THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the course of action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other professional adviser (being, in the case of Shareholders in Ireland, an organisation or firm authorised or exempted pursuant to the Investment Intermediaries Act 1995 (as amended) or the European Communities (Markets in Financial Instruments) Regulations 2007 Nos. 1 to 3 (as amended) and, in the case of Shareholders in the United Kingdom, an adviser authorised pursuant to the Financial Services and Markets Act 2000, or, in the case of Shareholders in a territory outside Ireland and the United Kingdom, from another appropriately authorised independent financial adviser).

If you sell or have sold or otherwise transferred all of your Shares, please send this document at once, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Shares, you should retain this document and the accompanying Form of Proxy.

The release, publication or distribution of this document and/or the accompanying Form of Proxy into jurisdictions other than Ireland or the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction.

C&C group plc

(Incorporated and registered in Ireland under the Companies Acts 1963 to 2001 with registered number 383466)

Proposed Disposal of C&C Spirits

and

Notice of Extraordinary General Meeting

Davy and Rothschild

Sponsor and Financial Adviser respectively

Davy, which is regulated in Ireland by the Irish Financial Regulator, is acting exclusively for the Company, as sponsor to the Company, in connection with the requirements of the Irish Stock Exchange and the UK Listing Authority relating to the Disposal and for no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Davy or for providing advice in relation to the Disposal or any other matters referred to in this document.

Rothschild, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for the Company as financial adviser in connection with the Disposal and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Rothschild or for providing advice in relation to the Disposal or any other matters referred to in this document.

You should read the whole of this document carefully. Your attention is drawn in particular to the letter from the Chairman of the Company which is set out in Part I of this document and which recommends that you vote in favour of the Resolution to be proposed at the Extraordinary General Meeting referred to below. You should read this document in its entirety, including Part II of this document entitled “Risk Factors” which describes certain risk factors which should be taken into account when considering what action you should take in connection with the Extraordinary General Meeting.

Notice of an Extraordinary General Meeting of the Company to be held at 11.00 a.m. on Thursday, 17 June 2010 at The Fitzwilliam Hotel, St. Stephen’s Green, Dublin 2, Ireland is set out at the end of this document. A Form of Proxy for use at the Extraordinary General Meeting is enclosed and, whether or not you intend to attend the Extraordinary General Meeting in person, please complete, sign and return the Form of Proxy so as to be received by the Company’s registrars, Capita Registrars (Ireland) Limited of Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Republic of Ireland as soon as possible but, in any event, so as to arrive no later than 11.00 a.m. on 15 June 2010. Completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, should they wish to do so.

Electronic proxy appointment is available for the Extraordinary General Meeting. This facility enables a Shareholder to lodge its proxy appointment by electronic means by logging on to the website of the registrars, Capita Registrars (Ireland) Limited: www.capitaregistrars.ie. Shareholders should select “Log onto shareholder services” from the online services menu. Alternatively, for those who hold Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST participant ID 7RA08), in each case so that it is received by no later than 11.00 a.m. on 15 June 2010. The completion and return of either an electronic proxy appointment notification or a CREST Proxy Instruction (as the case may be) will not prevent the Shareholder from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, should the Shareholder wish to do so.

This document contains forward-looking statements, including statements about the Group’s intentions, beliefs and expectations. These statements are based on the Group’s current plans, estimates and projections, as well as the Group’s expectations of external conditions and events. In particular the words ‘expect’, ‘anticipate’, ‘predict’, ‘estimate’, ‘project’, ‘may’, ‘could’, ‘should’, ‘would’, ‘will’, ‘intend’, ‘believe’ and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve inherent risks and uncertainties and speak, in the case of this document, only as of the date of this document. The Company undertakes no duty to and will not necessarily update any of them in light of new information or future events, except to the extent required by any applicable law or regulation. Shareholders are therefore cautioned that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. These factors include, but are not limited to those discussed in Part I “Letter from the Chairman”, Part II “Risk Factors” and Section A of Part V “Unaudited Pro Forma Statement of Net Assets for the Continuing Group”.

Certain financial information in this document has been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic aggregation of the figures that precede them.

Statements in this document relating to global market share in the single malt and scotch whisky markets are based on queries made of the International Wine and Spirits Record for sales during the 12 month period ended 31 December 2008, being the latest published data available.

This document does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Shares or other securities of the Company.

CONTENTS

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors:	Tony O'Brien	*Group Chairman*
	Sir Brian Stewart	*Chairman Designate*
	John Dunsmore	*Chief Executive Officer*
	Stephen Glancey	*Executive Director*
	Kenny Neison	*Executive Director*
	John Burgess	*Non-Executive Director*
	Liam FitzGerald	*Non-Executive Director*
	John Hogan	*Non-Executive Director*
	Richard Holroyd	*Non-Executive Director*
	Philip Lynch	*Non-Executive Director*
	Breege O'Donoghue	*Non-Executive Director*
Company Secretary:	Sinead Gillen	
Registered Office:	Block 71 The Plaza Parkwest Business Park Dublin 12 Ireland	
Financial Adviser:	Rothschild New Court St Swithin's Lane London EC4P 4DU England	
Sponsor:	Davy Davy House 49 Dawson Street Dublin 2 Ireland	
Solicitors to the Group:	McCann FitzGerald Riverside One Sir John Rogerson's Quay Dublin 2 Ireland	
Auditor & Reporting Accountants for the Group:	KPMG 1 Stokes Place St. Stephen's Green Dublin 2 Ireland	
Registrars:	Capita Registrars (Ireland) Limited Unit 5 Manor Street Business Park Manor Street Dublin 7 Ireland	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Disposal	30 April 2010
Date of issue of this document	27 May 2010
Latest time and date for receipt of Form of Proxy, electronic proxy appointment notification or CREST Proxy Instructions	11.00 a.m. on 15 June 2010
Extraordinary General Meeting	11.00 a.m. on 17 June 2010
Expected date of Completion	30 June 2010

All times shown in this document are Dublin times unless otherwise stated.

Capitalised terms have the meaning ascribed to them in the section headed "Definitions" in this document.

Unless otherwise indicated, all references in this document to "€" or "euro" are to the lawful currency of participating member states of the European Union.

PART I—LETTER FROM THE CHAIRMAN

C&C group plc

(Incorporated and registered in Ireland, under the Companies Acts 1963 to 2001 with registered number 383466)

Registered Office:
Block 71
The Plaza
Parkwest Business Park
Dublin 12
Ireland

27 May 2010

To the Shareholders of C&C Group plc and the participants in the C&C Profit Sharing Scheme and, for information only, to Optionholders

Proposed Disposal of C&C Spirits

and

Notice of Extraordinary General Meeting

Dear Shareholder

1. INTRODUCTION

On 30 April 2010, C&C Group plc (the "**Company**") announced that it had entered into a conditional agreement to dispose of C&C Spirits, consisting of the entire issued share capital of C&C International Limited, Grants of Ireland Limited and Irish Mist Liqueur Company Limited (the "**Spirits Companies**") and related business assets, to William Grant for a total cash consideration of €300 million (the "**Disposal**").

Further details of C&C Spirits and the terms of the Disposal are set out in Sections 3 and 4 of this letter.

In view of its size, the Disposal is a class 1 transaction for the Company under the Listing Rules and is therefore conditional on the approval of Shareholders. An Extraordinary General Meeting of the Company is being convened for 11.00 a.m. on 17 June 2010 at The Fitzwilliam Hotel, St. Stephen's Green, Dublin 2, Ireland for the purpose of approving the Disposal. The notice convening the Extraordinary General Meeting is set out at the end of this document.

The purpose of this document is to provide you with details of, and background to, the Disposal, to explain why your Board considers it to be in the best interests of Shareholders as a whole and to recommend that you vote in favour of the Resolution set out in the notice of Extraordinary General Meeting at the end of this document.

2. BACKGROUND TO AND REASONS FOR THE DISPOSAL

The Group is a leading manufacturer, marketer and distributor of branded alcoholic beverages in Ireland and the UK. The Group manufactures the leading Irish cider brand, Bulmers, the premium international cider brand, Magners, and a range of other UK cider brands including Blackthorn and

Gaymer's. The Group is a leading brewer in Scotland, manufacturing beer under the Tennent's brand, and distributes Tennent's brands and AB InBev brands under licence primarily in Scotland and Northern Ireland. The Group, through C&C Spirits, owns and distributes to over 80 international markets a range of spirits and liqueurs brands comprising Tullamore Dew, Carolans, Frangelico and Irish Mist.

The Group's short-term strategic objectives include achieving the full integration of the Group's recently acquired businesses (the AB InBev businesses in Ireland, Northern Ireland and Scotland and The Gaymer Cider Company), thereby delivering the expected level of both cost and revenue synergy benefits from those businesses, strengthening brand propositions in Ireland and the United Kingdom by meeting consumer and customer needs, and reducing the Group's cost base. In the current financial year, the Group will continue to take operational measures to stabilise the overall performance of the Magners brand in Great Britain and to maintain the existing market position of Bulmers in Ireland.

The medium-term strategic goals for the Group are to develop new routes to market in existing and new markets, to continue product innovation and to build strategic alliances to help maximise the use of assets and further enhance Group profits.

The Group's long-term aim is to build a substantial international cider-led, Long Alcohol Drinks business over time through a combination of organic growth and selective acquisitions. The recent acquisitions of the AB InBev businesses in Ireland, Northern Ireland and Scotland and The Gaymer Cider Company are consistent with this strategy.

In deciding to focus on the development of its Long Alcohol Drinks business, the Board has taken account of relevant investment priorities and the limited synergy between the C&C Spirits' operations and the Group's cider and other Long Alcohol Drinks business. The Board has also taken into account that significant ongoing investment would be required to develop the business so that C&C Spirits would represent meaningful diversification of the Group's operations and contribute a greater proportion of the Group's revenue and earnings. The Board considers that return on such further investment in C&C Spirits would be constrained by both market and structural considerations, and that investment in the Group's Long Alcohol Drinks business provides greater scope for the creation of shareholder value. Although C&C Spirits holds international brands with strong market positions in niche categories, the Board considers that C&C Spirits remains sub-scale in the spirits and liqueurs market when compared with its leading European and global competitors. The Irish whiskey market, in particular, is competitive and the development of Tullamore Dew would necessitate significant further capital and marketing investment by the Group. Structurally, return on investment would be limited as C&C Spirits does not own its supply or distribution chain, and its sales are weighted geographically towards the lower-growth, mature markets in Western Europe and North America.

Against that background, the Board notes that the Disposal values C&C Spirits at €300 million, a multiple of 17.9 times C&C Spirits' EBITDA of €16.8 million (before exceptional items) for the year ended 28 February 2010. The Board believes that this price reflects the C&C Spirits brands' potential for enhanced profitability under the ownership of a focused international spirits group.

The Board's current intention is to apply approximately €245 million of the net cash proceeds arising from the Disposal to reduce the Group's borrowings. This reduction in the Group's borrowings will substantially deleverage the Group ahead of the scheduled refinancing of its facilities in 2011 and 2012 in what may be constrained capital markets. At 28 February 2010, assuming completion of the Disposal at that date, the Group would have had a pro forma Net Debt to EBITDA ratio of 0.6[1] times, compared with 2.8[1] times before completion of the Disposal. Further information is set out in Section A of Part V of this document.

Accordingly, the Disposal will, in line with the Board's long-term strategy, enable the Group to focus further towards the development of a substantial cider-led Long Alcohol Drinks business. The Board believes that, absent significant investment in C&C Spirits, this strategy provides C&C with the optimum scope to create and to sustain shareholder value.

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1 Pro forma Net Debt extracted without material adjustment from the Unaudited Pro forma Statement of Net Assets for the Continuing Group (set out in Part V, Section A of this document). EBITDA comprises the twelve month trading results of the Continuing Group for the year ended 28 February 2010 which has been extracted without material adjustment from the Unaudited Preliminary Results of the Group (set out in Part III of this document) excluding exceptional items and including EBITDA generated by the Group's recently acquired businesses (the AB inBev businesses in Ireland, Northern Ireland and Scotland and The Gaymer Cider Company) for the previous 12 months, the pre-acquisition element of which was determined on a carve out basis.

Following the Disposal, the Group will have a suitable capital structure to support the delivery of its short, medium and long-term strategic objectives. The proceeds of the Disposal will strengthen the Group's balance sheet and provide the Group with greater financial flexibility to support the organic growth of its cider-led drinks business through continuous investment and to allow it take advantage of acquisition opportunities as and when they arise.

3. INFORMATION ON WILLIAM GRANT

William Grant is a leading, independent family-owned distiller. It owns a number of global brands including Glenfiddich (the leading single malt whisky), Grant's (the fourth largest blended Scotch whisky), The Balvenie range of single malts, Hendrick's Gin, Sailor Jerry rum and Milagro tequila. William Grant is active in Western Europe, Asia and North America. As a focused spirits group with a developed route to market, William Grant is well-positioned to realise the full potential of the C&C Spirits brands.

4. INFORMATION ON C&C SPIRITS

Background

C&C Spirits consists of the Spirits Companies which own a complementary portfolio of premium, niche whiskey and liqueur brands:

- **Tullamore Dew** (Irish whiskey);
- **Carolans** (Irish cream liqueur);
- **Frangelico** (hazelnut liqueur); and
- **Irish Mist** (Irish whiskey liqueur).

This portfolio of niche brands has been developed by the Group since 1979, when Carolans was first launched by the Group. Irish Mist was acquired by the Group in 1985. Frangelico was added to the portfolio in 1990 when the Group acquired a majority interest in Italian liqueur business, Barbero. Having bought out the minority interests in Barbero in 2000, Barbero was sold in 2003 by the Group to Campari with the Group retaining the Frangelico brand only. The Tullamore Dew brand was acquired from the Irish Distillers Group in 1994.

Tullamore Dew is distilled for the Group in Ireland by Pernod Ricard, through its subsidiary Irish Distillers Limited. Carolans is manufactured in Ireland under contract for the Group from a mixture of fresh cream, whiskey, other spirits and honey. These liquids are transported in bulk to the Group's production and packaging facility in Clonmel, Ireland, where they are blended, bottled and packaged. Irish Mist is manufactured by the Group at Clonmel from a blend of whiskey, other spirits and honey. Frangelico is manufactured and bottled in, and distributed from, Canale, Italy on the Group's behalf by a subsidiary of Campari.

The finished products are distributed to over 80 countries by local independent distributors and multinational spirits companies.

C&C Spirits employs 57 people in Ireland at its packaging facility located at the Group's manufacturing site at Clonmel, Ireland and at its head office in Dublin, Ireland.

Financial Information relating to C&C Spirits

The following information summarises the trading results of C&C Spirits (on an IFRS basis) for the years ended 28 February 2010 and 2009 and 29 February 2008:

Financial year	2010	2009	2008
	€m	€m	€m
Revenue	78.0	85.9	87.5
EBITDA (before exceptional items)	16.8	18.0	17.5
Operating profit (before exceptional items)	16.2	17.2	16.7

As at 28 February 2010, C&C Spirits had gross assets of €109.7 million.

The financial information for C&C Spirits presented in this section 4 has been extracted without material adjustment from the consolidation schedules that underlie the Group's audited consolidated financial statements for the years ended 28 February 2009 and 29 February 2008 and the audited financial statements of the Spirits Companies, which together comprise C&C Spirits, for the year ended 28 February 2010. The basis of preparation of the combined historical financial information presented above, together with further financial information on C&C Spirits, is set out in Part IV of this document. You are advised to read the whole of this document and not rely solely on the summarised financial information contained in this letter.

5. TERMS OF THE DISPOSAL AND RELATED ARRANGEMENTS

The Sale Agreement to effect the Disposal was entered into by the Company and the Buyer on 29 April 2010. The sale of C&C Spirits will be effected by a sale of the entire issued share capital of the Spirits Companies.

The following is a summary of the key terms of the Sale Agreement. The Sale Agreement will be available for inspection as described in paragraph 14 of Part VI of this document.

Purchase Price

The total consideration for the Disposal is €300 million payable in cash on Completion.

Following Completion, the consideration paid by the Buyer to the Seller on Completion will be adjusted upwards or downwards on a euro for euro basis (if that adjustment is €10,000 or greater) to reflect (i) the difference between the Completion Working Capital Level and the Target Working Capital Level and (ii) the Net Cash/Debt on Completion (together the "**Completion Adjustment**"). It is not anticipated that the amount of the Completion Adjustment will be material.

Condition to Completion

Completion of the Sale Agreement is conditional only upon the approval by Shareholders of the Disposal. Completion of the Disposal is not conditional upon any regulatory approval being obtained.

The Buyer has a right to terminate the Sale Agreement if a product recall affecting Tullamore Dew or Carolans occurs in the period prior to the Resolution being passed. For this purpose, a "product recall" is a recall in one or more of the US, Spain, Canada, Germany and the Czech Republic recalling a volume of Tullamore Dew or Carolans product which is not less than 50% of the aggregate volume of the products sold under that brand in those territories in the year ended 28 February 2010.

Long Stop Date

The Sale Agreement will automatically terminate if the Resolution is not passed at the EGM or is not passed on or before 29 July 2010.

Pre-completion obligations

The Spirits Companies cannot, without the consent of the Buyer, perform certain actions pending Completion. These actions include: (i) incurring any expenditure exceeding €100,000 on the capital accounts of the Spirits Companies; (ii) amending, modifying or terminating any key distribution or supply agreement or entering into a significant new distribution or supply agreement; (iii) declaring any dividends (other than agreed inter-Group dividends to be declared pre-Completion); (iv) creating or issuing any class of share capital (v) passing any shareholder resolution (other than the Resolution) and (vi) departing in any material way from the ordinary course of the business of the Spirits Companies.

Warranties, indemnities and liabilities

Under the terms of the Sale Agreement, the Company has provided the Buyer with certain representations and warranties usual for a transaction of this nature covering, amongst other matters, ownership of C&C Spirits, accounts and books and records, employees, pensions, tax, litigation, commercial agreements and assets. The Company has made certain disclosures against the warranties and there are agreed limitations on the Company's liability for the representations and warranties both in respect of time and amount.

The Parties will also enter into a Tax Deed of Covenant at Completion with respect to tax liabilities of the Spirits Companies arising prior to Completion, and there are agreed limitations on the Company's liability under the Tax Deed of Covenant both in respect of time and amount.

Transitional services

The Company has agreed to provide certain services at cost to the Buyer and the Spirits Companies for a maximum period of seven months from Completion on a transitional basis. The principal services which will be provided relate to IT, payroll, accounting and business operations.

Employees

The employees engaged directly by C&C Spirits located in Dublin and Clonmel will transfer with C&C Spirits. Certain other employees of the Group wholly or mainly engaged in C&C Spirits but employed by the Company's subsidiary, Bulmers Limited, will also transfer with C&C Spirits. The principal terms and conditions of employment of transferring employees will be safeguarded in accordance with applicable legislation.

Any costs or liabilities associated with the participation by the C&C Spirits employees in C&C's defined benefit pension schemes up to Completion will remain for the account of C&C and the Company has indemnified the Buyer accordingly.

Premises

Following Completion, the Buyer will operate the C&C Spirits packaging facility located at the Group's manufacturing site in Clonmel, Ireland. C&C will also lease a portion of the Group's office space in Dublin, Ireland to the Buyer.

Post-completion restrictions

The Company has agreed, subject to some exceptions, that, for a period of 18 months from Completion, neither it nor any member of the Group will engage in the manufacture or distribution (but not wholesaling or retailing) of whiskey, whiskey-based liqueurs and spirits-based liqueurs for consumption by individuals in any of the Key Markets in which C&C Spirits currently operates.

6. USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL

The net cash proceeds of the Disposal (after the deduction of transaction costs and before the Completion Adjustment) are expected to be approximately €295 million. The net proceeds will be used to reduce debt and for general corporate purposes.

Transaction costs are expected to amount to approximately €5 million.

The Board's current intention is to apply approximately €245 million of the net cash proceeds arising from the Disposal to reduce the Group's borrowings, deleveraging the Group after its recent acquisitions of the AB InBev businesses in Ireland, Northern Ireland and Scotland and the Gaymer Cider Company. Approximately €50 million of the net cash proceeds will be used for general corporate purposes.

Following completion of the Disposal, the Company will no longer account for the Spirits Companies as subsidiary undertakings and the Continuing Group will no longer benefit from the revenue and operating profit generated by C&C Spirits which represented €78.0m and €16.2m (before exceptional items), respectively, for the financial year ended 28 February 2010.

The Directors believe that the reduction in Group borrowings will provide the Group with greater financial flexibility and capacity to support its organic growth and to take advantage of selective acquisition opportunities in line with its strategic goals notwithstanding the reduction in the Group's revenue and operating profit.

An unaudited pro forma statement of net assets for the Continuing Group illustrating the effect of the Disposal on the Group's consolidated net assets as at 28 February 2010 as if the Disposal had been undertaken at this date is set out in Section A of Part V of this document. This information has been prepared for illustrative purposes only. It shows that net proceeds from the Disposal would have led to a pro forma movement in net assets from €329.4 million to €561.8 million as at 28 February 2010. You are advised to read the whole of this document and not rely solely on the summarised financial information contained in this letter.

7. CURRENT TRADING AND PROSPECTS

On 25 May 2010, the Group issued an interim management statement containing the following statement (extracted without material adjustment) on the Group's current trading:

"Trading Activity: Two Months to 30 April, 2010

		Volumes		Revenue
	CIDER	**2 mths to 30 April 2010 (million litres)**	**Change on prior year**	**Change on prior year**
Organic	Great Britain	12.7	-2.7%	-1.8%
	Republic of Ireland	9.4	-1.0%	-7.8%
	Rest of the World	3.3	+6.0%	+11.3%
	Subtotal Organic	**25.4**	**-1.0%**	**-3.0%**
Acquired	Gaymers Portfolio	32.2	5.2%	n/a
Total Cider		**57.6**	**2.4%**	**n/a**

(i) Revenue on a constant currency basis and net of duty

Magners in GB

The rate of decline in Magners GB volume has improved relative to the 5% decline in FY10 and suggests continued progress towards stabilisation for the brand. This is despite a difficult set of off trade comparatives in March & April 2009 that included a significant level of promotional activity in the Grocery channel. A reduced level of promotional activity this year has contributed to a positive volume to value ratio in the period, despite having absorbed the impact of the duty increase announced in the Chancellor's budget on 6 April. In addition, the substantial increase in Cider Excise Duty, and our accompanying price hold for Magners, has led and will lead to volatile year-on-year comparative performance until the UK Cider Duty regime is clarified. There has been a considerable amount of brand activity in the last 12 weeks with the introduction of the *'Method in the Magners'* marketing campaign and the launch of a new draught product, Magners Golden Draught, in the Scottish market.

Bulmers in ROI

In May 2009, the Group reduced the pricing of Bulmers pint bottles to wholesalers by 10%. The initiative was one of a number of factors in 2009 that contributed to a C&C volume performance ahead of the LAD market trends in both the on and off trade channels. A volume decline of 1.0% for the two months to 30 April represents a robust performance in a market where the latest 12 month LAD decline is still running around -6% and trading conditions remain challenging. Revenue comparisons will remain weak until the date of the price reduction goes through a 12 month cycle. The Group continues to invest in the momentum of Bulmers with the announcement in May of a 2.4% reduction in the wholesale price of draught and the launch of Bulmers Berry in April, adding to the growing Bulmers range.

Spirits & Liqueurs

For the period 1 March to 30 April 2010 the Division recorded revenues of €9.9 million.

The positive trends evident in the second half of FY10 have continued into FY11. The volumes shipped in March and April 2009 were depressed as a consequence of distributor destocking. Having recognised the weak comparatives, the volume growth of 26% in the same period this year accompanied by revenue growth of 29% does represent a significant uplift. Tullamore Dew shipment growth leads the other brands in the portfolio and latest depletion data in key markets such as the USA indicates that the growth is not solely a process of restocking.

On 30 April, the Group announced an agreement to dispose of its Spirits & Liqueurs division to William Grant & Sons Holdings Ltd. for a cash consideration of €300 million. The disposal is subject to C&C shareholder approval and the EGM is scheduled for 17 June 2010. A circular will be issued to shareholders by May 27.

Acquisitions

Given the carve-out nature of the acquisitions, revenue comparatives are not available for Gaymers and Tennent's. In the two month period to 30 April, Gaymers volumes were up 5.2% on prior year. The start to the year has been slower for beer with Tennent's volumes down 16.3% on last year. Northern Ireland has been a particularly challenging trading environment over the last two months, although the brand has managed to regain market share in the on trade. Both businesses are currently trading in line with the expectations of management at the time of acquisition.

Good progress has been made on integration but there are still significant challenges to be addressed over the summer months, particularly in relation to the development of a new IT systems platform for GB. Exit from both Transitional Service Agreements is scheduled for September 2010.

Good progress is also being made on extracting synergistic benefits from the enlarged business. Distribution arrangements have been restructured in both Northern Ireland and Scotland, integration of the Northern Ireland trading businesses is complete and a new senior management team appointed for GB cider sales and marketing. The Group expects to deliver on its cost and revenue synergy target of £5 million in FY11.

Outlook

The Group remains cautious on the macro economic outlook for both Ireland and Great Britain but is confident in its brand strengths and trading strategies."

The Board's expectations for the financial and trading prospects for the Continuing Group for at least the current financial year, remain unchanged from the date of the interim management statement.

8. RISK FACTORS AND FURTHER INFORMATION

Your attention is drawn to the risk factors set out in Part II of this document and the additional information set out in Part VI of this document. Shareholders should read the whole of this document and not rely solely on the key or summarised information set out in this letter.

9. ACTION TO BE TAKEN

As noted above, the Disposal is subject to the condition that Shareholder approval of the Disposal is obtained at the Extraordinary General Meeting. Accordingly, you will find set out at the end of this document a notice convening an Extraordinary General Meeting to be held at 11.00 a.m. on 17 June 2010 at The Fitzwilliam Hotel, St. Stephen's Green, Dublin 2, Ireland at which the Resolution will be proposed to approve the Disposal.

You will find enclosed with this document a Form of Proxy for use by Shareholders at the Extraordinary General Meeting or any adjournment thereof. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and in any case so as to be received by the Company's registrars, Capita Registrars (Ireland) Limited of Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Ireland no later than 11.00 a.m. on 15 June 2010.

Electronic proxy appointment is available for the Extraordinary General Meeting. This facility enables a Shareholder to lodge its proxy appointment by electronic means by logging on to the website of the registrars, Capita Registrars (Ireland) Limited: *www.capitaregistrars.ie.* Shareholders should select "Log onto shareholder services" from the online services menu. Alternatively, for those who hold Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST participant ID 7RA08), in each case so that it is received by no later than 11.00 a.m. on 15 June 2010.

The completion and return of a Form of Proxy or submission of an electronic proxy appointment notification or a CREST Proxy Instruction will not prevent the Shareholder from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, should the Shareholder wish to do so.

If the Form of Proxy is not returned or the electronic proxy appointment notification or CREST Proxy Instruction is not submitted by 11.00 a.m. on 15 June 2010, your vote will not count unless you attend in person at the Extraordinary General Meeting.

The total number of issued Shares on the date of this document, 27 May 2010, is 334,068,149. On a vote by show of hands every Shareholder who is present has one vote and every proxy has one vote (but no individual shall have more than one vote). On a poll every Shareholder who is present in person or by proxy has one vote for every Share of which he is the holder. The Resolution is an ordinary resolution and requires a simple majority of those votes cast by Shareholders voting in person or by proxy to be passed.

10. RECOMMENDATION

The Board, which has received financial advice from Rothschild in relation to the Disposal, believes the Disposal to be in the best interests of the Shareholders as a whole. In providing their advice to the Board, Rothschild have taken into account the Board's commercial assessment of the Disposal.

The Board unanimously recommends that Shareholders vote in favour of the Resolution, as the Directors intend to do, or procure be done, in respect of their own beneficial holdings, amounting to 6,986,010 Shares in aggregate, representing approximately 2.09% of the Company's Shares in issue at the date of this document.

Yours sincerely

TONY O'BRIEN
Group Chairman

PART II—RISK FACTORS

Prior to making any decision to vote in favour of the proposed Resolution at the Extraordinary General Meeting, Shareholders should carefully consider, together with all other information contained in this document, the specific risk factors described below. The Directors consider the following to be all the material risks of which the Directors are currently aware. There may be other risks of which the Board is not aware or which it believes to be immaterial which may have an adverse effect on the business, financial condition, results or future prospects of the Group after the Disposal. The majority of the risk factors set out below are contingencies which may or may not occur and the Board is not in a position to express a view on the likelihood of any such contingency occurring.

1. RISKS RELATING TO THE DISPOSAL

The Continuing Group will be smaller and less diversified

The operations of the Continuing Group will be smaller and less diverse post-Disposal. Any economic benefit derived by the Group from the use of C&C Spirits, including revenue generated by the brands of C&C Spirits, shall cease. Should any of the risks set out in section 3 of this Part II materialise and adversely affect the Continuing Group's business or results, this may have a larger impact on the Continuing Group than it would have had prior to the Disposal. In addition, the Continuing Group will have increased its exposure to legal, regulatory or taxation changes in Ireland and the UK that could have a larger impact on the Continuing Group than they would have had on the Group.

Pre-Completion changes in C&C Spirits

Until Completion, events or developments may occur, such as a material improvement in the current trading of C&C Spirits, for which the Group would not be compensated, or, such as the occurrence of a product recall (as defined in the Sale Agreement), which may lead to post-Completion claims by the Buyer. Such events or developments could make the terms of the Sale Agreement less attractive for the Group and the Company may be required to complete the Disposal notwithstanding such events or developments. This may have an adverse effect on the financial condition and results of operations of the Continuing Group.

Conditions

Completion of the Sale Agreement is conditional only upon the approval by Shareholders of the Disposal. There can be no assurance that this condition will be satisfied and that Completion will take place. The Buyer also has a right to terminate the Sale Agreement if a product recall (as defined in the Sale Agreement) in relation to Tullamore Dew or Carolans occurs in the period prior to the Resolution being passed. The Group has not previously experienced a similar recall of these products. The Company does not anticipate that such a recall will occur before Completion but it is possible that factors of which the Company is currently unaware could result in such a product recall. In the event that Shareholders do not approve the Resolution, or the Sale Agreement is terminated by the Buyer before Completion for a product recall, the Disposal will not be completed. If the Disposal does not complete, any of the risk and uncertainties set out in section 2 of this Part II may affect the Group's business and results.

Sale Agreement

The Sale Agreement contains certain customary warranties and indemnities given by the Company in favour of the Buyer which could cause the Continuing Group to incur liabilities and obligations to make payments which would not have arisen had the Disposal not taken place. The Group's financial performance would be negatively impacted if the Company was required to satisfy any claims by the Buyer under the terms of the Sale Agreement. Details of the principal terms of the Sale Agreement are set out in section 5 of Part I of this document.

2. RISKS RELATING TO THE DISPOSAL NOT PROCEEDING

Potentially disruptive effect on the Group if the Disposal does not complete

C&C Spirits is dependent upon manufacturing arrangements and arrangements for the supply of raw materials with third parties for the production of its four spirits brands. C&C Spirits is also dependent upon distribution arrangements with a number of third parties. There can be no assurance that, during the period pending Completion, events or developments will not occur (e.g., dispute as to compliance with terms of the arrangements having regard to the proposed Disposal or otherwise) by reference to which third parties would seek to terminate these agreements. Termination or variation of these agreements or failure of a party to comply with the terms of these agreements could have a material adverse effect on the Group's revenues and profits if the Disposal were not to proceed.

Financial indebtedness

The Board's current intention is to use approximately €245 million of the net cash proceeds of the Disposal to reduce the Group's borrowings. This reduction in the Group's borrowings will substantially deleverage the Group ahead of the scheduled refinancing of its facilities in 2011 and 2012. If the Disposal does not proceed, the Group will retain its existing level of financial indebtedness and will remain obliged to negotiate a refinancing of that indebtedness as it falls due in what may be turbulent and constrained capital markets. If the Disposal does not proceed, the Group's gearing may increase the Group's vulnerability to, and reduce its ability to withstand, general adverse economic and industry conditions.

Inability to realise Shareholder value

The Board believes that the Disposal is in the best interests of the Company and Shareholders and that it currently provides an attractive opportunity to dispose of and realise value for C&C Spirits. If the Disposal does not complete, the Group's ability to extract Shareholder value from C&C Spirits within the C&C Group would require increased investment of capital and management resources by the Group which investment may impede the development of the Group's preferred strategy of building a substantial cider-led, Long Alcohol Drinks business.

3. RISKS RELATING TO THE GROUP BEFORE AND AFTER THE DISPOSAL

Economic Conditions

Demand for the Group's products is strongly influenced by economic conditions in its principal markets of Ireland, the United Kingdom, and to a lesser extent the United States and Eastern Europe. A deterioration or delay in economic recovery in these markets could have an adverse impact on the Group's sales volumes, revenue and profitability.

Competitive Environment

The markets in which the Group operates are highly competitive and changing and include significant global participants. The entry of new competitors into the Group's markets, a change in the level of marketing investment undertaken by competitors or in their pricing policies, the consolidation of the Group's competitors and/or the introduction of new competing products or brands could have a material adverse effect on the Group's sales volumes, revenue and operating margins. In response to a changing competitive environment and the actions of competitors, the Group may from time to time make certain pricing, service and marketing decisions that could have a material effect on the Group's sales volumes, revenues and operating margins.

Key Brands and Brand Management

A significant proportion of the Group's revenues are generated from the sale of Bulmers in Ireland, Magners in the United Kingdom, and the Tennent's brands in Scotland and Northern Ireland. If sales of these brands were to decline significantly as a result of changing consumer or customer preferences, supply or production disruption, or disadvantageous brand positioning or pricing, the Group's sales volumes, revenues and profits would be negatively impacted.

Consumer Preferences

The Group is subject to changes in consumer preferences, perceptions and spending habits. Alcohol consumption per capita is currently declining in several developed markets. The Group's performance depends in part on factors which affect the level and patterns of consumer spending in its markets. Future success will depend partly on the ability of the Group to anticipate or adapt to such changes and to offer, on a timely basis, successful new product development and launches in response to such changes in consumer preferences. Such changes may result in reduced demand and lower prices for the Group's products, a decline in the market share of the Group's products, and decreased sales of the Group's higher priced premium brands, with a material adverse effect on the Group's sales volumes, revenue and profits.

Customers

The Group sells its products to on-trade and off-trade multiples, and also wholesalers for resale to on-trade outlets. Any consolidation of the Group's customers could increase the buying and negotiating strength of these customers, which could force the Group to lower its prices, with a material adverse effect on the Group's revenue and operating margins. Further decline in the number of, and revenue from, on-trade premises in Ireland and the United Kingdom, and the general increase in the relative size of the off-trade versus the on-trade, may impact profitability.

Weather

The Group's cider division is impacted by seasonal fluctuations in demand, with demand highest during the summer months. A bad summer, particularly in Ireland and the United Kingdom, with low temperatures, high levels of rainfall or lack of sunshine, could have a material adverse effect on the Group's sales volumes, revenue and profits.

Fiscal Policy

The Group's activities are affected by a number of fiscal-related matters, particularly in Ireland and the United Kingdom. These include rates of excise duty on alcoholic beverages, value added tax rates and corporate tax rates. Changes in legislation which affect all or any of these matters could put pressure on the Group's sales volumes, revenue and profits. Increases in the excise duty charged on alcoholic beverages in general, and beer and cider duty in particular, could have an adverse impact on consumer preferences and, as a result, could have a material adverse affect on the business, financial condition and results of operations of the Group.

Exchange Rate and Interest Rate Risk

The Group's reporting currency for its consolidated financial statements is euro. Although the Group is based in Ireland and has euro operations, it has operations which involve the sale and purchase of goods denominated in currencies other than the euro, principally pounds sterling and the US dollar, and a number of foreign currency subsidiaries. As a result, fluctuations between the value of the euro and these currencies may have an adverse effect on the revenue and profits of the Group. The Group's debt is denominated in euro and sterling and is based on floating interest rates. It is Group policy to hedge an appropriate portion of the interest rate risk. The Group has a proportion of its debt converted to fixed rates through the use of interest rate swap agreements. Fluctuations in the level of interest rates may have an adverse effect on the profits of the Group.

Regulation

The Group's operations are subject to extensive governmental regulation which control matters such as manufacturing and bottling requirements, licensing requirements, trade and pricing practices, permitted and required labelling, the traceability of beverage and food products from production to market, ingredients, advertising restrictions and standards and relations with distributors and retailers. Government regulations may prevent or delay the introduction of products of the Group, which could result in lost revenues and increased costs.

In recent years, increasing social and political attention has been directed towards the alcohol beverage industry. Additional government restrictions regarding the production, marketing, advertising, sale and/or consumption of alcohol could put pressure on the Group's future sales volumes, revenue and profits.

The Group's operations are subject to many environmental laws and regulations in the areas in which it operates. Such laws and regulations govern, among other matters, air emissions, wastewater discharges, the use and handling of hazardous substances, waste disposal and the investigation and remediation of soil and groundwater contamination. Whilst laws enacted to date have not had a material adverse impact on the Group, future additional environmental compliance obligations could increase production costs and so have a material adverse effect on the Group's business.

Product Contamination and Liability

The Group is vulnerable to contamination of its products and/or base raw materials. Contamination could result in recall of the Group's products, the Group being unable to sell its products, damage to brand image, negative consumer perception or civil or criminal liability, which could have a material adverse effect on the Group's reputation, sales volumes, revenue and profits.

Loss of Key Facilities

The loss or significant destruction of any one of the Group's key production or supply facilities, particularly its production facilities at Clonmel, Ireland and at the Wellpark Brewery in Glasgow, Scotland, or disruption to its supply chains would present significant operational and financial difficulties for the business. Whilst the Continuing Group maintains insurance cover on these facilities, a catastrophic loss of the use of all or a proportion of these facilities due to accidents, labour issues, weather conditions, natural disaster or otherwise, could have a material adverse effect on the Group.

Dependence on Suppliers

The Group purchases a substantial proportion of the packaging, utilities and raw materials necessary to produce its products from third party suppliers. The Group's operations may be interrupted or otherwise materially adversely affected by delays in the supply of these utilities or materials from third party suppliers or any change in the terms on which they are available. The Group's operations are also affected by the prices of packaging, utilities and raw materials necessary in producing its products. Any increases in the prices of packaging, utilities and raw materials could have a material adverse effect on the Group's operating margins.

Loss of Key Management

The Group's continued success is dependent on the ongoing services of a small number of senior officers and employees, many of whom have significant experience in the alcoholic drinks industry and could be difficult to replace, and on the Group's ability to continue to attract, motivate and retain highly qualified personnel. The loss of senior personnel, or the inability to recruit sufficient, qualified personnel, could have an adverse effect on the Group's ability to run its business and, accordingly, on the results of operations of the Group.

Employee Relations

Whilst in general, relations with employees are good, there can be no assurance that the Group will not be affected by work stoppages or other forms of industrial action in the future which may have a material adverse effect on the Group's ability to manufacture its products and, accordingly, on the Group's sales volumes, revenue and profits.

Trademarks and Other Proprietary Rights

The Group's success depends, in part, on its ability to protect current and future products through securing, enforcing and defending its intellectual property rights. The Group relies on a combination of trademarks, copyright, trade secrets and contractual restrictions to establish and protect proprietary rights in its products. These proprietary rights and contractual restrictions provide only limited protection, the extent of which varies among the countries in which the Group operates. There can be no assurance that these proprietary rights and contractual provisions will be adequate to prevent the misappropriation, infringement or other unauthorised use of the Group's intellectual property rights by third parties which could diminish brand value and harm the business. Where the Group uses a trademark under a licence, the protection of such trademark may be the responsibility of the licensor and, therefore, the Group may be unable to control the protection of such trademark or prevent dilution of such trademark in the marketplace. There can be no guarantee that registered trademarks will be granted with respect to future trademark applications for existing or new products.

A number of the trademarks owned by the Group may be used by the Group in Ireland only (including the trademark "**Bulmers**") and are owned and used by third parties outside of Ireland. Accordingly, the Group will not be able to develop such brands outside Ireland. Furthermore, actions by third party owners of common brands may dilute, or damage, the perception of such brands in the Irish market. The Group may be required to defend itself against claims of trademark infringement or infringement of proprietary rights of third parties or to take action to protect its own proprietary rights.

Pension Schemes and Retirement Benefits

The Group operates a number of pension and other post-retirement benefit plans funded by a range of assets which may include property, bonds, equities, commodities and derivatives. The value of these assets will be heavily dependent on the performance of markets which are subject to volatility. The liability structure of the pension obligations will also be subject to market and interest rate volatility, and other economic and demographic factors. Although the Group has made provisions for the current pension deficit, the Group may be required to increase its contributions to cover further funding shortfalls over the next number of years which may have an adverse impact on operational results.

Under the Sale Agreement, any costs or liabilities associated with the participation by the C&C Spirits employees in C&C's defined benefit pension schemes up to Completion will remain for the account of C&C and the Company has indemnified the Buyer accordingly.

Competition Law Issues

The Group is subject to the competition laws of the EU and its member states (including Ireland and the United Kingdom) and those other countries in which it operates. Certain market segments in Ireland, Northern Ireland and Scotland in which the Group is active could be considered concentrated, increasing the possibility of competition law scrutiny. A finding that any member of the Group is, or any of the Group's arrangements or practices are, in breach of any relevant provision of competition law may have a material adverse effect on the Group's ability to sell its products and, accordingly on the Group's overall sales volumes, revenue and profits.

Competition law issues may restrict the ability of the Group to take advantage of acquisition opportunities. In such a scenario, the acquisition opportunity may go to competitors thereby increasing their market share, which could result in increased competition and have a material adverse effect on the operational and financial condition of the Group.

Acquisitions and Disposals

Risks inherent in the acquisition or disposal of businesses and brands may have an adverse impact on the Group's business and financial results. The Group will continue to consider selective acquisitions of complementary businesses, and contemplate disposal of non-core or under-performing businesses. While these are carefully planned, the rationale for them may be based on incorrect assumptions or conclusions and they may not realise the anticipated benefits or there may be other unanticipated or unintended effects. Additionally, while the Group seeks protection, for example through warranties and indemnities in the case of acquisitions, significant liabilities may not be identified in due diligence or come to light after the expiry of warranty or indemnity period. These factors may materially adversely impact the performance or financial condition of the Group.

There can also be no assurance that the Group will be able to make acquisitions, whether due to a lack of suitable targets on acceptable terms, an inability to finance acquisitions or due to regulatory or competition restrictions. Successful disposals will also depend on the ability of potential acquirers to raise finance and overcome regulatory and/or competitive restrictions.

Integration of recently acquired businesses

The Group has established a dedicated integration team to ensure an effective integration programme for its recently acquired businesses: the former AB InBev businesses in Ireland, Northern Ireland and Scotland and The Gaymer Cider Company. Significant integration measures have already been completed by the Group. In addition, Constellation Brands has agreed to provide transitional support services for a period while The Gaymer Cider Company is being integrated into the Group. However, notwithstanding these measures, the Group may experience problems in integrating acquired businesses, including possible inconsistencies in systems and procedures, policies and business cultures, the diversion of management attention from day-to-day business, the departure of key employees and the assumption of liabilities. The integration of acquired businesses or joint ventures is complex and may place significant demands on the time and attention of the Group's senior management. The integration process may take longer than anticipated to complete and some of the anticipated synergies may not materialise which may have a material adverse effect on the Group's financial performance and condition.

As part of the integration of its recently acquired businesses, the Group proposes to introduce a new systems platform across its operations in Great Britain to which the technology infrastructure of The Gaymer Cider Company, the Group's other operations in Great Britain and, in due course, the former AB InBev businesses in Scotland will be migrated. The Group is partially reliant on third parties for the successful migration and integration of its technology infrastructure. While the Group will utilise project management techniques to control and monitor the migration process, to the extent that the Group encounters problems in effecting this migration, the Group's financial performance and condition, including revenues and costs, could be adversely affected.

4. RISKS RELATING TO SHARES

Fluctuation of the Company's share price

Shares are risk investments and share prices have been and remain volatile, which could result in investors being unable to realise the amount originally invested. Shareholders should be aware that the value of the Shares can decrease as well as increase and may not always reflect the underlying value or prospects of the Company or the Continuing Group. Furthermore, the Share price may fall in response to market appraisal of its current strategy or if the Continuing Group's operating results and/or prospects from time to time are below the prior expectations of market analysts and investors.

Ability to pay future dividends is uncertain

The Group announced on 25 May 2010 a proposed final dividend of three cent per Share, subject to Shareholder approval. However, there can be no assurance that the Group will be able to maintain its ability to pay dividends in the future. Future dividends to be received by Shareholders will depend on the progress of the Continuing Group and its continuing profitability.

The risks noted above are those which the Board believe to be material to the Group, to C&C Spirits and to the Disposal. Additional risks and uncertainties which are not known to the Directors at the date of this document, or which the Directors currently do not consider to be material, may also have a material adverse effect on the Continuing Group if they materialise.

PART III—UNAUDITED PRELIMINARY RESULTS OF THE GROUP

The following is the full text of the preliminary results announcement in respect of the 12 months ended 28 February 2010 issued by the Company on 25 May 2010.

"ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2010

Dublin, London, 25 May 2010: C&C Group plc ('C&C' or the 'Group'), a leading manufacturer, marketer and distributor of branded beverages in Ireland and the UK, today announces results for the year ended 28 February 2010 (FY10). The Group has today also issued, in a separate announcement, an Interim Management Statement for the trading period from 1 March 2010 to 25 May 2010.

Financial Performance		FY 2009/10	FY 2008/09	Change %	FY 2008/09 Constant Currency	Change %
Revenue	€m	€568.8	€514.4	10.6%	€488.5	16.4%
EBIT *(before exceptional items)*	€m	€89.5	€100.4*	(10.9)%	€74.0	20.9%
—Organic	*€m*	*€83.2*	*€100.4*	*(17.1)%*	€74.0	12.4%
—Acquisition	*€m*	*€6.3*	—	—		
Operating profit margin	%	15.7%	19.5%	(3.8 ppt)	15.1%	0.6pts
Free Cash Flow	€m	€109.9	€76.1	44.4%		
—% of EBITDA		*103%*	*64%*			
Adjusted diluted Earnings Per Share(i)	cent	22.7	25.4	(10.6)%		
Total Dividend Per Share	cent	6.0	9.0	(33.3)%		

* includes €10.2m of hedging gains

Net Debt(ii)	€m	€364.9	€226.2	61.3%
Net Debt to EBITDA(iii)		2.8x	1.9x	

Cider Volumes	5.9%
—Organic cider volumes	*(2.4)%*
Spirit & Liqueur Volumes	(4.1)%

FY10 Performance Overview

- Revenue for the period increased by 16.4%(iv) to €568.8 million. Underlying revenue (excluding the impact of acquisitions(v)) declined by 8.6%(iv) to €446.4 million
- Operating profit for the period before exceptional items increased 20.9%(iv) to €89.5 million. Underlying operating profit (excluding the impact of acquisitions(v)) of €83.2 million before exceptional items; modestly ahead of previous guidance
- Acquisitions contributed a total operating profit of €6.3 million comprising €7.0 million from Tennent's and a loss of €0.7 million from Gaymers
- Overall cider volumes increased by 5.9% year on year. Pre-acquisition full year cider volumes declined 2.4%—broad stabilisation of cider volumes against prior year volume decline of 14%
- Operating margin of 15.7% increased by 0.6(iv) percentage points year-on-year. Underlying operating margin (excluding the impact of acquisitions(v)) increased by 3.5(iv) percentage points
- Adjusted diluted earnings per share(i) declined by 10.6% to 22.7 cent. Underlying adjusted diluted earnings per share (excluding the impact of acquisitions(v)) declined by 17.7% to 20.9 cent
- Proposed final dividend of 3 cent per share; proposed full year dividend of 6 cent per share

FY10 Strategic & Operating Overview

- Acquisition of Irish, Northern Irish and Scottish assets of AB InBev (Tennent's) for €216.5 million (including costs of acquisition and working capital settlement)
- Acquisition of the Gaymers Cider Company assets for €52.1 million (including costs of acquisition and working capital settlement)

- Variation to Magners draught distribution contract agreed with Molson-Coors in UK at a cost of €1.9 million
- New brand proposition established for Magners in the UK & launch of new marketing campaign
- Launch of Bulmers Berry & Bulmers Pear in Ireland
- Launch of Magners Pear in UK and Magners Golden Draught in Scotland
- Review of cider pricing strategy across all markets
- Agreement to dispose of Spirits & Liqueurs business for €300 million (announced on 30 April 2010)

Positioning C&C for Long-Term Growth | Performance Review & Outlook

John Dunsmore, C&C Group CEO, commented:

> *"We are pleased to report an operating profit performance modestly ahead of stated guidance. The performance of the underlying and the acquired businesses, together with identified synergy benefits, support our current expectation of earnings growth for FY11."*
>
> *"Over the past 12 months, we have taken a series of steps to position the business to deliver consistent, long-term growth. During FY10, we significantly strengthened our position in the long alcohol drinks sector through the acquisition of the Tennent's and Gaymers businesses for a total consideration of €268.6 million. Our intention to focus strategically on cider and long alcohol drinks is clarified further by our agreement to sell the Group's Spirits & Liqueurs business for a total consideration of €300 million."*
>
> *"The Group's strong underlying free cash flow generation and balance sheet strength will support the continuing development of a cider-led drinks portfolio."*

About C&C Group plc

C&C Group plc is a leading manufacturer, marketer and distributor of branded beverages in Ireland and the UK. C&C manufactures the leading Irish cider brand, Bulmers, and the premium international cider brand, Magners, for export to the United Kingdom, the United States and Continental Europe. C&C recently acquired the Tennent's beer brand which is primarily sold in Scotland and Northern Ireland and The Gaymers Cider business which produces a range of branded and own label cider for the on and off-trade in the UK. The company also distributes a number of beer brands in the Scottish, Irish and Northern Irish markets.

Note regarding forward-looking statements

This announcement includes forward-looking statements, including statements concerning expectations about future financial performance, economic and market conditions, etc. These statements are neither promises nor guarantees, but are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated.

(i) *adjusted diluted earnings per share relates to continuing activities and excludes exceptional items*
(ii) *net debt excludes the fair value of SWAP instruments amounting to a liability of €4.9m (FY09: €6.3m)*
(iii) *Net debt:EBITDA is before exceptional items and includes EBITDA generated by the acquired businesses for the previous 12 months, the pre-acquisition element of which was determined on a carve out basis*
(iv) *on a constant currency basis, constant currency calculation is set out on page 17*
(v) *the financial results of the acquired businesses are set out on page 7*

Results for the year ended 28 February 2010

C&C is reporting a 16.4%(i) increase in revenue to €568.8 million, operating profit, before exceptional items, of €89.5 million and basic earnings per share of 23.2 cent for the financial year ended 28 February 2010. This performance translates to an operating margin of 15.7%, an increase of 0.6 percentage points on FY09 in constant currency terms.

Operating profit before exceptional items and excluding the benefit of acquired businesses(ii) is €83.2 million, an increase of 12.4%(i) on the prior year. This represents an operating margin of 18.6%, an increase of 3.5 percentage points on FY09 in constant currency terms.

In the period, the Group's cider volumes increased 5.9% on the prior year. Excluding the impact of the Gaymers business, cider volumes declined 2.4% on the prior year. This is broadly consistent with the Group's objective to stabilise volumes given the 14% decline in volumes recorded in the prior financial year.

The underlying 2.4% decline in cider volumes consists of a 2.8% decline in Bulmers volumes in Ireland and a 2.2% decline in Magners volumes. The 2.2% decline in Magners volumes comprises a 4.9% decline in volumes in Great Britain ('GB') offset by growth of Magners volumes in the Rest of the World of 9.6%.

Spirits & Liqueurs volume declined by 4.1% in FY10 with volumes recovering in the second half of the year following a 15% decline in the first half.

Market conditions in both the Irish and UK markets remain challenging. Throughout the year, the Group made continued progress towards addressing the performance of the Bulmers and Magners brands. These initiatives included the launch of Bulmers Pear in Ireland and a 10% reduction in the wholesale price of on-trade pint bottles. Subsequent to the year end, C&C has also launched Bulmers Berry in Ireland and announced a 2.4% reduction in the wholesale price of draught Bulmers.

In GB, C&C launched Magners Pear and completed a re-negotiation of its draught distribution contract with Molson Coors to better align distribution arrangements with the Group's increased scope and strength in the GB market following the acquisition of the Tennent's and Gaymers businesses. In addition, since the year end, the Group has launched a new marketing and advertising campaign for Magners Original in GB and introduced Magners Golden Draught in the Scottish market. Following the announcement of an increase in cider duty by the UK Government on 24 March 2010, C&C informed its customers that the Group would absorb the cost of the increase in cider duty on the Magners brand for a period of time. These initiatives are intended to invigorate and continue the recovery of the Magners brand in GB.

The Group recorded Free Cash Flow of €109.9 million in the period representing 103.4% of EBITDA(iii), comparing favourably with 63.5% in the prior year. Reduced capital expenditure following a prior period of significant capital investment, a reduction in financing costs and a positive working capital contribution from tightened controls together with the timing impact of the acquisitions all contributed to good cash generation in the year.

The Group's net debt(iv) at 28 February 2010 increased 61.3% to €364.9 million. This increase primarily reflects the cost of the acquisition of the Tennent's and Gaymers cider businesses. At February 2010 net debt to EBITDA(v) was 2.8 times compared to 1.9 times at 28 February 2009. The recently announced agreement to dispose of the Group's Spirits & Liqueurs business for a consideration of €300 million will have a significant positive impact on the Group's net debt to EBITDA ratio in FY11.

Re-Organisation & Cost Reduction Programme

During FY09, the Group put in place a programme to better align its business structure, asset base and management structure with expected business conditions. This included a re-organisation and re-structuring of the Group's operations in Clonmel and its commercial structure in Ireland together with a review of both the carrying value of the manufacturing facility in Clonmel and the stock holding of apple juice. The impact was an exceptional charge of €159.6 million in the financial year ended 28 February 2009.

As part of this cost reduction programme, employment terms and conditions were modified, headcount was reduced by 154 and a pay freeze was implemented with wage reductions in certain areas. The programme delivered the expected €5 million of savings in FY10.

Acquisitions

On 27 August 2009, the Group announced the acquisition of the businesses of AB InBev in Ireland, Northern Ireland and Scotland ("Tennent's") for a total consideration of €216.5 million, of which payment of €30.8 million is deferred until September 2010. The principal assets of the business included the rights to *Tennent*'s brands worldwide (with the exception of *Tennent*'s *Super* and *Tennent's Pilsner*), the Wellpark Brewery in Glasgow and investments in on trade customers of the acquired businesses. The acquisition was completed on 28 September 2009 following the receipt of unconditional approval from the Irish Competition Authority on 17 September 2009; approval from C&C shareholders on 25 September 2009; and completion of the employee consultation process.

On 30 November 2010, the Group announced the acquisition of the UK cider assets of Constellation Brands, The Gaymers Cider Business ("Gaymers") for a total consideration of €52.1 million. The principal assets of the business are a broad UK cider portfolio including the brands *Blackthorn, Olde English* and *Gaymers*; a cider production facility at Shepton Mallet, Somerset, England; and a leased distribution warehouse in Bristol, England. The acquisition was completed on 15 January 2010 and received unconditional approval from the UK Office of Fair Trading ("OFT") on 8 April 2010.

The combined cost of the Tennent's and Gaymers businesses including acquisition related costs is €268.6 million.

Synergies & Integration

The acquisition of Tennent's completed on 28 September 2009 and the operational integration of the business is well advanced. The Gaymers transaction received final clearance from the UK OFT on 8 April 2010 and good progress has been made on integration since. There are still significant challenges to be addressed over the summer months, particularly in relation to the development of a new IT systems platform for the enlarged GB business. It is anticipated that migration onto the new systems will complete on or about the end of September 2010. The total expenditure associated with systems development is estimated at approximately €7 million, all of which will be incurred in FY11.

Good progress has also being made on extracting synergistic benefits from the enlarged business. Distribution arrangements have been restructured in both Scotland and Northern Ireland, integration of the Northern Ireland trading businesses is complete and a new senior management team appointed for GB cider sales and marketing. The Group is on track to deliver on its cost and revenue synergy target of £5 million in FY11.

Proposed Disposal

Since the period end, the Group announced an agreement to dispose of its Spirits & Liqueurs division (the 'Division') to William Grant & Sons Holdings Ltd. for a cash consideration of €300 million. The Division is a complementary portfolio of premium niche brands—*Tullamore Dew, Carolans, Frangelico* and *Irish Mist*—which are exported to over 80 international markets. The disposal is subject to C&C Group shareholder approval and an EGM is to be held on 17 June 2010.

For the year ended 28 February 2010 the Division reported EBITDA of €15.3 million and EBIT of €14.7 million. Following the disposal, the Group will retain certain overhead costs currently allocated to the Division. This overhead was €1.5 million in FY10.

The €300 million proceeds will result in a significant reduction in both net debt and the net debt to EBITDA ratio.

Dividends & Dividend Guidance

Subject to shareholder approval, the proposed final dividend of 3 cent per share will be paid on 1 September 2010 to ordinary shareholders registered at the close of business on 4 June 2010. This dividend is subject to Irish Dividend Withholding tax (where applicable).

The Group's proposed full year dividend is 6 cent per share, a 33.3% decline on the previous year. The proposed full year dividend per share will represent a payout of 26.4% of the reported adjusted diluted earnings per share(vi) for the full year. A scrip dividend alternative will be available.

(i) *on a constant currency basis, constant currency calculation is set out on page 17*
(ii) *Financial results of the acquired businesses is set out on page 7*
(iii) *includes discontinued activities but excludes exceptional items*
(iv) *excludes the fair value of SWAP instruments amounting to a liability of €4.9m (FY09: €6.3m)*
(v) *Net debt: EBITDA is before exceptional items and includes EBITDA generated by the acquired businesses for the previous 12 months, the pre-acquisition element of which was determined on a carve out basis*
(vi) *adjusted diluted earnings per share relates to continuing activities and excludes exceptional items*

OPERATIONS REVIEW

Revenue for the full year of €568.8 million represents a 10.6% increase on FY09. Operating profit, before exceptional items, declined by 10.9% to €89.5 million. This equates to an operating margin of 15.7%, a decline of 3.8 percentage points on the prior year.

The FY10 revenue and operating profit performance includes the benefit of the acquisition of the Tennent's and Gaymers businesses during the year. Excluding the impact of these acquisitions and on a constant currency basis underlying revenue declined 8.6% and operating profit increased 12.4% to €83.2 million, representing an improvement in operating margin from 15.1% to 18.6%.

Summary Group Income Statement (before exceptional items)

		Year ended 28 February 2010	Year ended 28 February 2009	Year ended 29 February 2009 constant currency[(i)]
Revenue	€m	568.8	514.4	488.5
Growth	**%**		***10.6***	***16.4***
Operating profit	€m	89.5	100.4	74.0
Growth	**%**		***(10.9)***	***20.9***
Operating profit margin	**%**	***15.7***	***19.5***	***15.1***
Net finance charges	€m	(7.2)	(10.4)	
Income tax expense	€m	(8.9)	(10.2)	
Discontinued operations	€m	—	0.1	
Profit for the year attributable to equity shareholders before exceptional items	€m	73.4	79.9	
Growth	**%**		**(8.1)**	

Summary Group Revenue and Operating Profit Margin Segmentation (before exceptional Items)

			Year ended 28 February 2010	Year ended 29 February 2009 constant currency[(i)]	Change
Revenue	Organic	€m	446.4	488.5	(8.6)%
	Tennent's	€m	112.5		
	Gaymers	€m	9.9		
	Total	***€m***	***568.8***	***488.5***	
Operating profit	Organic	€m	83.2	74.0	12.4%
	Tennent's	€m	7.0		
	Gaymers	€m	(0.7)		
	Total	***€m***	***89.5***	***74.0***	***20.9%***
Operating profit margin	Organic	€m	18.6%	15.1%	3.5ppt
	Tennent's	€m	6.2%		
	Gaymers	€m	(7.1)%		
	Total	***€m***	***15.7%***	***15.1%***	***0.6ppt***

(i) *constant currency calculation is set out on page 17*

DIVISIONAL REVIEW

Cider—Republic of Ireland

Cider I ROI	2009/10 €m	2008/09 €m	Change
Constant currency			
Revenue	153.0	166.6	(8.2%)
—Price impact	(5.4%)		
—Volume impact	(2.8%)		
Operating profit	44.3	45.3	(2.2%)
Operating margin	*29.0%*	*27.2%*	*1.8pts*
Volumes			(2.8%)

Revenue for Cider in the Republic of Ireland (ROI) of €153.0 million declined 8.2% on the same period last year. Operating profit declined by 2.2% on a constant currency basis to €44.3 million while operating margin improved by 1.8 percentage points.

Revenue decline attributed to price in the year was 5.4%. The two key features of this decline were the relative growth of off trade volumes for C&C and the 10% wholesale price reduction for Bulmers pint bottles in the On trade announced and implemented in June 2009.

Bulmers cider volumes declined 2.8% against the backdrop of a weak ROI Long Alcoholic Drinks (LAD) market and a challenging economic environment. The LAD[(i)] market declined 6% in the 12 months to February 2010. This comprised a 7% decline in the on trade and a 4% decline in the off trade.

Bulmers volume performance reflects the continuing market shift from on trade to off trade with volumes declining by 7% year on year in the on trade and growing by 3% in the off trade.

During the year, C&C took a number of steps to ensure the Group is positioned to compete effectively in tough market conditions comprising: a re-organisation of the sales force; the launch of Bulmers Pear; a 10% reduction in the wholesale price for Bulmers pint bottles into the on trade; a new advertising campaign; and the implementation of the cost reduction programme announced in FY09. Collectively, these initiatives contributed to a C&C volume performance ahead of the LAD market trend and an improvement in operating margins.

The Group continues to invest in the momentum of Bulmers and subsequent to the year-end announced a 2.4% reduction in the wholesale price of draught Bulmers and added to the growing Bulmers range with the launch of Berry.

(i) Source Nielsen data to 28 February 2010

Cider—Great Britain

Cider I GB	2009/10	2008/09	Change
	€m	€m	
Constant Currency			
Revenue	149.0	163.9	(9.1%)
—*Price impact*	*(10.3%)*		
—*Volume impact*	*(4.9%)*		
—*Gaymers impact*	*6.1%*		
Operating profit	19.7	13.3	48.1%
—*Gaymers impact*	(0.7)	—	—
—Organic operating profit	20.4	13.3	53.4%
—Operating Margin	*13.2%*	*8.1%*	*5.1pts*
—Organic Operating Margin	*14.7%*	*8.1%*	*6.6pts*
Total GB cider volumes			11.7%
—*Organic volumes*			*(4.9%)*

Revenue for Cider in Great Britain (GB) of €149.0 million declined 9.1% on the same period last year on a constant currency basis. Operating profit increased 48.1% to €19.7 million while operating margin improved by 5.1 percentage points to 13.2%, both in constant currency terms. Excluding the impact of the Gaymers acquisition, operating profit increased 53.4% to €20.4 million while operating margin improved by 6.6 percentage points to 14.7%, both in constant currency terms. The improvement in operating margin reflects: a reduced level of brand investment while developing the new Magners proposition; savings in depreciation costs post the revaluation of the cider manufacturing plant; and, the positive impact of the reorganisation and cost reduction programme in Clonmel as partially offset by an increase in sales infrastructure investment.

Revenue decline attributed to price in the year was 10.3%. The two key features of this decline were the relative growth of off trade volumes for C&C and the impact of a period of promotional activity in the Grocery channel in the first half of FY10.

Total GB cider volumes increased 11.7% on the prior year. This includes the benefit of the acquired Gaymers business. Magners cider volumes declined 4.9% year on year in a growing cider category fuelled by growth in the off trade channel. The GB cider market increased 7%[(i)] in the 12 months to February 2010.

Magners overall performance in GB shows significant progress towards the objective of stabilising volumes relative to the 17% volume decline experienced in the year to 28 February 2009.Magners off trade volumes have grown 12% year on year compared to category volume growth in the off trade of 13%[(i)] On trade Magners volumes declined 14% year on year compared to flat volume growth in the on trade category[(i)]. The brand continues to underperform in the On Trade but the launch of Magners Pear and growth in draught volumes contributed to a significant improvement in performance in FY10 relative to the decline of 29% in FY09.

During the year, C&C modified the terms of its agreement with Molson Coors on the distribution of draught Magners in GB. Under the terms of the revised agreement, Molson Coors UK will continue to distribute draught Magners to the Independent Free Trade in England & Wales. C&C will distribute draught Magners to the on-trade in Scotland and to multiples in the on-trade in England & Wales. The Group will also distribute all other LAD brands to the on-trade throughout GB. The agreement took effect from 1 March 2010 and, consequently, had no impact on performance in FY10.

Subsequent to the year-end, C&C launched the *'Method in the Magners'* marketing campaign and also launched a new draught product, Magners Golden Draught, in the Scottish market.

The operating loss in Gaymers for the 6 week period of ownership from 15 January to 28 February 2010 reflects the phasing of profit in a high volume, low margin seasonal business.

(i) *Source Nielsen data to 21 February 2010 (total market & off trade) and CGA data to 21 February 2010 (on trade)*

Cider—Rest of World

Cider I ROW	2009/10	2008/09	Change
	€m	€m	
Revenue	34.2	33.7	1.5%
—Price impact	*(8.1%)*		
—Volume impact	*9.6%*		
Operating profit	4.4	(0.7)	—
—Operating margin	*12.9%*	*(2.1%)*	—
Total ROW cider volumes			*9.6%*
—Northern Ireland volumes			*9.9%*

Rest of the World cider is an aggregation of Northern Ireland and other territories outside the Republic of Ireland and the UK. Northern Ireland accounts for approximately 50% of the Magners volumes within the Rest of the World. The other principal territories are North America and Iberia.

In Northern Ireland, Magners volumes increased 9.9% comprising 20% growth in the off trade and unchanged volumes in the on trade. Excluding Northern Ireland, Magners volumes grew 9.3% in the year with 9% growth in North America more than offsetting a similar level of percentage decline in Iberia.

The 8.1% revenue decline attributed to price reflects the channel mix in Northern Ireland with all of the growth coming from the off trade. Market mix in the other territories was also dilutive to pricing as a consequence of the relatively lower price and margin structure in North America.

Operating profit growth in FY10 is almost entirely attributable to a reduction in marketing spend. The lower level of investment in FY10 partly reflects unsuccessful investment in Germany and Spain in FY09 but also recognises the need for the Group to develop a more focussed and balanced approach to development of new markets.

Acquired businesses

	Tennent's brand	ABI / Factored brands	Tennent's	Gaymers	Total
	€m	€m	€m	€m	€m
Revenue	81.0	31.5	112.5	9.9	122.4
Operating profit	3.7	3.3	7.0	(0.7)	6.3
—Operating margin	*4.6%*	*10.5%*	6.2%	(7.1%)	5.1%

C&C completed the acquisition of the AB Inbev Irish, Northern Irish and Scottish businesses on 28 September 2009 and the contribution from these businesses to C&C Group in FY10 was for the 5 month period from 1 October 2009 to 28 February 2010. Revenue amounted to €112.5 million while the operating profit realised was €7.0 million representing an operating margin of 6.2%. Revenue for Gaymers, was €9.9 million for the six weeks of ownership in FY10. The business incurred an operating loss in the period of €0.7 million, reflecting the phasing of profits in a high volume, low margin seasonal business

Contributions from both acquisitions were in line with managements' expectations in FY10.

The results for the AB Inbev businesses are reported within both the Tennent's and the Distribution operating segments. The operating segment 'Tennent's Beer' includes the results of the Tennent's brand while the Distribution segment includes wholesaling to the licensed trade in Northern Ireland, the distribution of agency products and now also incorporates the results from the distribution of certain AB Inbev brands in the Republic of Ireland, Northern Ireland and Scotland.

Results for the Gaymers cider business are reported within the Cider GB operating segment.

The results of the distribution segment are detailed below:

Distribution	2009/10	2008/09	Change
	€m	€m	
Constant Currency			
Revenue	73.6	38.5	91.2%
—Organic growth	*9.4%*		
—Acquisition impact	*81.8%*		
Operating profit	2.7	0.3	—
—Organic	*(0.6)*		
—Acquired	*3.3*		
Operating margin	*3.7%*	*0.8%*	*+2.9pts*

Spirits & Liqueurs

Spirits & Liqueurs	2009/10	2008/09	Change
	€m	€m	
Constant Currency			
Revenue	78.0	85.8	(9.1%)
—Price impact	*(5.0%)*		
—Volume impact	*(4.1%)*		
Operating profit	14.7	15.8	(7.0%)
—Operating margin	*18.8%*	*18.4%*	*+0.4pts*
Volumes			(4.1%)

Revenue for the Spirits & Liqueurs division of €78.0 million declined 9.1% year on year on a constant currency basis. Operating profit declined by 7% to €14.7 million while operating margin increased by 0.4 percentage points year on year, both in constant currency.

Overall shipment volumes in Spirits & Liqueurs declined 4.1% year on year. This performance represents a strong volume performance in the second half of FY10 following a 15% decline in volumes in the first half. The overall volume decline is attributable to de-stocking across all of the Groups major markets during calendar 2009 and challenging consumer environments in some of the Eastern European markets where Tullamore Dew is well represented.

On 30 April 2010 the Group announced an agreement to dispose of the Spirits & Liqueurs division to William Grant & Sons Holdings Ltd for a cash consideration of €300 million. The disposal is subject to C&C Group shareholder approval and an EGM is scheduled to be held on 17 June 2010.

FINANCE REVIEW

Cashflow

Free Cash Flow of €109.9 million represents 103.4% of EBITDA[i] compared with 63.5% for the year ended 28 February 2009. The increase in Free Cash Flow is driven by a number of factors including:-

- reduced capital expenditure;
- a reduction in financing costs driven by a fall in variable interest rates;
- reduced net taxation payments as a result of an overpayment of preliminary tax in the prior year and the receipt of R&D tax credits relating to the financial years ended 28 February 2005 to 29 February 2008; and,
- an improvement in working capital levels which reflects both organic improvements in working capital and the positive impact of acquired businesses which yielded a working capital inflow of €30 million in Tennent's, due to phasing, partly offset by a working capital outflow in the Gaymers cider business of €4.2 million as no Trade Debtors were transferred on acquisition.

Free cash flow in FY09 was negatively impacted by a special defined benefit pension scheme contribution of €20 million.

A summary Cash Flow Statement for the year ended 28 February 2010 is set out below:

	Year ended 28 February 2010	Year ended 28 February 2009
	€m	€m
Operating Profit(i)	**89.5**	100.5
Depreciation	**16.8**	19.4
EBITDA(i)	**106.3**	119.9
Net Capital Expenditure	**(5.4)**	(18.5)
Working Capital	**38.0**	20.5
Other(ii)	**(4.3)**	(22.8)
	134.6	99.1
Exceptional Items paid(iii)	**(13.0)**	(0.8)
Net Finance Charges paid	**(7.0)**	(11.5)
Taxation Payments	**(4.7)**	(10.7)
Free Cash Flow (FCF) before acquisitions/disposals	**109.9**	76.1
FCF/EBITDA	**103.4%**	63.5%

(i) includes discontinued activities but excludes exceptional items

(ii) FY09 Includes a special pension contribution of €20m

(iii) Exceptional payments include severance and other pay related costs arising as a result of the restructuring programme of €14.2m (2009: €5.6m), settlement of costs relating to the disposal of the Soft Drinks business of €3.3m (2009: €1.5m) net of cash received on settlement of surplus Sterling forward contracts of €4.5m (2009: €6.3m).

Net Debt(i)

Net debt at 28 February 2010 increased by 61% or by €138.7 million to €364.9 million compared with the prior year. This increase was largely driven by an increase in debt to fund the acquisition of the Tennent's and Gaymers cider businesses. At February 2010, net debt to EBITDA(ii) was 2.8 times, compared to 1.9 times at 28 February 2009.

The movement in Net debt is set out below.

	€m
Net Debt at 1 March 2009	226.2
Free Cash Flow in period	(109.9)
Dividends paid	14.7
Cost of acquisitions	237.7
Proceeds received on disposal of subsidiaries	(2.1)
Other	(1.7)
Net Debt at 28 February 2010	**364.9**

During the year, the Group negotiated a new £60 million debt facility and drew down £45 million under the terms of the agreement to fund the acquisition of the Gaymers cider business. This facility, which is sterling denominated, is repayable in instalments commencing on 30 June 2010 and with a final repayment date of 30 June 2011. The Group's euro denominated debt facility is not due for repayment until 8 May 2012 and is repayable by way of a single 'bullet' repayment.

Finance Charges

The average interest rate on the Group's debt was 2% reflecting the reduction in variable interest rates throughout the year, the average annual 1 month euribor rate fell from 3.9% to 0.66%. This compares favourably with the average interest rate of 4% for the year ended 28 February 2009.

(i) excluding the fair value of SWAP instruments amounting to a liability of €4.9m (FY09: €6.3m)

(ii) EBITDA is before exceptional items and includes EBITDA generated by the acquired businesses for the previous 12 months, the pre-acquisition element of which was determined on a carve out basis

Future interest rate exposure is partially hedged at the following interest rates (excluding margin):

	Amount fixed €m	Fixed interest rate
Expiring on 28 February 2011	50.0	3.45%
Expiring on 31 August 2012	50.0	4.57%

Pensions

Pension fund deficits (net of deferred tax), calculated in accordance with the relevant accounting standards and amounting to €18.4 million at 28 February 2010, were made up as follows:

	€m
Deficit at 1 March 2009	39.7
Employer contributions paid	(7.8)
Actuarial gains	(16.7)
Charge to the Income Statement	0.2
Other movements	5.8
Deficit at 28 February 2010	**21.2**
Deferred tax asset	(2.8)
Net Deficit at 28 February 2010	**18.4**

The actuarial gains incurred arose predominantly as a result of asset returns earned being significantly greater than those expected. There was also a small actuarial gain on the scheme liabilities. The lower than anticipated salary and inflation increases experienced over the year as well as the reduction in the future salary inflation assumption for the Republic of Ireland Staff Scheme, from 3.7% to 3.0% contributed to the gain on scheme liabilities. This gain was partially reduced by the strengthening of the mortality assumption (i.e. an increase in life expectancy) and the reduction in discount rates. The discount rate used to value the liabilities for the Northern Ireland scheme decreased from 6.5% to 5.75%, while the discount rate used for the Republic of Ireland schemes reduced from 5.5% to 5.4%.

All other significant assumptions applied in the measurement of the Group's pension obligations at 28 February 2010 are consistent with those as applied at 28 February 2009 and as set out in the Group's last Annual Report.

Foreign Exchange and Comparative Reporting

The Group has both a transaction and translation exposure to movements in foreign currency rates. The effective rate for the translation of results from foreign currency subsidiaries was €1:£0.89 (FY09: €1:£0.82) and the effective rate for the translation of foreign currency transactions was €1:£0.82 (FY09: €1:£0.68).

The Group policy is to hedge an appropriate portion of its foreign currency transaction exposure for a period of up to 2 years ahead. The principal foreign currency forward contracts in place at 28 February 2010 are:

		2011
Stg £: Amount	(m)	30.0
Average fwd Rate	(Euro:Stg)	*0.91*
US $: Amount	(m)	24.0
Average fwd Rate	(Euro:US$)	*1.45*

Comparisons for revenue and operating profit for each division in the Operations Review are shown at constant exchange rates for transactions in relation to the Spirits & Liqueurs and Cider divisions and for translation in relation to the Group's sterling denominated subsidiaries by restating the prior year at FY10 effective rates.

Applying the realised FY10 FX rates to the reported FY09 revenue and operating profit rebases the comparatives as follows:

	Year ended 28 Feb 2009	Hedging gains*	Adjusted total	Constant currency adjustment	Year ended 28 Feb 2009 Constant currency comparative
	€m	€m	€m	€m	€m
Revenue					
Cider—ROI	166.6	—	166.6	—	**166.6**
Cider—GB	185.2	—	185.2	(21.3)	**163.9**
Cider—ROW	35.0	—	35.0	(1.3)	**33.7**
Spirits & Liqueurs	85.9	—	85.9	(0.1)	**85.8**
Distribution	41.7	—	41.7	(3.2)	**38.5**
Total	**514.4**	**—**	**514.4**	**(25.9)**	**488.5**
Operating Profit—before exceptional items					
Cider—ROI	44.8	—	44.8	0.5	**45.3**
Cider—GB	40.7	(10.2)	30.5	(17.2)	**13.3**
Cider—ROW	(0.7)	—	(0.7)	—	**(0.7)**
Spirits & Liqueurs	15.3	—	15.3	0.5	**15.8**
Distribution	0.3	—	0.3	—	**0.3**
Total	**100.4**	**(10.2)**	**90.2**	**(16.2)**	**74.0**

* the hedging gains relate to a profit of €10.2m realised and accounted for in FY09.

Forward-looking statements

This announcement includes forward-looking statements, including statements concerning expectations about future financial performance, economic and market conditions, etc. These statements are neither promises nor guarantees, but are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated.

Responsibility Statement on Preliminary Announcement, in accordance with the Transparency Regulations

Each of the directors, whose names and functions are listed in the appendix to this document confirm that, to the best of each person's knowledge and belief:

- the financial information set out on pages 21 to 37 has been extracted from Group financial statements, prepared in accordance with IFRSs as adopted by the EU, which give a true and fair view of the assets, liabilities and financial position of the Group at 28 February 2010 and its profit for the year then ended;
- the financial information set out on pages 21 to 37 contains all the information that would be required to be disseminated in the condensed financial statements of a half-yearly financial report; and
- the commentary contained in the Preliminary Announcement on pages 4 to 17 includes a fair review of the development and performance of the business and the position of the Group. A description of the principal risks and uncertainties that the Group faces (pages 19 and 20) and details of any related party transactions (page 36) are also included.

On behalf of the Board

A. O'Brien	J. Dunsmore
Director	Director

Principal risks and uncertainties

Under Irish company law (Statutory Instrument 116.2005 European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005), the Group and Company are required to give a description of the principal risks and uncertainties which they face.

The principal risks and uncertainties faced by the Group's businesses are set out below:

- Demand for the Group's products is strongly influenced by economic conditions in its principal markets of Ireland, the United Kingdom, and to a lesser extent the US and Eastern Europe. A prolonged recession in these markets could have an adverse impact on Group sales volumes, revenue and profitability.
- The success of Group will partly depend on successfully integrating the operations and technologies of the newly acquired Tennent's and Gaymers businesses into that of the existing businesses; and achieving revenue and cost synergies in the combined businesses. This integration process is complex and may take longer than anticipated, and some of the anticipated synergies may not materialise. Additionally the Group is partially reliant on third parties for the successful integration of IT systems.
- The markets in which the Group operates are highly competitive and changing, and include significant global participants. The entry of new competitors into the Group's markets, a change in the level of marketing undertaken by competitors or in their pricing policies, the consolidation of the Group's competitors and/or the introduction of new competing products or brands could have a material adverse effect on the Group's market share, sales volumes, revenue and profits.
- The Group sells its products to on-trade and off-trade multiples, and also wholesalers for resale to on-trade outlets. Any consolidation of the Group's customers could increase the buying and negotiating strength of these customers, which could force the Group to lower its prices, with a material adverse effect on the Group's revenue and profits. The decline in the number of, and revenue from, on-trade premises in Ireland and the United Kingdom, and the general increase in the relative size of the off-trade versus the on-trade, may impact profitability.
- Consumer preferences may change and demand for existing products may decline or be replaced by other products, and unless the Group addresses these changes through introducing new products, sales volumes and profitability may decline.
- Poor weather may have an impact on the demand for cider, the Group's principal product.
- The Group's operations involve the sale and purchase of goods denominated in currencies other than the euro, principally pounds sterling and the US dollar and the consolidation of results from foreign currency subsidiaries. As a result, fluctuations between the value of the euro and these currencies may have an adverse effect on the revenue and profits of the Group. Fluctuations in interest rates, may also impact Group profitability.
- The Group may not be able to fulfil the demand for its products due to circumstances such as the loss of a production or storage facility or disruptions to its supply chains. This would affect sales volumes and profitability.
- The Group may be adversely affected by government regulations including changes in excise duty on cider in the UK and Ireland and restrictions on alcohol advertising.
- The Group is subject to stringent environmental, health and safety and food safety laws and regulations which could result in increased compliance or remediation costs which would adversely affect profitability. Additionally failures to comply with all legislation could lead to prosecutions and damage to the Group's brands and reputation.
- The Group is vulnerable to contamination of its products or base raw materials, whether accidental, natural or malicious. Contamination could result in recall of the Group's products, the Group being unable to sell its products, damage to brand image, negative consumer perception or civil or criminal liability, which could have a material adverse effect on the Group's reputation, sales volumes, revenue and profits.

The Group considers the impact of the general weak economic conditions on its markets in Great Britain and Ireland, particularly in the on-trade, as being the most significant risk to its results and operations over the short term. The complex challenges presented by the integration of the two new acquisitions add to the scale of these risks.

Group condensed income statement

For the year ended 28 February 2010

	Notes	Year ended 28 February 2010 Before exceptional items €m	Year ended 28 February 2010 Exceptional items (note 3) €m	Year ended 28 February 2010 Total €m	Year ended 28 February 2009 Before exceptional items €m	Year ended 28 February 2009 Exceptional items (note 3) €m	Year ended 28 February 2009 Total €m
Revenue	2	**568.8**	**—**	**568.8**	514.4	—	514.4
Operating costs		**(479.3)**	**(3.5)**	**(482.8)**	(414.0)	(159.6)	(573.6)
Operating profit/(loss)	2	**89.5**	**(3.5)**	**86.0**	100.4	(159.6)	(59.2)
Finance income		**2.0**	**—**	**2.0**	2.3	3.8	6.1
Finance expense		**(9.2)**	**—**	**(9.2)**	(12.7)	—	(12.7)
Profit/(loss) before tax		**82.3**	**(3.5)**	**78.8**	90.0	(155.8)	(65.8)
Income tax (expense)/credit		**(8.9)**	**0.9**	**(8.0)**	(10.2)	14.2	4.0
Profit/(loss) from continuing operations		**73.4**	**(2.6)**	**70.8**	79.8	(141.6)	(61.8)
Discontinued operations							
Profit from discontinued operations		**—**	**2.7**	**2.7**	0.1	0.8	0.9
Profit/(loss) for the year attributable to equity shareholders		**73.4**	**0.1**	**73.5**	79.9	(140.8)	(60.9)
Basic earnings/(loss) per share (cent)	4			**23.2c**			(19.4)c
Diluted earnings/(loss) per share (cent)	4			**22.7c**			(19.4)c
Continuing operations							
Basic earnings/(loss) per share (cent)	4			**22.4c**			(19.7)c
Diluted earnings/(loss) per share (cent)	4			**21.9c**			(19.7)c

Group condensed statement of comprehensive income

For the year ended 28 February 2010

	2010	2009
	€m	€m
Other comprehensive income and expense:		
Exchange difference arising on the net investment in foreign operations	**5.8**	(1.6)
Gain on revaluation of land	**—**	5.9
Net movement in cash flow hedging reserve	**(4.1)**	(21.3)
Deferred tax on cash flow hedges	**0.6**	2.2
Actuarial gains/(losses) on defined benefit pension obligations	**16.7**	(41.6)
Deferred tax on actuarial gains/(losses) on defined benefit pension obligations	**(2.1)**	5.7
Total other comprehensive income/(expense)	**16.9**	(50.7)
Profit/(loss) for the year attributable to equity shareholders	**73.5**	(60.9)
Comprehensive income and expense for the year attributable to equity shareholders	**90.4**	(111.6)

Group condensed balance sheet

As at 28 February 2010

	Notes	2010 €m	2009 €m
ASSETS			
Non-current assets			
Property, plant & equipment		**187.2**	95.7
Intangible assets & goodwill		**507.7**	394.7
Deferred tax assets		**12.3**	15.0
Trade & other receivables		**19.8**	—
		727.0	505.4
Current assets			
Inventories		**54.7**	44.5
Trade & other receivables		**125.8**	57.9
Derivative financial assets		**—**	11.6
Cash & cash equivalents		**113.5**	83.0
		294.0	197.0
TOTAL ASSETS		**1,021.0**	702.4
EQUITY			
Equity share capital		**3.3**	3.3
Share premium		**77.1**	65.4
Other reserves		**33.1**	28.4
Treasury shares		**(21.3)**	(14.7)
Retained income		**237.2**	167.3
Total equity		**329.4**	249.7
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	*7*	**461.7**	309.2
Derivative financial liabilities		**2.2**	3.3
Retirement benefit obligations		**21.2**	45.5
Provisions		**4.2**	1.3
Deferred tax liabilities		**4.6**	—
		493.9	359.3
Current liabilities			
Interest bearing loans & borrowings	*7*	**16.7**	—
Derivative financial liabilities		**4.6**	5.0
Trade & other payables		**164.0**	64.6
Provisions		**8.4**	20.8
Current tax liabilities		**4.0**	3.0
		197.7	93.4
Total liabilities		**691.6**	452.7
TOTAL EQUITY & LIABILITIES		**1,021.0**	702.4

Group condensed cash flow statement

For the year ended 28 February 2010

	2010	2009
	€m	€m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year attributable to equity shareholders	**73.5**	(60.9)
Finance income	**(2.0)**	(6.1)
Finance expense	**9.2**	12.7
Income tax	**8.0**	(4.0)
Depreciation of property, plant & equipment	**16.8**	19.4
Profit on disposal of property, plant & equipment	**(0.1)**	—
Revaluation of property, plant & machinery	**—**	136.5
Profit on disposal of subsidiaries after tax	**(2.7)**	(0.8)
Charge for share-based employee benefits	**2.5**	0.4
Pension contributions paid less amount charged to income statement	**(6.7)**	(23.2)
	98.5	74.0
Decrease in inventories	**8.3**	24.8
(Increase) in trade & other receivables	**(11.3)**	(2.3)
(Decrease)/increase in provisions	**(13.0)**	9.4
Increase in trade & other payables	**40.0**	4.6
	122.5	110.5
Interest received	**1.4**	1.3
Interest and similar costs paid	**(8.4)**	(12.8)
Settlement gain on derivative financial instruments	**4.5**	6.3
Income taxes paid	**(4.7)**	(10.7)
Net cash inflow from operating activities	**115.3**	94.6
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	**(5.6)**	(18.5)
Sale of property, plant & equipment	**0.2**	—
Acquisition of subsidiaries	**(237.7)**	
Proceeds on disposal of subsidiaries	**2.1**	12.9
Net cash outflow from investing activities	**(241.0)**	(5.6)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	**0.8**	0.3
Proceeds from issue of new shares under Joint Share Ownership Plan	**0.7**	1.5
New bank loans drawn down	**171.0**	20.0
Issue costs paid	**(1.4)**	—
Dividends paid	**(14.7)**	(60.2)
Net cash inflow/(outflow) from financing activities	**156.4**	(38.4)
Net increase in cash & cash equivalents	**30.7**	50.6
Cash & cash equivalents at beginning of year	**83.0**	32.7
Translation adjustment	**(0.2)**	(0.3)
Cash & cash equivalents at end of year	**113.5**	83.0

Group condensed statement of changes in equity

For the year ended 28 February 2010

	Equity Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Cash flow Hedging Reserve	Share-based Payments Reserve	Currency Translation Reserve	Revaluation Reserve	Treasury Shares	Retained Income	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
At 1 March 2008	3.1	44.9	0.5	24.9	16.9	2.7	(1.5)	—	—	327.7	419.2
Loss for the year attributed to equity shareholders	—	—	—	—	—	—	—	—	—	(60.9)	(60.9)
Other comprehensive income	—	—	—	—	(19.1)	—	(1.6)	5.9	—	(35.9)	(50.7)
Total comprehensive income and expense for the year	3.1	44.9	0.5	24.9	(2.2)	2.7	(3.1)	5.9	—	(230.9)	(307.6)
Dividend on ordinary shares	0.1	5.5	—	—	—	—	—	—	—	(65.8)	(60.2)
Exercised share options	—	0.4	—	—	—	—	—	—	—	—	0.4
Reclassification of share-based payments reserve	—	—	—	—	—	(2.2)	—	—	—	2.2	—
Joint share ownership plan	0.1	14.6	—	—	—	1.5	—	—	(14.7)	—	1.5
Equity settled share-based payments	—	—	—	—	—	0.4	—	—	—	—	0.4
At 28 February 2009	3.3	65.4	0.5	24.9	(2.2)	2.4	(3.1)	5.9	(14.7)	167.3	249.7
Profit for the year attributed to equity shareholders	—	—	—	—	—	—	—	—	—	73.5	**73.5**
Other comprehensive income	—	—	—	—	(3.5)	—	5.8	—	—	14.6	**16.9**
Total comprehensive income and expense for the year	3.3	65.4	0.5	24.9	(5.7)	2.4	2.7	5.9	(14.7)	255.4	**340.1**
Dividend on ordinary shares		4.3	—	—	—	—	—	—	—	(19.0)	**(14.7)**
Exercised share options	—	0.8	—	—	—	—	—	—	—	—	**0.8**
Reclassification of share-based payments reserve	—	—	—	—	—	(0.8)	—	—	—	0.8	**—**
Joint share ownership plan	—	6.6	—	—	—	0.7	—	—	(6.6)	—	**0.7**
Equity settled share-based payments	—	—	—	—	—	2.5	—	—	—	—	**2.5**
At 28 February 2010	**3.3**	**77.1**	**0.5**	**24.9**	**(5.7)**	**4.8**	**2.7**	**5.9**	**(21.3)**	**237.2**	**329.4**

NOTE TO THE PRELIMINARY ANNOUNCEMENT

1. Basis of preparation

The financial information included from the Group condensed income statement to Note 10 of this Preliminary results statement has been extracted from the Group financial statements for the year ended 28 February 2010 and is presented in euro millions to one decimal place. The financial information presented in this report has been prepared in accordance with the Listing Rules of the Irish Stock Exchange and the accounting policies that the Group has adopted for the year to 28 February 2010 and is consistent with those applied.

2. Segmental reporting

The Group's business activity is the manufacturing, marketing and distribution of Alcoholic Drinks and six operating segments have been identified; Cider Republic of Ireland ("ROI"), Cider Great Britain ("GB"), Cider Rest of World ("ROW") (incorporating cider sales in Northern Ireland), Spirits & Liqueurs, Tennent's Beer and Distribution. This basis corresponds with the Group's organisation structure, the nature of reporting lines to the Chief Operating Decision-Maker (as defined in IFRS 8 *Operating Segments*) and the Group's internal reporting for the purposes of managing the business, assessing performance and allocating resources. It is consistent with the requirements of IFRS 8 *Operating Segments* which came into effect for accounting periods commencing on or after 1 January 2009.

While the application of IFRS 8 resulted in no change to the basis of measurement of revenue and operating profit, it has resulted in a change to the basis of segmentation (whereas previously the Group reported its cider results as a single segment, it now reports these results in three operating segments, Cider ROI, Cider GB and Cider ROW) therefore all comparative amounts have been restated to reflect the new basis of segmentation.

The Chief Operating Decision Maker, identified as the committee of executive directors comprising John Dunsmore, Stephen Glancey and Kenny Neison, assesses and monitors the operating results of segments separately via internal management reports in order to effectively manage the business. Segment performance is predominantly evaluated based on revenue and operating profit before exceptional items and therefore these are the most relevant indicators to evaluating the results of the Group's operating segments. As net finance costs and income tax are managed on a centralised basis, these items are not allocated between operating segments for the purposes of the information presented to the Chief Operating Decision Maker and are accordingly omitted from the detailed segmental analysis below.

The identified business segments are as follows:-

(i) Cider ROI

This segment includes the Group's cider products in the Republic of Ireland, principally Bulmers.

(ii) Cider GB

This segment includes the Group's cider products in Great Britain, with Magners, Blackthorn and Gaymers being the principal brands.

(iii) Cider ROW

This segment includes the Group's cider products in all territories outside of the Republic of Ireland and Great Britain, principally Magners.

(iv) Spirits & liqueurs

This segment consists of the sale of four brands, Tullamore Dew, Carolans Irish Cream, Frangelico Liqueur and Irish Mist Liqueur, all of which are owned by the Group and are marketed internationally.

(v) Tennent's Beer

This segment includes the results of the Group's 'owned' beer brands, principally Tennent's.

(vi) Distribution

This segment relates to wholesaling to the licensed trade in Northern Ireland and the distribution of agency products, including Coors in Northern Ireland and certain AB InBev brands in the Republic of Ireland, Northern Ireland and Scotland.

Information regarding the results of each reportable segment is disclosed below for the Group's continuing business. 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 Chief Operating Decision Maker. Unallocated items comprise mainly current tax, deferred tax, derivative financial assets/liabilities, retirement benefit obligations, Group net borrowings and certain exceptional expense items.

Intersegment revenue is not material and thus not subject to separate disclosure.

Segment capital expenditure is the total amount incurred during the period to acquire segment assets, excluding those assets acquired in business combinations, which are expected to be used for more than one accounting period.

(a) Operating segments disclosures

	2010				2009			
	Revenue	Operating profit	Assets	Liabilities	Revenue	Operating profit	Assets	Liabilities
	€m	€m	€m	€m	€m	€m	€m	€m
Cider—ROI	**153.0**	**44.3**	**169.6**	**(33.8)**	166.6	44.8	181.4	(30.1)
Cider—GB	**149.0**	**19.7**	**335.6**	**(46.2)**	185.2	40.7	271.1	(31.4)
Cider—ROW	**34.2**	**4.4**	**125.5**	**(10.5)**	35.0	(0.7)	55.6	(8.1)
Spirits & liqueurs	**78.0**	**14.7**	**71.1**	**(13.4)**	85.9	15.3	73.9	(12.2)
Tennent's Beer	**81.0**	**3.7**	**187.1**	**(69.5)**	—	—	—	—
Distribution	**73.6**	**2.7**	**6.3**	**(3.2)**	41.7	0.3	10.8	(4.9)
Total before unallocated items	**568.8**	**89.5**	**895.2**	**(176.6)**	514.4	100.4	592.8	(86.7)
Unallocated items:								
Exceptional items	**—**	**(3.5)***	**—**	**—**	—	(159.6)**	—	—
Current tax liabilities	**—**	**—**		**(4.0)**	—	—		(3.0)
Deferred tax assets/ (liabilities)	**—**	**—**	**12.3**	**(4.6)**	—	—	15.0	—
Derivative financial assets/ (liabilities)	**—**	**—**	**—**	**(6.8)**	—	—	11.6	(8.3)
Retirement benefit obligations	**—**	**—**	**—**	**(21.2)**	—	—	—	(45.5)
Group net borrowings			**113.5**	**(478.4)**	—	—	83.0	(309.2)
	568.8	**86.0**	**1,021.0**	**(691.6)**	514.4	(59.2)	702.4	(452.7)

* Of the exceptional items in the current year, €0.1m relates to Cider ROI, €0.4m to Cider GB, €0.4m to Cider ROW, €0.2m to distribution and €2.4m to Tennent's Beer.

** Of the exceptional items in the prior year, €2.7m related to the Spirits & liqueurs segment and €156.9m related to the writedown of the Plant & equipment in the Group's cider production facility.

(b) Other operating segment information

	2010		2009		
	Capital expenditure	Depreciation	Capital expenditure	Depreciation	Revaluation
	€m	€m	€m	€m	€m
Cider—ROI	**1.0**	**5.2**	5.7	7.7	52.4
Cider—GB	**3.0**	**7.4**	11.2	9.7	68.4
Cider—ROW	**0.6**	**0.9**	1.1	1.1	7.4
Spirits & liqueurs	**0.1**	**0.6**	0.9	0.8	2.0
Tennent's Beer	**1.0**	**2.6**	—	—	—
Distribution	**—**	**0.1**	—	0.1	0.4
	5.7	**16.8**	18.9	19.4	130.6

(c) Geographical analysis of revenue and non-current assets

	Revenue		Non-current assets	
	2010	2009	2010	2009
	€m	€m	€m	€m
Republic of Ireland	**158.0**	167.8	**85.2**	95.0
UK	**321.2**	249.4	**121.8**	0.7
Rest of Europe	**47.0**	53.2	**—**	—
North America	**34.6**	35.9	**—**	—
Rest of world	**8.0**	8.1	**—**	—
Total	**568.8**	514.4	**207.0**	95.7

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

The geographical analysis of non-current assets is based on the geographical location of the assets. Non-current assets comprise property, plant & equipment and advances to customers repayable beyond one year. Intangible assets, goodwill and deferred tax assets are not allocated.

3. Exceptional items

	2010	2009
	€m	€m
Restructuring costs	**3.8**	13.5
Retirement benefit obligations	**(3.1)**	(1.5)
Inventory write-down	**—**	11.1
Gain on mark to market of derivative financial instruments	**—**	(3.8)
Revaluation of property, plant & machinery	**—**	136.5
Integration costs	**1.9**	—
Profit on disposal of subsidiary undertakings, net of tax	**(1.8)**	(0.8)
Total	**0.8**	155.0
Allocated to discontinued operations	**2.7**	0.8
Total relating to continuing operations	**3.5**	155.8

(a) Restructuring costs

Restructuring costs, comprising severance and other initiatives arising from cost cutting initiatives implemented during the financial year and the integration of the acquired businesses, resulted in an exceptional charge before taxation of €3.8m (2009: €13.5m).

During the prior year, the Group announced a reorganisation and cost reduction programme with the objective of reducing operating costs by realigning the cost structure to the sales volume base and streamlining the Group's organisational structure thereby improving cost competitiveness, involving a head count reduction in the region of 154 people. Restructuring costs, comprising severance and other initiatives, including the costs associated with consolidating the Group's Dublin operations into a single location resulted in an exceptional charge before taxation of €13.5m in that year.

(b) Retirement benefit obligations

The exceptional gain relates to a pension curtailment gain of €3.4m arising from the Group's restructuring programme which was announced in February 2009, and is reduced by past service costs of €0.3m. There was insufficient information available at the year ended 28 February 2009 for the actuary to accurately value the impact of the restructuring programme on the Group's retirement benefit obligations and hence no accounting entries were posted to the Group's financial statements as at 28 February 2009.

During the prior year, an exceptional net pension credit of €1.5m comprising a curtailment gain of €2.2m and past service costs of €0.7m arose as a result of a reduction in employee numbers following the Group's head-office restructuring programme in that year.

(c) Inventory write-down

At 28 February 2009, the Group's stock holding of apple juice at approximately 36 months of forecasted future sales was deemed excessive in light of anticipated future needs, forward purchase commitments and useful life of the stock on hand. Accordingly, during the prior year the Group recorded an impairment charge in relation to excess apple juice stocks.

(d) Gain on mark to market of derivative financial instruments

During the prior year, excess sterling hedge contracts with a notional value of Stg£24m were de-designated and the increase in fair value arising from the date of de-designation to the year-end date was accounted for within finance income. These gains were classified within exceptional items on the basis of materiality and the unforeseen circumstances giving rise thereto.

(e) Revaluation of property, plant & machinery

During the prior year, the Group, as a result of current demand and forecasted levels of growth, reviewed the carrying value of its property and production facilities. Lisney and Sanderson Weatherall, valuers, were instructed to complete an external valuation as at 28 February 2009. The valuations were completed in accordance with the requirements of the RICS Valuation Standards, sixth edition and the International Valuation Standards. The valuation of each property was on the basis of open market value whereas, in view of the specialised nature of the Group's production facilities and the lack of comparable market evidence of plant being sold as a 'going concern' a depreciated replacement cost approach was used to value the Group's plant & machinery. This resulted in a net revaluation loss of €130.6m, of which a loss of €136.5m is accounted for in the income statement and a surplus of €5.9m arising on the revaluation of land is accounted for the Statement of Comprehensive Income. The current year valuations, carried out by management, did not result in either a revaluation gain or loss.

(f) Integration costs

During the year, the Group completed the acquisition of the Tennent's beer business including the rights to the Tennent's brand worldwide (with the exception of Tennent's Super and Tennent's Pilsner), the Wellpark Brewery in Glasgow and certain distribution rights in relation to AB InBev products in Ireland, Northern Ireland and Scotland and the UK cider assets of Constellation Brands Inc and commenced the process of integrating these businesses with the Group's existing business. The costs incurred to date of integrating the businesses have been classified as exceptional on the basis of materiality.

(g) Profit on disposal of subsidiary

During the current year, the Group settled all amounts outstanding in relation to dilapidation costs on the properties disposed of as part of the disposal of the Soft Drinks business in 2008 and released the excess provision to the Income Statement. The provision was originally classified as exceptional when it was charged through the Income Statement.

During the prior year, the Group disposed of its wine & spirit distribution businesses in the Republic of Ireland for a consideration of €11.4m realising a profit after tax of €0.2m, and in Northern Ireland for a consideration of €3.7m resulting in a profit after tax of €0.6m.

The taxation implication of the exceptional items is a credit of €0.9m (2009: a credit of €14.2m to continuing operations in relation to the revaluation of the property and production facilities, the write-off of excess apple juice stocks, the costs associated with the Group restructuring and the gain on the de-designation of excess sterling hedges).

4. Earnings per ordinary share

	2010	2009
	€m	**€m**
Earnings/(loss) as reported	**73.5**	(60.9)
Adjustment for exceptional items, net of tax	**(0.1)**	140.8
Earnings as adjusted for exceptional items, net of tax	**73.4**	79.9
	Number '000	**Number '000**
Number of shares at beginning of year	**328,583**	312,993
Shares issued in lieu of dividend	**1,852**	2,634
Shares issued in respect of options exercised	**433**	156
Shares issued and held in trust in respect of joint share ownership plan	**3,200**	12,800
Number of shares at end of year	**334,068**	328,583
Weighted average number of ordinary shares (basic)	**316,763**	313,925
Adjustment for the effect of conversion of options	**7,000**	94
Weighted average number of ordinary shares, including options (diluted)	**323,763**	314,019
	Cent	**Cent**
Basic earnings per share		
Basic earnings/(loss) per share	**23.2**	(19.4)
Adjusted basic earnings per share	**23.2**	25.5
Diluted earnings per share		
Diluted earnings/(loss) per share	**22.7**	(19.4)
Adjusted diluted earnings per share	**22.7**	25.4
	€m	**€m**
Continuing operations		
Earnings/(loss) from continuing operations as reported	**70.8**	(61.8)
Adjustment for exceptional items, net of tax	**2.6**	141.6
Earnings from continuing operations as adjusted for exceptional items, net of tax	**73.4**	79.8
	Cent	**Cent**
Basic earnings per share from continuing operations		
Basic earnings/(loss) per share	**22.4**	(19.7)
Adjusted basic earnings per share	**23.2**	25.4
Diluted earnings per share from continuing operations		
Diluted earnings/(loss) per share	**21.9**	(19.7)
Adjusted diluted earnings per share	**22.7**	25.4
	€m	**€m**
Discontinued operations		
Earnings from discontinued operations as reported	**2.7**	0.9
Adjustment for exceptional items, net of tax	**(2.7)**	(0.8)
Earnings from discontinued operations as adjusted for exceptional items, net of tax	**—**	0.1
	Cent	**Cent**
Basic earnings per share from discontinued operations		
Basic earnings per share	**0.9**	0.3
Adjusted basic earnings per share	**—**	—
Diluted earnings per share from discontinued operations		
Diluted earnings per share	**0.8**	0.3
Adjusted diluted earnings per share	**—**	—

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and held as treasury shares (at 28 February 2010: 16m shares; at 28 February 2009: 12.8m shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential 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 options, 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 (totalling 551,100 at 28 February 2010 and 1,004,800 at 28 February 2009) 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. Vesting of shares awarded under the Joint Share Ownership Plan (totalling 1,100,000 at 28 February 2010 and 6,400,000 at 28 February 2009) is also contingent upon satisfaction of specified performance conditions and these have also been excluded from the computation of diluted earnings per share.

5. Business Combinations

The acquisitions completed during the year ended 28 February 2010, together with the completion dates, were as follows:

- the assets and goodwill of the Tennent's beer business including the rights to the Tennent's brand worldwide (with the exception of Tennent's Super and Tennent's Pilsner), the Wellpark Brewery in Glasgow and certain distribution rights in relation to AB InBev products in Ireland, Northern Ireland and Scotland. This acquisition was completed on 28 September 2009.
- the assets and goodwill of the Gaymers Cider business, an established manufacturer and supplier of cider in the UK, including the rights to the Gaymers, Blackthorn, Olde English and other brands. This acquisition was completed on 15 January 2010.

Both acquisitions were structured as purchases of trade and net assets rather than shares and the book values of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the business combinations together with the fair value adjustments made to those values, were as follows:-

	Book values	Fair value adjustments	Total
	€m	€m	€m
TENNENT'S			
Property, plant & equipment	47.4	18.1	**65.5**
Intangible assets	—	70.8	**70.8**
Inventories	6.1	(0.1)	**6.0**
Trade & other receivables—current	49.9	(0.5)	**49.4**
Trade & other receivables—non current	24.3	(0.7)	**23.6**
Trade & other payables	(25.0)	—	**(25.0)**
Deferred tax assets	—	0.5	**0.5**
Net identifiable assets and liabilities acquired	102.7	88.1	**190.8**
Goodwill arising on acquisition		25.7	**25.7**
		113.8	**216.5**
Satisfied by:			
Cash (incl acquisition costs)			185.4
Outstanding costs			0.3
Deferred consideration			30.8
Total consideration			**216.5**

	Book Values	Fair Value Adjustments	Total
	€m	€m	€m
GAYMERS			
Property, plant & equipment	31.5	4.3	**35.8**
Intangible assets	—	10.9	**10.9**
Inventories	12.5	—	**12.5**
Trade & other receivables—current	1.4	—	**1.4**
Trade & other payables	(2.4)	—	**(2.4)**
Provisions	—	(5.3)	**(5.3)**
Deferred tax liability	—	(4.5)	**(4.5)**
Net identifiable assets and liabilities acquired	43.0	5.4	**48.4**
Goodwill arising on acquisition		3.7	**3.7**
		9.1	**52.1**
Satisfied by:			
Cash			**52.3**
Outstanding costs			**1.5**
Working capital settlement*			**(1.7)**
Total consideration			**52.1**

* the working capital settlement relates to a refund of the purchase price of €1.7m to reflect 'normalised' working capital as set out in the Asset Purchase Agreement.

	Book Values	Fair Value adjustments	Total
	€m	€m	€m
TOTAL			
Property, plant & equipment	78.9	22.4	**101.3**
Intangible assets	—	81.7	**81.7**
Inventories	18.6	(0.1)	**18.5**
Trade & other receivables—current	51.3	(0.5)	**50.8**
Trade & other receivables—non current	24.3	(0.7)	**23.6**
Trade & other payables	(27.4)	—	**(27.4)**
Provisions	—	(5.3)	**(5.3)**
Deferred tax liability	—	(4.0)	**(4.0)**
Net identifiable assets and liabilities acquired	145.7	93.5	**239.2**
Goodwill arising on acquisition		29.4	**29.4**
		122.9	**268.6**
Satisfied by:			
Cash			**237.7**
Outstanding costs			**1.8**
Working capital settlement			**(1.7)**
Deferred consideration			**30.8**
Total consideration			**268.6**

No contingent liabilities were recognised on the business combinations completed during the financial year.

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of the business combinations above given the timing of closure of these deals. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be dealt with in the 2011 Annual Report as stipulated by IFRS 3.

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

	2010	2009
	€m	€m
Revenue	**122.4**	—
Operating Costs	**(116.1)**	—
Operating Profit	**6.3**	—
Income tax expense	**(0.7)**	—
Results from acquired businesses	**5.6**	—

The revenue and profit of the Group for the financial year determined in accordance with IFRS as though the acquisition date for the business combinations effected during the year had been the beginning of that year, the revenue and profits of which are determined on a carve out basis, would be as follows:-

	Proforma 2010
	€m
Revenue	**843.0**
Group profit for the financial year	**92.8**

6. Dividends

	2010	2009
	€m	€m
Dividends paid		
Final: paid 3.0c per ordinary share in September 2009 (2009: 15.0c paid in July 2008)	**9.5**	47.0
Interim: paid 3.0c per ordinary share in December 2009 (2009: 6.0c paid in December 2008)	**9.5**	18.8
Total equity dividends	**19.0**	65.8
Settled as follows:		
Paid in cash	**14.7**	60.2
Scrip dividend	**4.3**	5.6
	19.0	65.8

The Directors have proposed a final dividend of 3.0 cent per share (2009: 3.0 cent), which is subject to shareholder approval at the AGM, giving a proposed total dividend for the year of 6.0 cent per share (2009: 9.0 cent).

Dividends of 6.0 cent were charged to the income statement in the year ended 28 February 2010 (2009: 21.0 cent).

Dividends declared after the balance sheet date are not recognised as a liability at the balance sheet date.

7. Analysis of net debt

	1 March 2009	Translation adjustment	Cash flow	Non-cash changes	28 February 2010
	€m	€m	€m	€m	€m
Group					
Interest bearing loans & borrowings	309.2	(0.8)	169.6	0.4	478.4
Cash & cash equivalents	(83.0)	0.2	(30.7)	—	(113.5)
	226.2	(0.6)	138.9	0.4	364.9
Interest rate swaps	6.3	—	4.3	(5.7)	4.9
	232.5	**(0.6)**	**143.2**	**(5.3)**	**369.8**

	1 March 2008	Translation adjustment	Cash flow	Non-cash changes	28 February 2009
	€m	€m	€m	€m	€m
Group					
Interest bearing loans & borrowings	288.9	—	20.0	0.3	309.2
Cash & cash equivalents	(32.7)	0.3	(50.6)	—	(83.0)
	256.2	0.3	(30.6)	0.3	226.2
Interest rate swaps	0.6	—	(0.8)	6.5	6.3
	256.8	0.3	(31.4)	6.8	232.5

The Group manages its borrowing ability by entering into committed borrowing agreements. During the financial year, the Group negotiated a new £60m debt facility and drew down £45m under the terms of this agreement in order to fund the acquisition of the Gaymers cider business. This facility, which is sterling denominated, is a committed revolving loan agreement repayable in instalments commencing on 30 June 2010 and with a final repayment date of 30 June 2011. The facility is subject to variable Libor interest rates plus a margin of 275bps.

The Group also has a euro denominated committed revolving loan agreement, which is repayable on the fifth anniversary of the date of the agreement (8 May 2012), and is subject to variable Euribor interest rates plus a margin, the level of which is dependent on the net debt:EBITDA ratio, year ended 28 February 2010: 35bps (year ended 28 February 2009: 35bps).

The Group's banking facilities allow it to repay debt early without incurring additional charges or penalties. This facility is repayable in full on change of control of the Group.

Under the loan agreements, the net proceeds from the disposal of part the group's business, in excess of an agreed *deminimus*, must be applied to repay outstanding loans and the available committed facility cancelled by that amount unless such proceeds are reinvested within 12 months from the date of disposal. As a result, in the prior year €170m of the Group's unutilised loan facility was cancelled. The net disposal proceeds arising on the potential disposal of the Spirits & Liqueurs business will be subject to these repayment terms.

The Group's debt facilities incorporate two financial covenants:

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on a 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 undrawn committed facilities available to the Group, which are subject to a commitment fee of 50% of the margin payable, as at 28 February 2010 amounted to £15m (2009: €120m).

Unamortised issue costs of €1.8m (2009: €0.8m) have been netted against outstanding bank loans and are being amortised to the income statement on an effective interest rate basis.

The non-cash changes relate to the amortisation of issue costs and movements in the fair value of interest rate swaps.

8. Related party transactions

Identity of related parties

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 subsidiaries, transactions with these entities entered into by the Group and the identification and compensation of key management personnel.

Key management personnel

For the purposes of the disclosure requirements of IAS 24, the Group has defined the term 'key management personnel', as its executive and non-executive Directors. In addition to their salaries, the Group also provides non-cash benefits to Directors and executive officers, and contributes to a post-employment defined benefit plan on certain Directors behalf. Executive Directors also participate in the Group's share option programmes.

Details of key management remuneration are as follows:-

	2010 Number	2009 Number
Number of individuals	**12**	14
	€m	**€m**
Salaries and other short term employee benefits	**2.2**	2.6
Post employment benefits	**0.4**	0.5
Termination payments	**—**	4.4
Cash settled long term incentive plan	**0.1**	0.1
Equity settled share-based payments	**1.0**	0.2
Charged to the Income statement	**3.7**	7.8
Actuarial loss recognised on defined benefit pension schemes	**—**	1.0
Total	**3.7**	8.8

Brendan Dwan and John Holberry, who resigned from the board on the 1 May 2009 and 28 August 2009 respectively, have been included in the headcount numbers. All costs relating to Brendan Dwan's employment and John Holberry's termination were provided in the prior year.

John Dunsmore is a non-executive Director of Fuller Smith & Turner Plc, a company with which the Group has a trading relationship.

9. Post Balance Sheet Event

The Group announced an agreement to dispose of its Spirits & Liqueurs division to William Grant & Sons Holdings Ltd for a cash consideration of €300 million on 30 April 2010. This business was not held for sale as at 28 February 2010 and has not been accounted for as such. The disposal is subject only to C&C Group shareholder approval which will be sought at an EGM to be held on 17 June 2010.

10. Statutory Accounts

The financial information prepared in accordance with IFRSs as adopted by the European Union included in this report does not comprise "full group accounts" within the meaning of Regulation 40(1) of the European Communities (Companies: Group Accounts) Regulations, 1992 of Ireland insofar as such group accounts would have to comply with the disclosure and other requirements of those Regulations. Full statutory accounts for the year ended 28 February 2010 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 2009, 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 25 May 2010.

Appendix

List of Directors

Tony O'Brien (Chairman)*
John Dunsmore (CEO, UK)
John Burgess (UK)*
Liam FitzGerald*
Stephen Glancey (UK)
John Hogan*
Richard Holroyd (UK)*
Philip Lynch*
Kenny Neison (UK) appointed 10 November 2009
Breege O'Donoghue*
Sir Brian Stewart (UK)* appointed on 9 March 2010"

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* non-executive

PART IV

FINANCIAL INFORMATION ON C&C SPIRITS

1. Basis of preparation

The following condensed historical information relating to C&C Spirits has been extracted without material adjustment from the consolidation schedules used in preparing the audited consolidated financial statements of the Group for the financial years ended 28 February 2009 and 29 February 2008 and from the audited financial statements of the Spirits Companies, which together comprise C&C Spirits, for the year ended 28 February 2010.

C&C Spirits does not constitute a stand-alone reporting entity and accordingly statutory accounts were not prepared nor audited for C&C Spirits as a single entity. Whilst each of the Spirits Companies within C&C Spirits is wholly owned by C&C Group, no separate consolidated financial statements were prepared with respect to the combined entities comprising C&C Spirits.

The financial information contained in this Part IV has been prepared solely for the purposes of this document and does not constitute statutory financial statements within the meaning of the Companies Acts. The combined financial information represents the aggregation, on a line by line basis, of the financial information included in the Group consolidation schedules for the individual entities within C&C Spirits. Balances or transactions between the individual entities within C&C Spirits have been eliminated. Certain centrally incurred overhead which is allocated to C&C Spirits for statutory segmental purposes, but which will not transfer as part of the proposed Disposal, has not been allocated to C&C Spirits in the combined financial information.

The share capital and reserves set out in the combined financial information represents the amalgamated share capital and reserves for each entity. Consistent accounting policies were applied by individual entities and, consequently, no adjustments were necessary for the purposes of aggregation. The combined financial information has been adjusted as necessary to present it in accordance with IFRS as adopted by the EU and the accounting policies adopted by C&C in the preparation of its consolidated financial statements.

It is not possible to present a meaningful allocation of interest and tax as these are managed centrally by C&C Group and not on a subsidiary by subsidiary basis. Therefore, the financial information presented has only been prepared to profit before interest and tax level without allocation of interest charges or tax. Shareholders should read the whole of this document and not just rely on the financial information set out in this Part IV.

2. Income statement

The condensed combined income statements of C&C Spirits for the financial years ended 28 February 2010, 28 February 2009 and 29 February 2008 are presented below:

	Year ended 28 February 2010	Year ended 28 February 2009	Year ended 29 February 2008
	€m	€m	€m
Revenue	78.0	85.9	87.5
Operating costs (excluding depreciation)	(61.2)	(67.9)	(70.0)
EBITDA (before exceptional items)	16.8	18.0	17.5
Depreciation	(0.6)	(0.8)	(0.8)
Operating profit (before exceptional items)	16.2	17.2	16.7
Exceptional items	—	(2.7)	(0.4)
Operating profit (after exceptional items)	16.2	14.5	16.3

The financial information set out overleaf is stated before an allocation of central group overheads, as the cost centres driving these costs will not form part of the proposed transaction. An allocation of these central costs has been made for segmental statutory reporting purposes as follows:

	Year ended 28 February 2010	Year ended 28 February 2009	Year ended 29 February 2008
	€m	€m	€m
Operating profit (before exceptional items) of C&C Spirits	16.2	17.2	16.7
Allocation of central group overhead	(1.5)	(1.9)	(0.9)
Operating profit (after exceptional items) of statutory Spirits & Liqueurs division	14.7	15.3	15.8

3. Balance sheet

The condensed combined balance sheet of C&C Spirits as at 28 February 2010 was as follows:

	As at 28 February 2010
	€m
ASSETS	
Non-current assets	
Property, plant & equipment	2.7
Intangible assets & goodwill	49.6
Deferred tax assets	0.3
Total non-current assets	52.6
Current assets	
Inventories	5.5
Trade & other receivables	11.4
Inter-group receivables	40.2
Cash & cash equivalents	0.0
	57.1
TOTAL ASSETS	**109.7**
EQUITY	
Capital & reserves	102.8
Total equity	102.8
LIABILITIES	
Current liabilities	
Trade & other payables	5.5
Derivative financial liabilities	1.4
	6.9
Total liabilities	6.9
TOTAL EQUITY AND LIABILITIES	**109.7**

PART V

SECTION A

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE CONTINUING GROUP

Set out below is an unaudited pro forma statement of net assets for the Continuing Group as at 28 February 2010. It has been prepared on the basis of the notes set out below to illustrate the effect of the Disposal on the consolidated net assets of the Continuing Group had the Disposal occurred on 28 February 2010. It has been prepared for illustrative purposes only. Because of its nature, the unaudited pro forma statement of net assets for the Continuing Group addresses a hypothetical situation and, therefore, does not represent the Continuing Group's actual financial position.

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part V.

KPMG's report on the unaudited pro forma statement of net assets for the Continuing Group is set out in Section B of this Part V.

	C&C Group as at 28 February 2010 (note 1)	Adjustments			Unaudited pro-forma statement of net assets for the Continuing Group (note 5)
		Net assets of C&C Spirits (note 2)	Net Disposal proceeds (note 3)	Other adjustments (note 4)	
	€m	€m	€m	€m	€m
ASSETS					
Non-current assets					
Property, plant & equipment	187.2	(2.7)	—	—	184.5
Intangible assets & goodwill	507.7	(49.6)	—	—	458.1
Deferred tax assets	12.3	(0.3)	—	—	12.0
Trade & other receivables	19.8	—	—	—	19.8
	727.0	(52.6)	—	—	674.4
Current assets					
Inventories	54.7	(5.5)	—	—	49.2
Trade & other receivables	125.8	(51.6)	—	40.2	114.4
Cash & cash equivalents	113.5	—	50.0	—	163.5
	294.0	(57.1)	50.0	40.2	327.1
TOTAL ASSETS	1,021.0	(109.7)	50.0	40.2	1,001.5
LIABILITIES					
Non-current liabilities					
Interest bearing loans & borrowings	461.7	—	(245.0)	—	216.7
Derivative financial liabilities	2.2	—	—	—	2.2
Retirement benefit obligations	21.2	—	—	—	21.2
Provisions	4.2	—	—	—	4.2
Deferred tax liabilities	4.6	—	—	—	4.6
	493.9	—	(245.0)	—	248.9
Current liabilities					
Interest bearing loans & borrowings	16.7	—	—	—	16.7
Derivative financial liabilities	4.6	(1.4)	—	—	3.2
Trade & other payables	164.0	(5.5)	—	—	158.5
Provisions	8.4	—	—	—	8.4
Current tax liabilities	4.0	—	—	—	4.0
	197.7	(6.9)	—	—	190.8
Total liabilities	691.6	(6.9)	(245.0)	—	439.7
NET ASSETS	329.4	(102.8)	295.0	40.2	561.8
Net debt (note 6)	373.5	(1.4)	(295.0)	—	77.1

Notes:

Note 1: The net assets relating to C&C Group plc have been extracted from the Unaudited Preliminary Results of the Group for the year ended 28 February 2010 set out in Part III of this document.

Note 2: These adjustments remove the assets and liabilities of C&C Spirits which will be disposed of as set out in Part IV of this document. The information has been extracted from the audited financial statements of the Spirits Companies, which together comprise C&C Spirits, for the year ended 28 February 2010.

Note 3: These adjustments reflect the net proceeds of approximately €295 million. This amount is arrived at after:

i) receipt of the initial cash consideration of €300.0 million; and

ii) payment of estimated cash transaction costs totalling €5.0 million.

No provision has been made for any adjustment to gross proceeds arising from the Completion Adjustment mechanism set out in the Sale Agreement. Any Completion Adjustment is not expected to be material.

The Board's current intention is to apply approximately €245 million of the net cash proceeds arising from the Disposal to reduce the Group's borrowings. Approximately €50 million of the net cash proceeds will be used for general corporate purposes.

These adjustments set out the expected application of the net proceeds against borrowings as disclosed in "6. Use of proceeds and financial effects of the Disposal" in Part I of this document (Letter from the Chairman of C&C Group).

Note 4: This adjustment reflects the settlement of intercompany balances between C&C Spirits and C&C Group companies through declaration of a dividend pre-Completion.

Note 5: No adjustment has been made to the unaudited pro forma statement of net assets to reflect the trading results of C&C or the Continuing Group subsequent to 28 February 2010.

Note 6:

	Per Pro Forma	Per Unaudited Preliminary Statement
	€m	€m
Cash & cash equivalents	(113.5)	(113.5)
Interest bearing loans & borrowings	478.4	478.4
	364.9	364.9
Derivative financial liabilities		
— interest rate	4.9	4.9
— foreign exchange	1.9	—
	371.7	**369.8**
Pre-paid issue costs	1.8	
	373.5	

Net debt included in this document has been calculated using the definition set out in the Group's loan facility agreements (as opposed to the IFRS reporting requirement calculation set out in the Unaudited Preliminary Results of the Group). Prepaid issue costs comprise costs directly associated with the drawdown and putting in place of the Group's existing borrowings which are taken to the income statement over the period of the loan repayments. These are netted against interest bearing loans and borrowings in the financial statements but are not included in the definition of net debt for the purposes of the Group's loan facility agreements.

PART V

SECTION B

ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS FOR THE CONTINUING GROUP

KPMG
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

The Directors
C&C Group plc
Block 71
The Plaza
Parkwest Business Park
Dublin 12

27 May 2010

Dear Sirs

We report on the unaudited pro forma statement of net assets for the Continuing Group (the "**Pro forma financial information**") set out in Part V, Section A of the Class 1 circular dated 27 May 2010, which has been prepared on the basis described in notes 1 to 6, for illustrative purposes only, to provide information about how the proposed Disposal of the spirits business of C&C Group plc ("**C&C Spirits**") might have affected the financial information presented on the basis of the accounting policies adopted by C&C Group plc in preparing the financial statements for the period ended 28 February 2010. This report is required by Annex I, item 20.2 of Commission Regulation (EC) No. 809/2004 (the "**Prospectus Directive Regulation**") as applied by Listing Rule 10.3.3 and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of C&C Group plc to prepare the Pro forma financial information in accordance with Annex I, item 20.2 and Annex II, items 1 to 6 of the Prospectus Directive Regulation as applied by Listing Rule 10.3.3.

It is our responsibility to form an opinion in accordance with Annex II, item 7 of the Prospectus Directive Regulation as applied by Listing Rule 10.3.3, as to the proper compilation of the Pro forma financial information, and to report that opinion to you in accordance with Annex I, item 20.2 of the Prospectus Directive Regulation as applied by Listing Rule 10.3.3.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 10.4.1(6), consenting to its inclusion in the Class 1 circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board of the United Kingdom and Ireland. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of C&C Group plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of C&C Group plc.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of C&C Group plc.

Yours faithfully

KPMG
Chartered Accountants
Dublin, Ireland

PART VI—ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names appear on the page entitled Directors, Company Secretary, Registered Office and Advisers at the front of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

The Company was incorporated and registered in Ireland under the Companies Acts 1963 to 2001 as a public limited company on 19 March 2004 with registered number 383466 and under the name Cantrell & Cochrane International plc. It changed its name to C&C Group plc on 27 April 2004. The principal legislation under which the Company operates, and pursuant to which the Company's Shares have been created, are the Companies Acts (to the extent in force) and regulations thereunder.

The primary listing for the existing issued Shares is on the Irish Stock Exchange with a current market capitalisation of approximately €1,071 million as at close of the Irish Stock Exchange on 25 May 2010, being the last practicable date prior to publication of this document and based upon the number of Shares in issue at such time. The Company has a secondary listing on the Official List of the London Stock Exchange. The Company also has a Level 1 American Depository Receipts ("ADR") programme where each ADR represents three Shares.

The registered office of the Company is Block 71, The Plaza, Parkwest Business Park, Dublin 12, Ireland and its telephone number is +353 (0) 1 616 1100.

3. DIRECTORS

The Directors and their principal functions are set out on the page entitled Directors, Company Secretary, Registered Office and Advisers at the front of this document.

4. DIRECTORS' SHAREHOLDINGS AND SHARE OPTIONS

4.1 Shares

As at 25 May 2010 (being the latest practicable date prior to the publication of this document) the interests, all of which were legal and beneficial interests unless stated otherwise, of the Directors and their related parties who have interests in the share capital of the Company were as follows:

Director	Number of Shares	Percentage of Share Capital
Tony O'Brien	1,700,000	0.51%
Sir Brian Stewart	—	—
John Dunsmore	5,120,000	1.53%
Stephen Glancey	5,120,000	1.53%
Kenny Neison	2,560,000	0.77%
John Burgess	100,698	0.03%
Liam FitzGerald	35,000	0.01%
John Hogan	9,989	0.01%
Richard Holroyd	22,000	0.01%
Philip Lynch	793,786	0.24%
Breege O'Donoghue	57,870	0.02%

Notes

1. In the cases of John Dunsmore, Stephen Glancey and Kenny Neison, their respective holdings of 5,120,000, 5,120,000 and 2,560,000 Shares each are held through the Company's Joint Share Ownership Plan. Details of their interests in share options are set out in paragraph 4.2 below.

2. None of the Directors has any other interests in the Shares or other securities of the Company or any of its subsidiaries.

4.2 The Company Share Option Schemes

The Company operates two share option schemes; the Executive Share Option Scheme and the Long Term Incentive Plan. As at 25 May 2010 (being the latest practicable date prior to the publication of this document) no Director had any options to subscribe for Shares under the Long Term Incentive Plan, and the executive Directors had the following options to subscribe for Shares under the Executive Share Option Scheme:

Director	Shares under option	Exercise price per Share	Option exercise period
John Dunsmore	541,300	€1.94	13/05/2012 to 12/05/2016
Stephen Glancey	386,600	€1.94	13/05/2012 to 12/05/2016
Kenny Neison	232,000	€1.94	13/05/2012 to 12/05/2016

5. DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the Company's executive directors has a service agreement with C&C Management Services (UK) Limited. The term of each of these service agreements is not fixed. Each of the agreements may be terminated by either party on 12 months' notice or (at the election of the employer) by the payment of 12 months' salary in lieu of notice. Save for these provisions, none of the service agreements provides for termination payments or other benefits upon termination of employment. Each agreement terminates automatically in a range of specified circumstances including upon the sixty-fifth birthday of the executive director to which it relates or if the executive director becomes disqualified or prohibited by law from being a director, is dismissed for gross misconduct or is convicted of a criminal offence.

Tony O'Brien has a service agreement with C&C Group Irish Holdings Limited. The term of this service agreement is not fixed. The agreement may be terminated by the Company on 12 months' notice or (at the election of the employer) by the payment of 12 months' salary in lieu of notice and by Mr. O'Brien on six months' notice. Save for these provisions, the service agreement does not provide for termination payments or other benefits upon termination. The agreement terminates automatically in a range of specified circumstances including if the director becomes disqualified or prohibited by law from being a director, is gulity of conduct bringing him or the Group into disrepute or is convicted of a criminal offence.

Each of the Company's non-executive directors (other than Tony O'Brien) has an individual letter of appointment with the Company. Each letter of appointment (other than that with Sir Brian Stewart) is terminable at will by either party. The letter of appointment with Sir Brian Stewart is terminable by either party on one month's notice. None of the letters of appointment provides for termination payments or other benefits upon termination.

6. MAJOR INTERESTS IN SHARES

As at 25 May 2010 (being the latest practicable date prior to the publication of this document) the Company had been notified of notifiable interests in the Company's issued Shares, being holdings equating to at least three per cent. of the issued Share Capital (whether notifiable pursuant to Part IV of the Companies Act 1990 or the Transparency Regulations 2007, such interests being "Notifiable Interests") as set out below:

Shareholder	Shares	%
Capital Research & Management Company	21,238,992	6.36
Invesco plc	20,100,440	5.87
Oppenheimer Funds Inc	9,957,623	2.98

Save as set out above, the Company is not aware of any other Notifiable Interests.

7. RELATED PARTY TRANSACTIONS

Save as disclosed in Note 27 on page 85 of the 2008 Annual Report and Note 28 on pages 87 and 88 of the 2009 Annual Report (which notes are incorporated by reference in this document) and in Note 8 to the statement of Preliminary Results, the Company has not entered into any related party transaction during the period covered by the historical financial information contained in Part IV up to the date of this document.

8. MATERIAL CONTRACTS

8.1 The Continuing Group

The following is a summary of all material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Continuing Group (i) within the two years immediately preceding the date of this document which are or may be, material or (ii) which contain any provision under which any member of the Continuing Group has any obligation or entitlement which is material to the Continuing Group as at the date of this document:

8.1.1 The Sale Agreement which is summarised in Section 5 of Part I.

8.1.2 Agreement made between InBev UK Limited ("**ABI**"), Tennent Caledonian Breweries UK Limited (formerly Lawgra (No. C6934.2) Limited) (the "**Tennent's Purchaser**") and the Company dated 26 August 2009 for the sale and purchase of Anheuser-Busch InBev in Ireland, Northern Ireland and Scotland (the "**InBev Business**") for a total consideration of £180 million (then approximately €205 million). The principal assets of the InBev Business acquired include the rights to Tennent's brands worldwide (subject to a license back of Tennent's Super and Tennent's Pilsner), the Wellpark Brewery in Glasgow and trade loans made to customers of the Business.

Under the terms of the Agreement, ABI provided the Tennent's Purchaser with certain warranties usual for a transaction of this nature. In addition, ABI agreed to give specific indemnities covering certain matters identified as a result of the legal and financial due diligence exercise undertaken in respect of the InBev Business.

The Tennent's Purchaser provided various indemnities to ABI in respect of the Group's ongoing obligations pursuant to the terms of acquisition of the InBev Business.

The Tennent's Purchaser assumed the liabilities of the InBev Business excluding pension liabilities, financial indebtedness, tax, intra-group indebtedness and liabilities relating to properties not being acquired.

The Tennent's Purchaser entered into distribution arrangements with ABI for the distribution of certain ABI beer products, including Stella Artois, Beck's, Budweiser (subject to certain exceptions), Hoegaarden and Leffe. The Tennent's Purchaser obtained exclusive distribution rights in Ireland and Northern Ireland (subject to certain carve outs) and non-exclusive distribution rights for certain ABI beer products in the on-trade in Scotland (again, subject to certain carve outs). ABI products are supplied at cost. A royalty is payable to ABI based on net sales. The distribution arrangements contain minimum purchase obligations, volume share retention targets and market share growth targets, prohibitions on purchasing competing brands, as well as obligations to spend a minimum amount on marketing each year. The arrangements are for a term of 20 years. In addition to termination rights for material breach, either party may terminate the three distribution arrangements together at will on 12 months' notice after the first five years subject to making a termination payment.

ABI agreed to provide certain services (mainly relating to centrally provided head office services) for a maximum period of 12 months following completion of the acquisition of the InBev Business on a transitional basis.

8.1.3 Agreement made between Constellation Europe Limited, Constellation Europe (Holdings) Limited, C&C Cider Limited and the Company dated 30 November 2009 for the sale and purchase of part of the business and assets of Constellation Europe Limited, namely The Gaymer Cider Company, for a total consideration of £45 million (subject to an adjustment for net working capital). The assets acquired by the Company include a broad UK cider portfolio which includes the brands Blackthorn, Olde English and Gaymers; a cider production facility at Shepton Mallet, Somerset, England; and a distribution warehouse in Bristol, England.

8.1.4 The £60,000,000 committed revolving loan facility agreement made between the Company, Ulster Bank Ireland Limited, Bank of Scotland PLC, BNP Paribas and other members of the Group dated 27 November 2009.

The agreement provides for a committed revolving facility of £60 million to fund the acquisition of The Gaymer Cider Company and for general corporate purposes. The facility is denominated in sterling, is repayable in instalments with the final instalment due on 30 June 2011 and is subject to variable LIBOR interest rates plus a margin. The facility is unsecured and ranks pari passu with the indebtedness under the facility described at paragraph 8.1.5 below. The debt is guaranteed by a number of the Group's subsidiary undertakings.

The facility may be repaid early without additional penalties or charges being incurred. The facility is repayable in full on a change of control of the Group.

8.1.5 The committed revolving loan facility agreement entered into on 8 May 2007 by the Company and other members of the Group with, inter alia, Allied Irish Banks plc. The agreement provides for a committed revolving facility of €430 million. Further details relating to this agreement are set out in note 19 (page 70) of the 2009 Annual Report (which information is incorporated by reference into this document).

8.1.6 The Joint Share Ownership Plan adopted by Shareholders on 18 December 2008. Further details relating to the Joint Share Ownership Plan are set out in note 5 (pages 58 and 59) of the 2009 Annual Report which information is incorporated by reference into this document.

Save as disclosed in paragraphs 8.1.1 to 8.1.6 inclusive above, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by members of the Continuing Group (i) within the two years immediately preceding the date of this document and which are or may be material, or (ii) which contain any provision under which any member of the Continuing Group has any obligation or entitlement which is material to the Continuing Group as at the date of this document.

8.2 C&C Spirits

The following is a summary of all material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by C&C Spirits (i) within the two years immediately preceding the date of this document which are or may be, material or (ii) which contain any provision under which C&C Spirits has any obligation or entitlement which is material to C&C Spirits as at the date of this document:

8.2.1 The Supply and Bottling Agreement between C&C International Limited ("**CCIL**"), Irish Distillers Limited and Irish Distillers International Limited dated 4 March 1994 for the supply of Tullamore Dew blended whiskey. The agreement had an initial five year term from 4 March 1994 and continues thereafter unless terminated by either party providing, at least, ten years' prior written notice served after expiry of the initial five year period.

8.2.2 The Manufacturing and Bottling Appointment Agreement between CCIL and Barbero dated 9 January 2004 under which CCIL appointed Barbero as its sole manufacturer and bottler of Frangelico product for an initial term expiring on 31 December 2008 and continuing automatically thereafter for further periods of five years unless either party gives written notice of termination not later than one year before the end of the initial term or any additional term.

8.2.3 The agreement dated 12 May 1992 (as since amended and novated) between Grants of Ireland Limited, a subsidiary of the Company, and Orlco Limited for the supply by Orlco to the Group of the base cream liqueurs used by the Group in the manufacture of Carolan's Irish Cream Liqueur and related products. The Agreement had an initial term of six years from 1 February 1992 and continues thereafter unless terminated by either party providing at least 180 days' written notice.

8.2.4 The Distribution Agreement dated 19 September 1983 between Barbero and William Grant & Sons Inc. (as since novated from Barbero to CCIL with effect from 1 June 2002) for the distribution by William Grant of Frangelico in the United States. The Agreement has an initial term which expires in 2082.

Save as disclosed in paragraphs 8.2.1 to 8.2.4 above, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by C&C Spirits (i) within the two years immediately preceding the date of this document and which are or may be material, or (ii) which contain any provision under which C&C Spirits has any obligation or entitlement which is material to C&C Spirits as at the date of this document.

9. LITIGATION

9.1 The Continuing Group

No member of the Continuing Group is or has been involved in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are any such proceedings pending or threatened by or against any member of the Continuing Group which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Continuing Group's financial position or profitability.

9.2 C&C Spirits

C&C Spirits is not nor has it been involved in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are any such proceedings pending or threatened by or against C&C Spirits which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or profitability of C&C Spirits.

10. WORKING CAPITAL

The Company is of the opinion that, after taking into account the facilities available to the Continuing Group, the Continuing Group has sufficient working capital for its present requirements, that is, for at least the 12 months following the date of publication of this document.

11. SIGNIFICANT CHANGES

11.1 The Group

There has been no significant change in the financial or trading position of the Group since 28 February 2010, being the end of the last period for which financial information has been published.

11.2 C&C Spirits

There has been no significant change in the financial or trading position of C&C Spirits since 28 February 2010, the date to which the historic financial information set out in Part IV is prepared.

12. INCORPORATION BY REFERENCE

The 2008 Annual Report and the 2009 Annual Report (or parts of them) are incorporated by reference in, and form part of, this document. Part VII of this document sets out the location of references to the above documents within this document.

13. CONSENTS

13.1 Rothschild has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

13.2 Davy has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

13.3 KPMG has given and has not withdrawn its written consent to the inclusion in Part V of this document of its report in the form and context in which it appears.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents referred to below will be available for inspection in physical form during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of McCann FitzGerald at Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland and the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU from the date of this document up to and including 17 June 2010, being the date of the Extraordinary General Meeting.

(a) the Memorandum and Articles of Association of the Company;

(b) the consolidated audited accounts of the Group for the years ended 28 February 2009 and 29 February 2008;

(c) the unaudited preliminary results of C&C for the year ended 28 February 2010, as set out in Part III of this document;

(d) KPMG's report on the pro forma financial information set out in Part V of this document;

(e) the consent letters referred to in section 13 above;

(f) the Sale Agreement;

(g) the Form of Proxy; and

(h) this document.

Dated: 27 May 2010

PART VII—DOCUMENTS INCORPORATED BY REFERENCE

Information incorporated by reference	Document reference	Page number(s) in this document
Executive Share Option Scheme	the 2009 Annual Report (pages 30, 31, 51, 57 and 59)	55
Long Term Incentive Plan	the 2009 Annual Report (pages 31, 51, 57 and 59)	55
Joint Share Ownership Plan	the 2009 Annual Report (pages 31, 32, 51, 58 and 59)	54 and 57
Related party transactions	the 2009 Annual Report (note 28 on pages 87 and 88) and the 2008 Annual Report (note 27 on page 85)	55
Facility Agreement	the 2009 Annual Report (note 19 on page 70)	57

DEFINITIONS

In this document and in the Form of Proxy the following expressions have the following meanings, unless the context otherwise requires, or unless it is otherwise specifically provided in this Circular:

"Act"	the Companies Act 1963 of Ireland (as amended);
"Barbero"	Barbero 1891 S.p.A;
"Board"	the Directors;
"Business Day"	any day on which banks are open for business in Dublin, not being a Saturday or Sunday or bank holiday;
"Buyer " or "William Grant"	William Grant & Sons Holdings Limited, a company registered in Scotland under registered number SC282845, or a subsidiary nominated and guaranteed by it to act as buyer of C&C Spirits;
"Campari"	Davide Campari-Milano S.p.A.;
"certificated" or "in certificated form"	a share or other security which is not in uncertificated form (i.e. a share or other security which is not in CREST);
"Circular"	this document dated 27 May 2010, which comprises a circular to Shareholders pursuant to the Listing Rules;
"Companies Acts"	the Companies Acts 1963 to 2009 of Ireland;
"Completion"	completion of the Disposal in accordance with the terms of the Sale Agreement;
"Completion Adjustment"	the adjustment to the consideration payable for C&C Spirits which is described under "Terms of the Disposal and Related Arrangements—Purchase Price" in the Letter from the Chairman in Part I of this document;
"Completion Working Capital Level"	the level of Working Capital of C&C Spirits at Completion to be agreed by the parties in accordance with the terms of the Sale Agreement;
"Continuing Group"	the Company, its subsidiary undertakings and associates following completion of the Disposal;
"CREST"	the relevant system in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Crest Regulations);
"CREST Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Services Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear UK & Ireland Limited on 15 July 1996 and as amended above);
"CREST member"	a person who is admitted to Euroclear as a system member (as defined in the CREST Regulations);
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);

"CREST Proxy Instruction"	the appropriate CREST message for a Shareholder holding Shares in CREST to appoint a proxy or proxies utilising the relevant procedures described in the CREST Manual;
"CREST Regulations"	the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996) and the Companies Act 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (S.I. No. 693/2005);
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor;
"CREST Sponsored Member(s)	a CREST member admitted to CREST as a sponsored member;
"C&C" or the "Company"	C&C Group plc, registered in Ireland as a limited liability company under registered number 383466;
"C&C Spirits"	the international spirits and liqueurs business of the C&C Group comprising the Spirits Companies and those other assets of the Group (comprising laptops and other electronic equipment, cars and rights in relation to specified websites) used wholly or predominantly in that business;
"Davy"	J&E Davy, trading as Davy, including its affiliate Davy Corporate Finance, which is regulated in Ireland by the Irish Financial Regulator and has its registered office at Davy House, 49 Dawson Street, Dublin 2;
"Directors"	the Directors, whose names are set out on page 2 of this document;
"Disposal"	the proposed disposal by the Company of C&C Spirits, subject to the terms and conditions of the Sale Agreement;
"EBITDA"	earnings before interest, tax, depreciation and amortisation;
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company convened for 11.00 a.m. on 17 June 2010 and to be held at The Fitzwilliam Hotel, St. Stephen's Green, Dublin 2, Ireland, including any adjournment thereof, and notice of which is set out at the end of this document;
"€" or "euro"	the single currency of member states of the European Communities that adopt or have adopted the euro as their currency in accordance with legislation of the European Union relating to European Economic and Monetary Union;
"Financial Regulator"	Irish Financial Services Regulatory Authority;
"Form of Proxy"	the form of proxy for use by Shareholders in connection with the EGM;
"Group" or "C&C Group"	the Company and its subsidiaries;
"IFRS"	International Financial Reporting Standards;
"Ireland" and "Republic of Ireland"	the island of Ireland, excluding Northern Ireland, and the word "Irish" shall be construed accordingly;
"Irish Stock Exchange" or "ISE"	The Irish Stock Exchange Limited;

"Key Markets"	means Australia, Brazil, Bulgaria, Canada, Czech Republic, Denmark, France, Germany, Great Britain, Ireland, Italy, Latvia, Poland, Portugal, Russia, Spain, Sweden and the US;
"Listing Rules"	the listing rules of the Irish Stock Exchange;
"Long Alcohol" or "Long Alcohol Drinks"	ale, cider, lager and stout;
"Net Cash/Debt"	the aggregate of (a) cash in hand or cash credited to an account with a financial institution held by or on behalf of any of the Spirits Companies including cash equivalents and the amount (if positive) of the net amounts owing at Completion to any of the Spirits Companies by any member of the Continuing Group less (b) any borrowing and indebtedness in the nature of borrowing of any of the Spirits Companies at Completion, excluding any derivative financial liabilities, but including the amount of the net amounts owing at Completion by any of the Spirits Companies to any member of the Continuing Group;
"Net Debt"	short term and long term debt, net of cash and cash equivalents;
"Notice"	the notice of Extraordinary General Meeting set out at the end of this document;
"Official List"	the official list of the Irish Stock Exchange or of the London Stock Exchange, (together, the "Official Lists")
"Optionholders"	holders of Options under the Company's Executive Share Option scheme or Long Term Incentive Plan;
"Options"	options granted pursuant to the terms of the Company's Executive Share Option scheme or Long Term Incentive Plan;
"Pernod Ricard"	Pernod Ricard SA;
"Preliminary Results"	the unaudited results of the Group in respect of the 12 months ended 28 February 2010, as published on 25 May 2010;
"Prospectus Directive Regulation"	Commission Regulation (EC) No. 809/2004 of 29 April 2004;
"Registrars"	Capita Registrars (Ireland) Limited, trading as Capita Registrars, being the registrars of the Company;
"Resolution"	the ordinary resolution to approve the Disposal set out in the Notice, to be considered and voted on at the EGM;
"Sale Agreement"	the sale agreement between the Company and William Grant, as Buyer and as Guarantor, a summary of the principal terms of which is contained in section 5 of Part I of this document;
"Shares" or "Share Capital"	the issued and fully paid ordinary shares of nominal value €0.01 each in the capital of the Company;
"Shareholder(s)"	a holder or holders of Shares;
"Spirits Companies"	C&C International Limited, Grants of Ireland Limited and Irish Mist Liqueur Company Limited;

"subsidiary"	shall be construed in accordance with the Act;
"subsidiary undertakings"	shall have the meaning given by the European Communities (Companies: Group Accounts) Regulations 1992 (SI No. 201 of 1992);
"Target Working Capital Level"	the estimated value of Working Capital of C&C Spirits on Completion as has been agreed by the parties to the Sale Agreement;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"US" or United States"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America; and
"Working Capital"	the working capital in C&C Spirits being the value of inventory, trade debtors and prepayments less specified accruals.

Notes:

(i) Unless otherwise stated in this document, all references to statutes or other forms of legislation shall refer to statutes or forms of legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, consolidation, re-enactment or extension thereof.

(ii) Words importing the singular shall include the plural and vice versa, and words importing the masculine shall include the feminine or neutral gender.

C&C GROUP PLC

(Incorporated and registered in Ireland under the Companies Acts 1963 to 2001 with registered number 383466)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** of C&C Group plc (the **"Company"**) will be held at 11.00 a.m. on 17 June 2010 at The Fitzwilliam Hotel, St. Stephen's Green, Dublin 2, Ireland to consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution of the Company.

ORDINARY RESOLUTION

THAT the proposed disposal by the Company of C&C Spirits subject to the terms and conditions of the Sale Agreement (the "**Disposal**"), as such capitalised terms are defined in the circular dated 27 May 2010 and sent to shareholders of the Company describing the Disposal (the "**Circular**") of which this notice forms a part, be and is hereby approved, subject to such waivers, extensions, non-material amendments or variations to the Disposal as the directors of the Company (or a committee of the directors of the Company) may determine and the directors of the Company (or a committee of the directors of the Company) be and are hereby authorised to do all things as they may consider to be necessary or desirable to implement and give effect to, or otherwise in connection with, the Disposal and any matters incidental to the Disposal.

BY ORDER OF THE BOARD:
Sinead Gillen
Company Secretary

Registered Office:
Block 71
The Plaza
Parkwest Business Park
Dublin 12
Ireland

Dated: 27 May 2010

Notes:

Entitlement to attend and vote

1 Only those Shareholders registered on the Company's register of members at:

- 6.00 pm on 15 June 2010; or
- if the Extraordinary General Meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned Extraordinary General Meeting,

shall be entitled to attend and vote at the Extraordinary General Meeting, or, if relevant, any adjournment thereof.

Website giving information regarding the meeting

2 Information regarding the Extraordinary General Meeting, including the information required by section 133A(4) of the Companies Act 1963, is available from www.candcgroupplc.com.

Attending in person

3 The Extraordinary General Meeting will be held at The Fitzwilliam Hotel, St. Stephen's Green, Dublin 2, Ireland. If you wish to attend the Extraordinary General Meeting in person, you are recommended to attend at least 15 minutes before the time appointed for holding of the Extraordinary General Meeting to allow time for registration. Please bring the attendance card attached to your Form of Proxy and present it at the shareholder registration desk before the commencement of the Extraordinary General Meeting.

Appointment of proxies

4 A Shareholder who is entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote instead of him. A Shareholder may appoint more than one proxy to attend and vote at the Extraordinary General Meeting in respect of shares held in different securities accounts. A Shareholder acting as an intermediary on behalf of one or more clients may grant a proxy to each of its clients or their nominees provided each proxy is appointed to exercise rights attached to different shares held by that Shareholder. A proxy need not be a Shareholder of the Company. If you wish to appoint more than one proxy then please contact the Company's registrars, Capita Registrars (Ireland) Limited, on +353 (1) 810 2400.

5 A Form of Proxy for use by Shareholders is enclosed with this Notice of Extraordinary General Meeting (or is otherwise being delivered to Shareholders). Completion of a Form of Proxy (or submission of proxy instructions electronically) will not prevent a shareholder from attending the Extraordinary General Meeting and voting in person should they wish to do so.

6 To be valid, a Form of Proxy and any power or other authority under which it is executed (or a duly certified copy of any such power or authority) must be lodged with the Company's Registrar Capita Registrars (Ireland) Limited, of Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Republic of Ireland not later than 48 hours before the Extraordinary General Meeting or adjourned Extraordinary General Meeting or (in the case of a poll taken otherwise than at or on the same day as the Extraordinary General Meeting or adjourned Extraordinary General Meeting) at least 48 hours before the taking of the poll at which it is to be used.

7 To appoint a proxy electronically log on to the website of the registrars, Capita Registrars (Ireland) Limited: www.capitaregistrars.ie. Shareholders should select "Log on to shareholder services" from the online services menu. Shareholders will need their Shareholder Investor Code (or IVC) as printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website.

8 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof by following the procedures laid down in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s) should refer to their CREST Sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.

9 In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company's registrars, Capita Registrars (Ireland) Limited, as issuer's agent (ID Number 7RA08) by the latest time(s) for receipt of proxy appointments specified in this notice of Extraordinary General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

10 CREST members and where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act, 1990 (Uncertificated Securities) Regulations 1996.

Issued shares and total voting rights

12 The total number of issued Shares on the date of this notice of Extraordinary General Meeting is 334,068,149. On a vote by show of hands every Shareholder who is present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every Shareholder shall have one vote for every share carrying rights of which he is the holder. The Resolution is an ordinary resolution and requires a simple majority of those votes cast by Shareholders voting in person or by proxy to be passed.

Questions at the Extraordinary General Meeting

13 Under section 134C of the Companies Act 1963, the Company must answer any question you ask relating to the business being dealt with at the Extraordinary General Meeting unless:

- answering the question would interfere unduly with the preparation for the Extraordinary General Meeting or the confidentiality and business interests of the Company;
- the answer has already been given on a website in the form of an answer to a question; or
- it appears to the Chairman of the Extraordinary General Meeting that it is undesirable in the interests of good order of the meeting that the question be answered.

Shareholders' right to table draft resolutions

14 The Extraordinary General Meeting is being convened to consider the resolution set out in this Notice of Extraordinary General Meeting. Section 133B of the Companies Act 1963 (which provides that a member or members meeting the prescribed qualification criteria may table a draft resolution for an item on the agenda of an extraordinary general meeting) is accordingly inapplicable.

Documents available for inspection

15 Copies of the documents listed in Section 14 of Part VI of this document may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of McCann FitzGerald, Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland and the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU up to and including the date of the Extraordinary General Meeting.

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