotland have been amended and reconfirmed;
- no consideration is payable by either party on signing of the Expanded Partnership Agreements, which will come into effect over the coming months, and are long term, multi-year contracts; and
- the Expanded Partnership Agreements are expected to be earnings neutral in the first full year of operation and accretive thereafter driven by increased volumes and value, particularly in cider in England, Wales, the Channel Islands and the Isle of Man.

Stephen Glancey, CEO of C&C Group, said:

"We are delighted to renew and expand the scope of our long term partnership with AB InBev, the world's leading beverages company. The agreements leverage the manufacturing, distribution and portfolio strengths of our two businesses in our core markets in the UK and Ireland. AB InBev will represent Magners and our other cider brands in England, Wales, the Channel Islands and the Isle of Man and to UK national accounts alongside their portfolio of leading global beer brands. We will continue to sell and distribute AB InBev's beer brands into the independent on and off-trade in Scotland, Northern Ireland and the Republic of Ireland alongside our "local champion" brands – Tennent's, Magners and Bulmers and our growing portfolio of speciality beers and ciders. We have also renewed and extended our existing contract manufacturing arrangements to brew and package an increased volume of AB InBev's beer portfolio at our Wellpark Brewery.

We are excited by the increased opportunities from combining Magners and our other cider brands with AB InBev's leading portfolio of beers, marketing expertise and distribution capability; particularly in England, Wales, the Channel Islands and the Isle of Man and amongst national accounts. Magners Original transformed cider-drinking 10 years ago and this rich heritage is resonating with consumers again as the brand is firmly back in volume growth. We are confident that it will flourish further within the enhanced platform that our expanded partnership with AB InBev will bring.

We have been manufacturing and distributing AB InBev's beer brand portfolio in our core territories of Scotland and Ireland since the acquisition of the Tennent's business from AB InBev in 2009. Today's renewal of these agreements is testament to the strength of our distribution networks across Ireland and Scotland and our leading positions and brands in these territories; and underscores the quality and efficiency of our manufacturing facilities".

Jason Warner, President, AB InBev UK & Ireland, said:

"AB InBev has had a close, strategic partnership with C&C since 2009 and we are very happy to announce today that we're strengthening our business ties. The new and extended contracts will utilise AB InBev's world class distribution network to bring people in England, Wales, the Channel Islands and the Isle of Man more choice in the cider category. This partnership will provide our customers in both the on and off-trade with a renowned, complementary portfolio including Budweiser, Corona, Stella Artois, Goose, Camden, Magners, Chaplin & Cork's, Blackthorn and K from AB InBev."

Background to and rationale for the Expanded Partnership Agreements

C&C has been manufacturing and distributing the AB InBev beer brand portfolio, in Scotland and Ireland since the acquisition of the Tennent's business from AB InBev in 2009. The success of these arrangements to date demonstrates C&C's intimate knowledge of these territories, and validates the strength of our distribution platform and our local brands.

As reported in our recent interim results, the Magners brand is enjoying renewed volume growth in the UK, with volumes +11% (year-on-year) in the six months to 31 August 2016. However, we have often stated that for Magners and our other cider brands to realise their full potential, particularly in England, Wales and amongst national accounts, they would benefit from an improved distribution channel. AB InBev is the world's largest brewer and its beers - which include Budweiser, Stella Artois, Beck's, Corona, Leffe and Hoegaarden are amongst the best known premium beer brands in the UK and Ireland. Magners and the C&C cider portfolio will benefit from being marketed as part of this wider portfolio of strong beer brands and from the greater distribution reach and capability that AB InBev can bring.

Summary of the distribution agreements

A summary of the two distribution agreements by territory are set-out below. The distribution agreements will come into effect over the coming months and are long term, multi-year agreements. Each distribution agreement is subject to standard termination rights by both parties,

minimum purchase obligations and provisions in respect of marketing. The distribution agreements are inter-conditional. No consideration is payable by either party on signing of the distribution agreements.

1. Distribution of AB InBev beer brands in Scotland and Ireland

C&C will continue to have the rights to sell and distribute AB InBev's beer brands in Ireland, Northern Ireland and Scotland to independent on-trade and off-trade customers. The agreement is in respect of AB InBev's current beer brand portfolio (save for Budweiser in the Republic of Ireland) and any future acquired or launched beer brands in these territories. The distribution rights exclude national on and off-trade account customers, and are effective immediately.

2. Magners and C&C cider portfolio distribution agreement in the UK

AB InBev will market and sell all of C&C's cider brands including Magners, Chaplin & Cork's, and Blackthorn to all on and off-trade customers in England, Wales, the Channel Islands and the Isle of Man and national account customers in the UK, save for certain national account customers where Magners has existing multi-year supply agreements. The sales and marketing representation will become effective from Q1 2017 and AB InBev will also assume responsibility for the distribution logistics of C&C's cider brands after a transitional period of up to 12 months.

C&C retains ownership and brand management of all its cider brands and will continue to manufacture at its cidery at Clonmel, Co. Tipperary. C&C also retains responsibility for sales, marketing and distribution of its cider portfolio into its core customer base of the independent trade in Scotland, Northern Ireland and Ireland, as well as retaining full distribution rights to the brands in North America and all other Export markets. C&C will also continue to be responsible for the marketing and distribution across the UK of its own portfolio of specialist beers including Menabrea and Heverlee.

Summary of the contract brewing agreement

C&C has extended its existing contract brewing arrangement with AB InBev. Under the extended agreement, C&C will continue brewing, kegging, bottling and canning certain AB InBev products, including Stella Artois at C&C's Wellpark Brewery in Glasgow. C&C has undertaken to make a certain minimum level of brewing capacity available and AB InBev has undertaken to order increased minimum quantities during the term.

The renewed contract brewing agreement will come into effect immediately and is a long term, multi-year agreement. No consideration is payable by either party on signing of the contract brewing agreement.

Financial effects of the Expanded Partnership Agreements

In aggregate, the board of C&C expects the Expanded Partnership Agreements to be earnings neutral in the first full year of operation and accretive thereafter driven by increased volumes and value, particularly in cider in England, Wales, the Channel Islands and the Isle of Man.

About C&C Group plc

C&C Group plc is a premium drinks company which owns, manufactures, markets and distributes branded beer, cider, wine, soft drinks and bottled water. C&C Group brands include: Bulmers the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; Tipperary Water; Finches soft drinks, as well as a range of niche, premium and craft ciders and beers. C&C Group also owns and manufactures Woodchuck, a leading craft cider brand in the United States and manufactures and distributes a number of 3rd party international beer brands in Scotland and Ireland. C&C is also a leading drinks wholesaler in Scotland and Ireland, where it operates under the Tennent's and C&C Gleeson brands respectively. C&C Group is headquartered in Dublin with manufacturing operations in Co. Tipperary, Ireland; Glasgow, Scotland; and Vermont, US. C&C Group plc is listed on the Irish and London Stock Exchanges.

Notes

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

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 13 of C&C' interim results for the period ended 31 August 2016 that could cause actual results to differ materially from those anticipated.

Contacts

C&C Group plc

Stephen Glancey | Group Chief Executive
Kenny Neison | Chief Financial Officer
Joe Thompson | Head of Investor Relations
Tel: +44 7980 844 580
Email: Joe.Thompson@candcgroup.com

FTI Consulting

Mark Kenny
Jonathan Neilan
Tel: +353 1 663 3686
Email: CandCGroup@fticonsulting.com

Novella Communications

Tim Robertson
Toby Andrews
Tel: +44 203 151 7008
Email: TimR@novella-comms.com