C&C Group Plc
("C&C" or the "Group")

Pre-Close Trading Update

Dublin, London | 10 March, 2017: C&C Group plc, the premium drinks company, issues its pre-close trading update for the 12 months to 28 February, 2017 ("FY17"). Preliminary results for FY17 will be announced on 17 May, 2017.

Overview

FY17 Group operating profit is expected to be in the region of €94-€96m. Second half profit was broadly level year on year, despite the adverse impact of currency movements.

FY17 volume performance in the three principal brands of Bulmers, Magners and Tennent's was resilient and a significant improvement on FY16. Bulmers is expected to post volume growth of +3% for the full year (FY16:-13%) and Magners +7% (FY16:-6%). Tennent's volumes will be flat year on year (FY16:-4%) and growing share in the key independent free trade channel. Niche & Speciality volume, including Heverlee, Menebrea and Chaplin & Cork's will be up 50%+ in the year and now constitutes 2% of Group owned brand volume.

The major factor in the decline of Group operating profit was the devaluation of sterling. The cost reduction plans announced in October 2015 completed as planned in the second half. The benefits, however, were outweighed by incremental brand investment and price deflation attributable to changes in channel and pack mix across the Group. Our wholesale business stabilised in the second half of the year but did not recover the margin losses.

Market Review

Cider in ***Ireland*** continued to grow its share of long alcohol drinks as a generation of younger drinkers entered the category. Bulmers brand growth slowed slightly in the second half and volume is likely to be +3% for the full financial year. The brand ceded share of cider in draught but the volume loss was offset by growth in pint bottle and small pack. The first activity linked to the upweighted Bulmers plans for FY18 will be visible in March with the launch of *Outcider*, by Bulmers.

In ***Scotland***, Tennent's grew volume and share in the IFT channel in the second half and across the full year, outperforming the overall UK beer market which declined -1%[1]. Pricing was stable in the second half.

The Magners brand in the **UK** maintained a strong performance with volume expected to be up 11% for the full year (H1:+11%), picking up share in a cider category that is -0.5%[2]. However, the negative pressures on pricing and on pack and channel mix evident in the first half of the year remain unchanged. The large grocery retailers taking share from impulse and convenience and the shift from glass to aluminium are both negative dynamics for brands like Magners. The continued yield pressures and consolidation activity currently taking place in the on and off premise channel further reinforces the strategic rationale for the AB InBev partnership announced in December 2016. Our cider brands in the UK transferred into the AB InBev portfolio on March 1 as planned.

In our ***Export*** business, overall volumes are likely to be up in the low single digits for the full year with Tennent's in double-digit growth.

In the ***US***, the cider category remains in double-digit decline. Performance of the Magners brand improved considerably in the last quarter and returned to modest growth in the North Eastern states but our domestic US cider brands are lagging behind the category. The carrying value of the US assets will be reviewed as part of our full year end close process.

Outlook

The volume performance of our core brands and our growing niche/speciality portfolio was robust in FY17, despite challenging trading conditions. However, the impact of currency, negative market pressures on pricing and pack/channel mix have impacted the Group's profitability. In FY18 we will continue to invest in our core brands to deliver long term growth, remain disciplined on costs and look to strengthen our route-to-market where possible. Given market dynamics and consumer concerns we remain cautious on the outlook for our domestic markets and are not anticipating improved trading conditions in the short term.

Cash and Earnings per Share

We have maintained capital discipline over the last 12 months, returning €66m to shareholders through a combination of share buy backs and dividend. Cash generation remains strong and there is no change to previous guidance targeting leverage of 2x net debt to EBITDA by the end of FY18.

Our share buy-back programme has reduced our weighted average number of shares by c.7% year-on-year and should result in modest EPS growth on a constant currency basis.

1. *GB on and off-trade beer volumes – 12 mth MAT to 31 December 2016*
2. *GB on and off-trade cider volumes – 12 mth MAT to 31 December 2016*

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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, USA. C&C Group plc 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 pages 14 to 15 of the Group's 2016 First Half Results Announcement that could cause actual results to differ materially from those anticipated.

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