annual report and accounts

Develop markets

Markets are about more than just understanding particular geographies or demographics, although both are crucial factors in marketing success, products are of critical importance too. Successful new products stimulate and develop markets. In the medium to long term, the market outlook is good for cider as a drinks category. To capitalise fully on this opportunity, we need to stabilise our existing product portfolio while, at the same time, developing our markets by being innovative in bringing forward new drinks experiences to consumers.

Deliver growth

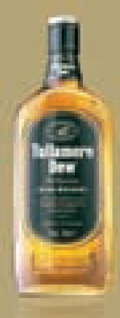
Our vision is to be a successful manufacturer of premium and niche drinks that does not rely on scale for success. We have a state-of-the-art cider manufacturing facility. It is supported by strong R & D and marketing capabilities. We are led by a superior quality management team and have a committed and responsive workforce. Taken together, these considerable assets constitute a robust basis from which to deliver future growth.

Improve shareholder value

Our business is leaner and simpler to manage than it has ever been and it is 'right sized' to meet our realistic medium term commercial objectives. We have a portfolio of outstanding premium and niche drinks brands and we are committed to introducing innovative new products that will enhance our portfolio. At the same time, we continue to focus relentlessly on improving both our cost competitiveness and the efficient running of our operations. Building on this three-pronged strategy, our objective is to deliver improved value for our shareholders.

Contents

Chairman's statement	2
Chief executive's review	4
Operations review	8
Finance review	16
Corporate responsibility	19
Board of Directors	20
Directors' report	22
Directors' statement of corporate governance	25
Report of the remuneration committee on Directors' remuneration	30
Statement of Directors' responsibilities	36
Independent auditor's report	37
Group income statement	39
Group statement of recognised income and expense	40
Group balance sheet	41
Group cash flow statement	42
Company balance sheet	43
Company cash flow statement	44
Company statement of changes in equity	45
Statement of accounting policies	46
Notes forming part of the financial statements	54
Shareholder and other information	90



Chairman's statement

This is the second successive year that the Group's sales and profits have declined and it is a matter of much disappointment for all our shareholders. A number of extremely negative external factors militated against us again, notably, poor summer weather, the onset of global recession, rapidly deteriorating consumer sentiment as well as more intense competition. However, we would also acknowledge that management's response to these challenges was less than satisfactory.

As a result your Board conducted a detailed review of the business and its shortcomings which resulted in the introduction of fresh thinking, a better understanding of the issues relating to route to market and a deeper appreciation of the nuances of the UK trade and the consumer mindset. We recruited a new and highly experienced management team, bringing with them know-how and market astuteness. We restructured the business to a leaner and simpler format which is better equipped to cope with a highly aggressive trading environment.

Remuneration/Compensation

At a specially convened Extraordinary General Meeting of the Company held last December, shareholders supported the recruitment of the new management team, together with their highly incentivised pay arrangements, details of which are contained in the Report of the Remuneration Committee on Directors' Remuneration. I would like to thank the Irish Association of Investment Managers for its guidance and contribution on this matter.

I also feel it appropriate to acknowledge the magnanimous gesture of the new team who voluntarily waived their entitlement to a 3% salary increase in 2009 and also waived their annual bonus entitlement, for the financial year ending 28 February 2010, worth up to 80% of salary, in order to part fund an all-employee bonus scheme. This demonstrates their commitment and belief in the Company.

repositioning the group

In order to effect the management changes mentioned above it was necessary to terminate the contracts of the former team, which was costly. In each case the Remuneration Committee took expert legal advice who advised that the Company's position was not a strong one. In some instances the contracts were entered into many years ago and reflected market practice at that time, notably two-year notice periods. The conclusions of the Remuneration Committee were that the Company was legally obliged to pay these sums.

Financials

Revenue for the year was €514 million representing a decline of 14% on the previous year. Operating profit, before exceptional items, at €100.4 million declined by 18.8%. Cash flow was strong, with net debt to EBITDA of 1.9 times. The carrying value of our physical assets was written down by €130m while our stocks of apple juice was written down by €11m. These write-downs reflect the reality of the situation.

Dividends

It is proposed to pay a final dividend of three cent per share, subject to Shareholder approval. If approved, this will bring the Group's full year dividend to nine cent per share. A scrip dividend alternative will also be available.

Board and Senior Management

We have a very able and committed Board of Directors who bring a broad mix of skills and competencies to the Boardroom. I wish to express my gratitude for their wholesome support and dedication during the past demanding year.

As already mentioned significant changes took place at Executive Director level, designed to bring a new dynamic to the organisation. On 10 November 2008, John Dunsmore joined the organisation as Group CEO, replacing Maurice Pratt who announced his resignation on 9 October 2008. Stephen Glancey joined us as Chief Operations Officer and is now also the Finance Director. Both John and Stephen joined the Board with immediate effect. The Group also appointed Kenny Neison as Strategy Director and more recently appointed Paul Bartlett as Marketing Director. All four appointees are former members of the senior management team at Scottish & Newcastle Plc. Together, they bring a renewed impetus to our Group and an innate knowledge of the LAD industry, plus a proven track record for building shareholder value.

On 1 May 2009, Brendan Dwan retired as Finance Director after thirty-four years service with the Group. I wish to thank him for his immense contributions in so many ways over a very long period of time.

Following the appointment of the new management team, John Holberry indicated his desire to leave the Board and his executive position in August 2009 to pursue other opportunities which will advance his career progression. John joined C&C in March 2008 as Managing Director of Magners GB from Coors Brewers Ltd.

As provided for in the Company's Articles of Association, John Dunsmore and Stephen Glancey are proposed for election at the Annual General Meeting on 28 August 2009. Also in accordance with the Company's Articles of Association and the Combined Code on Corporate Governance, each year at the AGM at least one third of the Directors retire from the Board and submit themselves for re-election at the forthcoming AGM. This year John Burgess, Richard Holroyd and Breege O' Donoghue will retire from the Board and seek re-election at the Annual General Meeting.

I can confirm that I have again conducted a formal evaluation of the performances of all Directors and each of them continues to perform most effectively and to demonstrate a high level of energy and commitment to their roles. I therefore strongly recommend the re-election of the above Directors.

Outlook

Given the severity of the recession and the impact of the ongoing turmoil in financial markets across the globe, the outlook for the current financial year is extremely challenging. In this difficult environment, management's efforts will be focussed resolutely on cost reduction and cash generation measures in particular. The team are already fully committed to stabilising the business and restoring investor confidence.

Tony O'Brien
Chairman

Chief executive's review

This was a disappointing year in terms of our trading and financial performance. It was also a year when we identified and commenced implementation of key changes to the way we do business so as to adjust to the new reality of the marketplace; to acknowledge where we find ourselves now; and to begin moving towards where we want the Group to be positioned over the medium to long term.

Trading conditions were extremely challenging. Our core cider brands lost market share in Great Britain and Ireland where we encountered poor summer weather. Consumer confidence everywhere flagged considerably against a background of a rapidly deteriorating international economic climate. Sterling weakened against the Euro and the trend away from the on trade to the off trade continued. The overall outcome of these trends was downward pressure on prices and volumes; a loss of market share; and a large decrease in profits.

There are major issues and challenges that are external to our Group and we must work within that given framework. However, an important insight gained this year was to acknowledge that some of the most fundamental issues we faced were internal to our own organisation. The task of successfully managing our destiny is solely our own – to be a good small company rather than a second rate large one. That means we had to get our size right relative to current and foreseeable market demand and we had to take firm and clear action on getting our costs under control and our organisational structures right. We have to become better and more nimble in our marketing; at innovation; and in new product development.

In evolution from our Initial Public Offering in 2004, we passed an important staging point this year, completing the transition from being a multi-product Group to being a more focussed business with a manageable balance of business exposures. We have a new sense of reality about the challenges and opportunities we face in a difficult market. The actions we took – including writing down the value of the manufacturing plant at Clonmel; the write off of apple juice stocks; the management restructuring; and the planned consolidation of our Dublin offices into one location – all underline our new reality and place us in a much better position to compete effectively.

the next steps...

Costs and reorganisation

Half of our volume is exported from Ireland, a base where the overall cost of doing business is extremely high. We have to adapt to that exporting reality and become more cost competitive.

Following a strategic and operational review, we streamlined and simplified our business organisation and management structure. A key emphasis in this programme was creating greater accountability for business outcomes and ensuring improved sharing of commercial knowledge within the Group. In February, we announced a reorganisation of operations in Clonmel and of our commercial structure in Ireland. We removed management layers in manufacturing and aligned our sales force more closely with our commercial side. 121 employees, about one in every five of our workforce, were made redundant as part of the drive to align costs more closely with international benchmarks in our business sector. We imposed a twelve months pay freeze and made changes in employee terms and conditions to align remuneration with financial results.

Markets

In Western European markets, the level of government duty and taxation as a share of the price of a pint or a bottle is relatively high. Therefore, cost effectiveness is important but only buys us some time in the marketplace rather than providing us with a sustained long term position. The winning position for Magners and Bulmers is to be a premium brand based on the authenticity of the product.

Our marketing task in Great Britain is different to our task in Ireland so we will approach each market in a way that is appropriate to its circumstances. In Ireland, Bulmers is a long established brand with more than 85% market share. The on trade is still more dominant and, because of the structure of pub ownership, the route to market is relatively simple. In Great Britain, Magners is a developing brand with c. 10% market share, where the off trade is bigger and the route to market is more complex.

We want to have a locally relevant brand strategy and execution, responsive to local customer and consumer needs, to achieve a growing share in a growing category.

Chief executive's review

NPD will be important to strengthen both Bulmers & Magners brands

We have given our marketing team the mandate to do the right thing for the Magners brand in Great Britain; to differentiate the marketing and advertising campaigns there from those of Bulmers in Ireland. We want to have a locally relevant brand strategy and execution, responsive to local customer and consumer needs, to achieve a growing share in a growing category. We have taken steps to improve the cost efficiency and effectiveness of our investment in advertising and promotion and we are well positioned to take advantage of the deflationary pressures on media costs. In Ireland, we want to continue to grow the cider category by augmenting our portfolio to include Pear, Light, Mid Strength and more, through an increased focus on sampling and by refreshing our advertising. In the rest of the world we will work towards establishing a long term premium cider category.

Innovation and new product development will be critical to our success in all our markets. For example, in Great Britain 70% of the market in on trade cider is draught. We have positioned draught Magners as a premium product and our partnership with Coors overcomes the normal distribution challenges. So far, we have achieved a 3%+ share of draught in the managed pub chains. Our new pear cider appeals to women and a younger demographic and we developed it to capture a share of this rapidly growing market.

Our Vision

- Product authenticity
- Innovation
- Excellent brand management
- Competitive and agile operation
- Strategic alliances
- Long term perspective

Regrettably, our investment in developing new markets for Magners in northern Spain and southern Germany was not successful and we have scaled back on it. A medium term review of our strategy is underway and in the short term we will focus on established cider market opportunities in the rest of the world, such as the United States and Australia where we have experienced growth.

Our experience in Spain and Germany confirms our fundamental analysis that, while consumer research shows that cider is an attractive category, each market is unique. Magners is compatible with the portfolios of most major operators in most of the major markets. It can enhance a drinks company's portfolio because of its strong appeal to women and younger adults and can be competitive through a strong brand proposition and competitive production costs.

The challenge is to be flexible, to understand the optimum route to market and to respond to that. It will take time. For now, our focus is to restore shareholder confidence by stabilising volumes and building our credibility in our core markets of Great Britain and Ireland.

John Dunsmore
Chief Executive Officer

Operations review

getting going...

FY 2009 OVERVIEW

Revenue for the full year of €514.4m represents a 11% decline on FY 2008 on a constant currency basis (14% decline on a reported basis). Operating profit before exceptional items declined by 18.8% to €100.4m. This equates to an Operating margin of 19.5%, a decline of 1.2 percentage points on the prior year. This figure includes the benefit of a €10.2m hedging gain. Excluding this gain Operating profit before exceptional items for the full year is €90.2m, which represents a 27% decline on the prior year performance in constant currency terms. It also represents an Operating margin of 17.9%, a 3.3 percentage point decline on the prior year performance on a constant currency basis.

innovation is key to a successful future

The Group incurred an Operating loss of €59.2m and a basic loss per share of 19.4c. Adjusted diluted earnings per share (excluding exceptional items and discontinued operations) is 25.4c.

This performance reflects a rapid deterioration in economic conditions in the Group's core markets over the past year and the consequent impact on consumer spending. It also reflects an increasing shift from the on trade to the off trade market. Performance was adversely affected by a second consecutive period of poor summer weather during 2008 and a substantial strengthening of the Euro against Sterling reducing the Group's cost competitiveness in the UK. These conditions have contributed to both price and volume declines together with a loss of market share in Ireland and the UK.

The Group has undertaken a series of initiatives to align its business structure, asset base and management team with the current challenging operating environment. These initiatives included a reorganisation and restructuring of the Group's operations in Clonmel and its commercial structure in Ireland, and a review of both the carrying value of its manufacturing facility in Clonmel and its stock holding of apple juice. As a result, C&C has written down the value of its property, plant & machinery by a net €130.6m comprising a gain of €5.9m arising on the re-valuation of land and a loss of €136.5m on the re-valuation of buildings and plant & machinery assets. In addition, the Group incurred an €11.1m write down of excess apple juice stocks and a net reorganisation and restructuring charge of €12m. Total exceptional operating charges for the period amounted to €159.6m and are primarily non-cash items.

Operations review

cider is a long term

DIVISIONAL REVIEW – CIDER

	Year ended 28 February 2009 €m	Year ended 29 February 2008 €m	Year ended 29 February 2008* €m	Growth Year-on-Year* %
Revenue	386.8	465.3	456.4	(15.2)
Operating Profit	84.8	107.5	108.3	(21.7)
Operating Margin %	21.9	23.1	23.7	

*constant currency as calculated on page 15

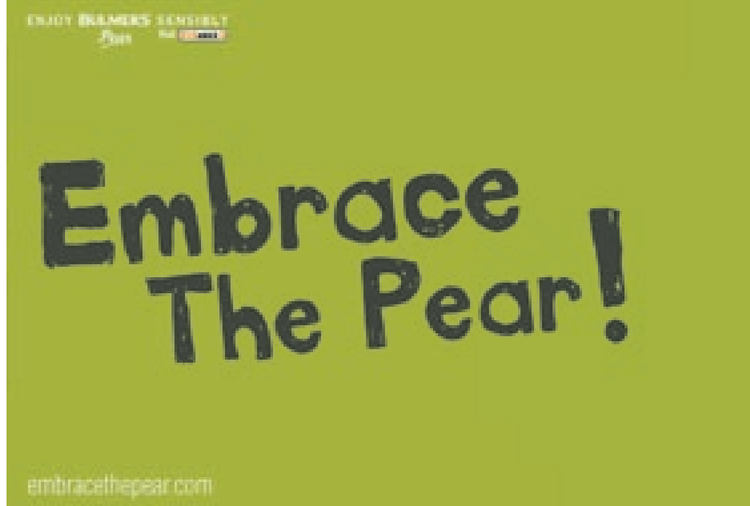
Revenue for the Cider division of €386.8m represents a 15.2% decline on FY 2008 on a constant currency basis. Operating profit decreased by 21.7% to €84.8m. Operating margin, in constant currency terms, declined by 1.8 percentage points year-on-year.

Revenue and Operating profit performance includes the benefit of a €10.2m hedging gain. Excluding this benefit, Operating profit, of €74.6m, represented an Operating margin of 19.8%, a 3.9 percentage point decline year on year on a constant currency basis.

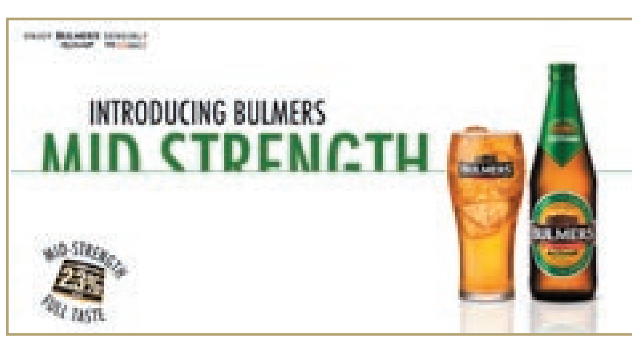
This performance represents a Revenue decline for Bulmers in Ireland of 14.1% and 18.7% for Magners in GB. For the Rest of the World, Magners Revenue increased by 0.9%.

In the Republic of Ireland, the long alcoholic drinks (LAD) market declined by 4.8%[i] in the 12 months to February 2009. Deteriorating economic conditions, a second consecutive period of poor summer weather and the resulting cumulative impact of both these factors on consumer recruitment negatively impacted Bulmers. Bulmers market share declined by 0.4 percentage points to a 9.4% share as at February 2009. Bulmers on trade market share declined by 0.6 percentage points to 10.1% but increased in the off trade by 0.1 percentage point to 7.9%.

[i] Source: Neilson data to March 2009



growth category



In Great Britain, the Cider category continues to grow in a declining LAD market. In the 12 months to January 2009, the total LAD market declined by 4.9%[i]. In the same period, the on trade LAD market declined by 9.0% while the on trade Cider market grew by 2.4%. Magners' market share of the on trade Cider market declined by 5.1 percentage points to 15.2%.

The off trade LAD market volume was broadly unchanged year-on-year in the 12 months to February 2009 while Cider grew by 9.5%. During this period, Magners off trade share of Cider declined by 0.9 percentage points to 6.6%.

Export volumes to the rest of the world continue to grow. Volumes to the US and Australia increased while performance in Germany and Spain has been below expectations.

[i] Source: Neilson data to March 2009

Operations review

DIVISIONAL REVIEW – SPIRITS & LIQUEURS

	Year ended 28 February 2009	Year ended 29 February 2008	Year ended 29 February 2008*	Growth Year-on-Year*
	€m	€m	€m	%
Revenue	85.9	87.5	84.8	1.3
Operating Profit	15.3	15.8	14.4	6.3
Operating Margin %	17.8	18.1	17.0	

*constant currency as calculated on page 15

Revenue for the Spirits & Liqueurs division of €85.9m represents a 1.3% increase on FY 2008. Operating profit increased by 6.3% to €15.3m. Operating margin, in constant currency terms, increased by 0.8 percentage points year-on-year.

Our Spirits & Liqueurs business is a compact portfolio of attractive niche brands with a manageable geographic diversification. It has a straightforward business model that is light on assets and resources but generates strong cash flow and economic value for the Group.

Overall shipment volumes in Spirits & Liqueurs were level year-on-year. Carolans reported good growth with a 5% increase in shipments. This was, however, offset by level volumes in Tullamore Dew and a 5% volume decline in both Frangelico and Irish Mist.

a compact portfolio of attractive niche brands

Our premium Irish whiskey, Tullamore Dew, has had an unprecedented period of growth in recent years but the deteriorating international economic climate has created challenges for everybody in the spirits industry. The inevitable response of distributors has been to reduce their stock holdings to the minimum required and this has had the effect of reducing our shipments of whiskey to them. Depletions – sales from the distributors to the retail level – have not shown anything like the same decline. Tullamore Dew performed well in Germany and the United States but this was offset by poorer trading in Spain and Latvia. Irish whiskey remains very popular in Eastern Europe but, unfortunately, the region contains a number of countries that are severely challenged economically and their currencies are weak. In the longer term, across all our markets, a premium Irish whiskey product like Tullamore Dew benefits from a strong heritage and there will always be demand for quality products.

Volumes of Carolans increased but Frangelico was weaker. We repackaged Irish Mist and repositioned it as analogous to an Irish whiskey brand.

We sold FindlaterGrants, our wine and spirits distribution business in the Republic of Ireland, in September 2008. While in February 2009 the Group completed the sale of our similar business in Northern Ireland. Net proceeds received amounted to €12.9m.

Operations review

Balance Sheet, dividends, resource management

Our capital structure is robust and we have funding in place at a competitive service cost until 2012. Only €310m of our €430m facility has been drawn down.

Our business generates a strong and sustainable free cash flow, our Balance Sheet is strong and we have good Reserves. We have put in place a sustainable dividend framework that is credible within our capital structure and sustainable against our current business prospects. We thought it appropriate to rebase our dividend, recognising our capital structure. We propose to pay a final dividend of 3 cent per share, bringing the full year dividend to 9 cent per share. Our intention for the financial year to 28 February 2010 is to sustain a dividend of at least 6 cent per share.

Outlook

Internationally, the cider category is growing much more strongly than ale, beer, stout and flavoured alcoholic beverages and our export volumes to the rest of the world continue to grow. Our biggest market, Great Britain, experienced growth even in 2008 but the issue was that we lost market share. That scenario gives us an incentive and a challenge to improve our performance there. In Ireland, we face a different challenge because, while we have over 85% market share, the overall drinks market is much more difficult in the current depressed economic environment. In addition, we have to overcome the negative international perception of Ireland at the moment.

Nevertheless, our considered view is that, in the long term, the cider category is capable of capturing a 5%+ share of most beer markets and that approaching that market share would be an extremely attractive business prospect for our shareholders. That is why we are taking a long term approach to doing the right things in the right way with a view to getting our business back to a pattern of sustainable growth.

Stephen Glancey
Chief Operating Officer
Group Finance Director

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 FY 2009 effective rates. The comparative rates used are:

	Translation (Actual average rate)		Transaction (Effective rate incl. impact of hedging)	
	FY 2009	FY 2008	FY 2009	FY 2008
Revenue				
Euro: Stg	0.82	0.70	0.71	0
Euro: $	-	-	1.42	1
Operating profit				
Euro: Stg	0.82	0.70	0.68	0
Euro: $	-	-	1.41	1

Applying the realised FY 2009 FX rates to the reported FY 2008 Revenue and Operating profit rebases the comparatives as follows:

	Year ended 29 Feb 2008 €m	FX Translation €m	FX Transaction €m	Year ended 29 Feb 2008 Constant currency comparative €m
Revenue				
Cider	465.3	(3.4)	(5.5)	456.4
Spirits & Liqueurs	87.5	-	(2.7)	84.8
Distribution	44.7	(7.5)	-	37.2
Total	597.5	(10.9)	(8.2)	578.4
Operating Profit – before exceptional items				
Cider	107.5	(0.1)	0.9	108.3
Spirits & Liqueurs	15.8	-	(1.4)	14.4
Distribution	0.3	(0.1)	-	0.2
Total	123.6	(0.2)	(0.5)	122.9

Finance review

Results for the year

C&C is reporting an 11% decline in Revenue on a constant currency basis, an Operating loss of €59.2m and a basic loss per share of 19.4c for the financial year ended 28 February 2009. Operating profit before exceptional items is €100.4m and represents a decline of 18.3% on the prior year on a constant currency basis (18.8% on a reported basis). This translates to an adjusted diluted earnings per share for continuing operations of 25.4c, down 15% on the prior year. Overall operating margins reduced by 1.2 percentage points to 19.5%.

The performance reflects both price and volume declines together with a loss of market share in Ireland and the UK. These results are discussed in more detail and analysed by business sector in the Operations Review on pages 8 to 15.

Despite a weaker financial performance in the period under review, the Group's free cash flow, as calculated in Table 1, increased by 138% to €76.1m. The strong free cash flow generation contributed to a €30m reduction in Net debt, which at €226.2m (excluding the fair value of swap instruments of €6.3m) represents 1.9 times FY 2009 EBITDA.

As the Group has only a limited translation exposure and has a policy of hedging a large proportion of its US Dollar and Sterling exposures the sharp decline in the two currencies during 2009 did not have a significant impact on the Group's reported profits. The average hedged rates for 2008/09 were USD:Euro 1.41:1 (2008: 1.28:1) and Stg£:Euro 0.68:1 (2008: 0.68:1).

Exceptional items

The Group posted a net charge before tax to reported profits of €155.8m in relation to a number of non-recurring items that were classified as exceptional items for reporting purposes. These items are primarily non-cash items.

During the period, the Group undertook a series of initiatives to align its business structure, asset base and management team with the current challenging operating environment. These initiatives included:-

- a reorganisation and restructuring of the Group's operations and its commercial structure in Ireland. This involved a headcount reduction of 121 people and a consolidation of its Dublin operations into one location resulting in a net charge before taxation of €12.0m.
- a review of its stock holding of apple juice. At 28 February 2009, the Group's stock holding of apple juice was deemed excessive in light of its anticipated future needs, forward purchase commitments and useful life and as a result the Group posted an impairment charge of €11.1m to its Operating profit.
- a review of the carrying value of its manufacturing facility in Clonmel. The Group has now written down the value of its property, plant & machinery by a net €130.6m comprising a gain of €5.9m arising on the re-valuation of land accounted for in the Statement of Recognised Income and Expense and a loss of €136.5m on the re-valuation of buildings and plant & machinery assets accounted for in Operating profit.

The Group also de-designated sterling hedge contracts with a nominal value of Stg£24m which are considered to be in excess of forecasted sterling exposures, the increase in fair value arising from the date of de-designation to the year-end date was accounted for within finance income and classified as exceptional on the basis of materiality and the unforeseen circumstances giving rise thereto.

On 11 September 2008, the Group announced the disposal of its wine & spirit distribution business in the Republic of Ireland to a subsidiary of DCC plc for a consideration of €11.4m realising a profit after tax of €0.2m. On 26 February 2009, the Group agreed the disposal of its wine & spirit distribution business in Northern Ireland for a consideration of circa €3.7m resulting in a profit after tax of €0.6m.

Finance costs, income tax and shareholder returns

The interest rate payable on debt, with the benefit of hedging, averaged 4% for the year, which was in line with the average interest rate achieved for the year ended 29 February 2008.

The income tax charge in the year relating to continuing activities and excluding exceptional items amounted to €10.2m giving an effective tax rate of 11.3%, which is marginally higher than the corresponding rate in 2008 of 10.8%. The bulk of the Group's taxable profits arise in the Republic of Ireland, which accounts for the low effective tax rate.

Subject to shareholder approval, the proposed final dividend of 3 cent per share will be paid on 2 September 2009 to ordinary shareholders registered at the close of business on 22 May 2009. The Group's full year dividend will therefore amount to 9 cent per share, a 66% decline on the previous year. The proposed full year dividend per share will represent a payout of 35% (2008: 84%) of the reported adjusted diluted earnings per share for the full year. A scrip dividend alternative will be available.

Cash generation

The Group generated Free Cash Flow of €76.1 million (see Table 1) representing 63% of EBITDA compared with 21% in the prior year. The increase in Free Cash Flow principally reflects reduced capital expenditure, partially offset by a reduction in EBITDA and a special defined benefit pension scheme contribution of €20m.

The working capital cash inflow reflects the reduced level of activity in the period and includes the benefit of reduced apple juice stocks, which arose as result of the €11.1m exceptional write-off of excess apple juice stocks. The cash inflow in FY 2008 comprised a €24.4m inflow from continuing operations and an €12.2m outflow for discontinued operations.

Net proceeds received from the disposal of the wines and spirits distribution businesses amounted to €12.9m.

Total dividends paid to ordinary shareholders in the year amounted to €65.8m of which €60.2m was paid in cash while €5.6m (8.5%) was settled by the issue of new shares.

A summary cash flow statement is set out in Table 1 below.

Table 1 – Cash flow summary

	2009 €m	2008 €m
Inflows		
Operating profit[i]	**100.5**	130.8
Depreciation	**19.4**	20.3
EBITDA[ii]	**119.9**	151.1
Outflows		
Working capital	**20.5**	12.2
Capital expenditure	**(18.5)**	(102.9)
Net finance costs	**(11.5)**	(12.6)
Tax paid	**(10.7)**	(9.2)
Exceptional items paid[iii]	**(0.8)**	(4.7)
Other	**(22.8)**	(1.9)
Free cash flow	**76.1**	32.0
Proceeds on disposal of subsidiaries	**12.9**	236.5
Proceeds from exercise of share options and issue of new shares under Joint Share Ownership Plan	**1.8**	5.9
Shares purchased under share buyback programme	**-**	(139.9)
Dividends paid in cash	**(60.2)**	(81.1)
Reduction in net debt	**30.6**	53.4
Net debt at beginning of year	**256.2**	305.4
Translation adjustment	**0.3**	2.1
Non cash movement	**0.3**	2.1
Net debt at end of year[iv]	**226.2**	256.2

Key liquidity indicators

The Group has a strong balance sheet, fully invested production facilities, good cash generation capabilities and a committed debt facility of €430m, of which €310m is currently drawn, which is subject to variable interest rates and is not due for renewal until May 2012.

Although the decline in EBITDA and the fall in the company share price has resulted in a reduction in some of the key performance indicators used to measure the financial position of the Group as shown in Table 2 below, the Group remains in a very strong position in relation to both its interest cover and Net debt/EBITDA ratios. An analysis of cash, debt and derivative financial instruments including maturity profiles is set out in notes 19, 20 and 23.

Interest cover remains very comfortable with the 2008/09 EBITDA/Net interest cover of 10.4 times being nearly three times the 3.5 times minimum cover provided in the Group's banking covenants; and the Net debt/EBITDA ratio of 1.9 times being significantly lower than the 3.5 maximum level specified in the aforementioned banking covenants.

The increased net debt to market capitalisation ratio is as a result of the significantly lower market capitalisation of the Group rather than an increase in net debt levels - net debt reduced by €30.0m to €226.2m at the year end.

Table 2 – Key liquidity indicators

	2009 €m	2008 €m
Amounts		
Market capitalisation at year end	**297**	1,408
EBITDA[ii]	**119.9**	151.1
Net interest paid	**11.5**	12.6
Net debt[iv]	**226.2**	256.2
Ratios		
EBITDA /net interest	**10.4**	12.0
Net debt/EBITDA	**1.9**	1.7
Net debt as percentage of market capitalisation	**76.2%**	18.2%

(i) before exceptional costs and inclusive of discontinued activities.
(ii) EBITDA: Earnings before exceptional items, interest, tax, depreciation and amortisation.
(iii) for FY 2009 comprises costs paid on the reorganisation programme of €7.1m and cash received on settlement of surplus sterling forward contracts included in FY 2008 income statement of €6.3m.
(iv) Net debt comprises cash, borrowings net of issue costs, and excludes the fair value of SWAP instruments amounting to a liability of €6.3m.

Finance review

Retirement benefit obligations

In compliance with IFRS, the net assets and actuarial liabilities of the various defined benefit pension schemes operated by the Group companies, computed in accordance with IAS 19, has been included on the face of the Group balance sheet under retirement benefit obligations.

At 28 February 2009, the retirement benefit obligations on the IAS 19 basis amounted to €45.5m gross and €39.7m net of deferred tax (2008: €27.2m gross and €24.3m net of deferred tax).

The increase in the retirement benefit obligations deficit predominantly arises as a result of a significant fall in the valuation of assets, partly offset by gains arising from a number of active liabilities becoming deferred as result of the reduction in employee numbers following the reorganisation programme announced in November 2007; and increases in the long term bond yields which changed from 5.45% to 5.5% in relation to the Republic of Ireland scheme.

The defined benefit pension schemes were closed to all new employees from 1 April 2007 with all new employees becoming members of a defined contribution pension scheme.

Financial risk management

The financial risks that the Group is exposed to include interest rate movements and foreign currency exchange risks. The board of Directors set the treasury policies and objectives of the Group, the implementation of which is monitored by the Audit Committee. Details of both the policies and control procedures to manage the financial risks involved are set out in detail in note 23 to the financial statements.

Interest rate and debt management

The Group's debt is fully denominated in Euro and is based on floating interest rates. It is Group policy to hedge an appropriate portion of this risk and, as set out in note 23, at 28 February 2009 the Group has between €50m and €150m of its debt converted to fixed rates through the use of interest rate swap agreements.

The Group finished the year in a very strong financial position with undrawn committed facilities available to the Group amounting to €120m and existing drawn facilities not maturing until May 2012. Under the terms of the banking agreement €170m, relating to a portion of the proceeds from the disposal of the Soft drinks business, was cancelled during the year.

Currency risk management

The Group has only a limited balance sheet translation exposure to fluctuations in exchange rates as the bulk of its net assets as well as its entire borrowings are denominated in euro. It is Group policy not to hedge this translation exposure. Currency transaction exposures arise mainly on Sterling and US Dollar receivables and the Group policy is to hedge an appropriate portion of this exposure for a period of up to 2 years ahead.

At 28 February 2009, approximately 75% of the forecasted US Dollar sales has been hedged for the following financial year at a rate of 1.41 while 85% of the Group's forecasted net Sterling exposure has been hedged for the first eight months of FY 2010 at a rate of 0.774 (excluding de-designated contracts) leaving the Group exposed to market rates for the remaining 4 months of the financial year.

All interest rate swaps and designated currency hedges are based on forecasted exposures and meet the requirements of IAS 39 to qualify as cash flow hedges. The fair value of all outstanding hedges at 28 February 2009 as calculated by reference to current market value amounted to a net asset of €3.3m (2008: €27.4m) and this has been included on the face of the balance sheet under "derivative financial assets" and "derivative financial liabilities".

Corporate responsibility

Increasingly, sustainability is a central focus of the corporate responsibility agenda of many commercially successful businesses. This is based on the belief that businesses have a broader obligation to their stakeholders – shareholders, employees, suppliers, customers and the general public – to conduct their business in a way that enhances, rather than destroys, the environment of the planet we all share. Just as significant, is the insight that the sustainable way of doing business is also more cost effective, delivers more added value and stimulates more innovation and creativity than the alternative.

That is why we at C & C have a clear and ever present focus on improving, achieving and maintaining sustainability in every facet of our business. It is not optional, nor simply something we pay heed to only when times are good. We have come through a second difficult trading year in succession, yet we have increased, rather than lessened, our focus on sustainability and the environment. That is because this approach makes good commercial sense.

Working with one of the foremost firms of external consultants, we have drawn up a strategic framework for corporate responsibility and sustainability. We reviewed the considerable progress we have made in recent years and benchmarked ourselves against other leading companies. This process and the framework that resulted from it have helped us to derive an agenda of opportunities to reduce costs through pursuing our sustainability strategy. We identified specific, prioritised initiatives to be implemented and have set targeted savings against them.

When we measured our carbon footprint at our Clonmel manufacturing plant in the previous financial year, it was an important step forward in setting a base line for further progress. We are now specifically measuring the carbon footprint of selected products during their life cycle, from harvesting, through processing, packaging, delivery, all the way to final waste disposal or recycling. This year we are also conducting a detailed carbon footprint analysis using PAS2050 methodology on specific product lines. This will encompass every aspect of the product life cycle including production and supply chain. We are committed to continuing to measure our overall carbon footprint and to identifying ways to reduce it.

To underpin the energy management aspect of our sustainability strategy, we have signed a three-year agreement with Sustainable Energy Ireland covering the achievement of best practice in energy management. We now have in place a formalised energy programme that is externally credited and audited. This agreement sets clear improvement targets for our energy management, including reduced usage of electricity, gas and water. The achievement of these targets provides a double benefit. It reduces our costs, thus making us more competitive, and it reduces our impact on the environment.

We are significant users of glass in our packaged products and have a continuous programme of reducing our glass usage to reduce costs and environmental impact. One significant success story is that we have reduced the weight of glass used in the manufacture of our Magners Original pint bottles by 28% in two steps during the last year. We believe we are now ahead of the cider sector by having the lightest pint bottle in the U.K. market. Nevertheless, as we strive to reduce the volume of glass utilised, the bottle still has to be fit for purpose, having been strenuously tested for safety. This glass reduction initiative is a classic 'win/win'. There is a good business outcome because of lower sourcing costs for glass, a reduction in shipping costs as well as savings in the cost of recycling.

In order to seek greater efficiencies in our operations, we appointed two Continuous Improvement Coaches whose focus is to work through our operations identifying areas for further improvement. Our work in this area was recognised when we were finalists in the 2008 European Supply Chain Excellence Awards.

In their 2008 annual President's Awards for corporate social responsibility, Chambers Ireland awarded us national recognition as the most ecologically aware large company and we were finalists in the Repak national awards for excellence in use of recyclable packaging.

Innovation, underwritten by a significant R & D programme, is critical to delivering value to customers. We need to be flexible and agile in anticipating and responding to evolving consumer preferences. We concluded a three-year agreement with Enterprise Ireland that included significant funding towards our R & D function. Our agreement with Enterprise Ireland is a significant recognition by a key State agency of the strategic importance of C & C to 'Ireland Inc.' as well as of the quality and potential of our R & D programmes. We increased the number of employees and other resources devoted to R & D and marketing. We have been successful in developing a pipeline of new product ideas, bringing those ideas further and preparing to take them to market. Our new pear cider has successfully come through that pipeline.

This has been the second successive year where we have seen a significant number of our people being made redundant at all levels of the Group. Redundancy is never a welcome prospect for anyone, particularly during a time of economic recession, but within that overall context we have worked to support the people who are leaving us and to deal with them fairly. We put outplacement services and advice in place for them and co-operated closely with national and local agencies dealing with training and enterprise development as well as with elected public representatives.

We remain committed to the continual training and development of all our employees and, now that we have achieved 'right sizing', our focus in this area will be renewed and re-invigorated. We understand the importance of our historically good relationship with the farmers in the hinterland of Clonmel and with our local community. Our recent trading difficulties will not deflect us from nurturing that relationship and we remain as committed to it as ever.

Board of Directors

Tony O'Brien*
Group Chairman

Tony O'Brien (72) became Group Chairman in January 2002, having been Chief Executive of the Group for the previous 21 years. He is a former non-executive Director of CRH plc and is a former chairman of Anglo Irish Bank Corporation plc. He is also a past president of the Irish Business and Employers Confederation. He is currently Chairman of the Review Body on Higher Remuneration in the Public Sector.

John Dunsmore
Chief Executive Officer

John Dunsmore (50) was appointed Chief Executive Officer in November 2008. He is a former Group Chief Executive of Scottish & Newcastle Plc. He is also a non-executive Director of Fuller Smith & Turner Plc.

Stephen Glancey
Chief Operating Officer and Group Finance Director

Stephen Glancey (48) was appointed Chief Operating Officer in November 2008 and Group Finance Director in May 2009. A chartered accountant, he is a former Group Operations Director of Scottish & Newcastle Plc.

John Holberry
Managing Director – Magners GB

John Holberry (50) joined the Group in March 2008 as Managing Director, Magners GB. He joined the Group from Coors Brewers Limited where he had been Managing Director – Sales Operations. He had previously held a number of senior positions at Coors Brewers, Bass and Courage Limited.

John Burgess*
John Burgess (58) became a non-executive Director of the Group in January 1999 following the leveraged buy-out of the Group by funds advised by BC Partners, and was re-appointed a non-executive Director on flotation in April 2004. He joined BC Partners in 1986 as one of the founding partners and was a partner there until his retirement in 2006.

Liam FitzGerald*
Liam FitzGerald (44) was appointed as a non-executive Director of the Group in April 2004. He has been a Director of United Drug plc since 1996 and has served as its Chief Executive since 2000.

John Hogan*
John Hogan (68) was appointed as a non-executive Director of the Group in April 2004. He was the managing partner of Ernst & Young in Ireland between 1994 and 2000 and was a member of its global board. He is currently a non-executive Director of Abbey plc, Butterfield Umbrella Funds plc, Prudential International Assurance plc, and other private companies.

Richard Holroyd*
Richard Holroyd (62) was appointed as a non-executive Director of the Group in April 2004. He is currently a non-executive Director of Otto Weibel AG and is a member of the UK Competition Commission. He was previously the managing Director of Colmans of Norwich and head of the global marketing futures department of Shell International.

Philip Lynch*
Philip Lynch (63) was appointed as a non-executive Director of the Group in April 2004. He is the Chief Executive and an executive director of both One51 plc and The Irish Agricultural Wholesale Society Limited, and a non-executive Director of FBD Holdings plc and Chairman of the National Paediatric Hospital Development Board.

Breege O'Donoghue*
Breege O'Donoghue (65) was appointed as a non-executive Director of the Group in April 2004. She is an executive Director of Penneys/Primark. She is a member of the Labour Relations Commission; a member of the Outside Appointments Board of the Code of Standards and Behaviour for the Civil Service; a member of the foundation of the National University of Ireland, Maynooth; and was previously a Director of An Post and Aer Rianta.

* non-executive

Board Committees

Audit Committee
John Hogan (Chairman)
Liam FitzGerald
Richard Holroyd

Nomination Committee
Tony O'Brien (Chairman)
John Burgess
Philip Lynch
Breege O'Donoghue

Remuneration Committee
Philip Lynch (Chairman)
Liam FitzGerald
Richard Holroyd

Directors' report

The Directors present the annual report and audited consolidated financial statements of the Group for the year ended 28 February 2009.

Principal activities, business review and future developments

The Group's principal trading activity is the production, marketing and selling of cider, spirits and liqueurs.

The information to be included with respect to the review of the business and future developments as required by section 13 of the Companies (Amendment) Act 1986 is contained in the Operations Review on pages 8 to 15.

Results

Revenue on a continuing basis at €514.4m was 14% lower than 2008 (2008:€597.5m). Profit before exceptional items and finance costs amounted to €100.4m (2008:€123.6m), a decrease of 18.8% on the previous year. The Group incurred a loss for the year of €60.9m after accounting for exceptional items and including profit from discontinued activities, giving rise to a basic loss per share of 19.4c compared with basic earnings per share in 2008 of 73.1c. Diluted loss per share from continuing operations amounted to 19.7c compared with earnings per share in the previous year of 28.2c.

The financial statements for the year ended 28 February 2009 are set out on pages 39 to 89.

Dividends

An interim dividend of 6.0c per share was paid in December 2008. Subject to approval at the Annual General Meeting, it is proposed to pay a final ordinary dividend of 3.0c per share to shareholders who are registered at close of business on 22 May 2009.

Board changes

During the year, the executive management team was refreshed and this is reflected in the number of Director election resolutions being proposed at the Annual General Meeting.

Maurice Pratt left the Board on 28 November 2008. Brendan McGuinness, James Muldowney and Brendan Dwan stood down from the Board on 30 April 2008, 11 July 2008 and 1 May 2009 respectively. John Holberry will leave the Board in August 2009.

John Dunsmore and Stephen Glancey were appointed to the Board on 10 November 2008. As this will be the first Annual General Meeting since their appointment, they retire in accordance with the Articles of Association and being eligible offer themselves for re-election.

To comply with the provision of the Combined Code on Corporate Governance that Non-Executive Directors may serve more than nine years, subject to annual re-election, John Burgess retires, and being eligible offers himself for re-election.

Richard Holroyd and Breege O' Donohue retire by rotation in accordance with the Articles of Association, and being eligible offer themselves for re-election.

Directors, Secretary and their interests

Information in relation to the beneficial and non-beneficial interests in the share capital of Group companies by the Directors and Secretary who held office at 28 February 2009 is contained within the Report of the Remuneration Committee on pages 30 to 35.

Research and development

Certain Company subsidiary undertakings are engaged in ongoing research and development aimed at improving processes and expanding product ranges. Further information in relation to product development is contained in the Corporate Responsibility Statement on page 19.

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:-

- Poor macro-economic conditions in its principal markets of Ireland, Great Britain, and to a lesser extent, the US and Eastern Europe, impacts demand for the Group's products and hence Group profitability.
- The Group faces strong competition in its various markets and if it fails to compete successfully both on a cost and demand basis, its market share and profitability may decline.

- The decline in the number of, and revenue from, on-trade premises in Ireland and Great Britain, and the increase in the relative size of the off-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 innovation, sales volumes and profitability may decline.
- Poor weather may have an impact on the demand for the Group's principal product.
- Changes in foreign currency exchange rates, especially declines in the value of Sterling, the US Dollar and other Eastern European currencies, and increases in interest rates, impacts the Group's revenue and 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 adversely affect sales volumes and profitability.
- The Group may be adversely affected by government regulations including possible 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 could be subject to accidental, natural or malicious contamination of its products, which could result in the recall of the Groups' products, damage to its brands and falls in demand for its products.

Financial risk management
As required by Irish company law, (Statutory Instrument 765.2005) the financial risk management objectives and policies of the Company and the Group, including hedging activities and the exposure of the Company and the Group to financial risk are set out in the Finance Review on pages 16 to 18 and note 23 to the financial statements on pages 76 to 83.

Accounting records
The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at Group offices in Clonmel, Co. Tipperary.

Post balance sheet events
There were no significant post balance sheet events.

Political donations
No political donations were made by the Group during the year which require disclosure in accordance with the Electoral Acts, 1997 to 2002.

Corporate governance
The Directors' Statement on Corporate Governance is set out on pages 25 to 29. The Report of the Remuneration Committee on Directors' Remuneration is set out on pages 30 to 35.

Substantial holdings
As at 29 May 2009, the following shareholders have notified the Company as to their interest in 3% or more of the share capital of the Company.

Name	%
Artemis Investment Management Limited	5.5
Causeway Capital Management LLC	7.8
Capital Research & Management Company	3.1
Deutsche Bank AG	3.2
Invesco Plc.	7.0
Irish Life Investment Managers	3.0
Morgan Stanley Investment Management Limited	7.8

As far as the Company is aware, other than as stated above, no other person or company has an interest in 3% or more of the share capital of the Company.

Share price
The share price at 28 February 2009 was €0.94 (2008: €4.50). The price range of the Company's ordinary shares ranged between €0.78 and €5.40 during the year.

Directors' report *continued*

Auditor

In accordance with Section 160(2) of the Companies Act, 1963, the auditor, KPMG Chartered Accountants will continue in office.

Purchase of own shares

At the Annual General Meetings held on 13 July 2007 and 11 July 2008 authority was granted to purchase up to 10% of the Company's Ordinary Shares. No shares were purchased by the Company in the year under review.

Special resolutions will be proposed at the Annual General Meeting to renew the authority of the Company, or any of its subsidiaries, to purchase up to 10% of the Company's Ordinary Shares in issue at the date of the Annual General Meeting and in relation to the maximum and minimum prices at which Treasury Shares (effectively shares purchased and not cancelled) may be re-issued off-market by the Company. If granted, the authorities will expire on the earlier of the date of the Annual General Meeting in 2010 or 27 February 2011. Under the terms of the C&C Joint Share Ownership Plan (further information is contained in the Report of the Remuneration Committee on Directors' Remuneration on pages 30 to 35) the Company issued 12.8m ordinary shares which are held in an Employee Benefit Trust and accounted for as Treasury Shares.

The minimum price which may be paid for shares purchased by the Company shall not be less than the nominal value of the shares and the maximum price will be 105% of the average market price of such shares over the preceding five days. Options to subscribe for a total of 2,463,000 Ordinary Shares are outstanding, representing 0.8% of the issued ordinary share capital. If the authority to purchase Ordinary Shares was used in full, the options would represent 0.9% of the issued ordinary share capital.

The Directors will only exercise the power to purchase shares if they consider it to be in the best interests of the Company and its shareholders.

The Company currently has an issued share capital of 328,583,417 ordinary shares of €0.01 each and an authorised share capital of 800,000,000 ordinary shares of €0.01 each.

Takeover Bids Directive

Details of the Company's capital structure can be found in note 24 to the financial statements on page 84. Details of Employee Share Schemes can be found in note 5 to the Financial Statements on pages 57 to 60 and the Report of the Remuneration Committee on Directors Remuneration on pages 30 to 32. Details of agreements to which the Company is party to, and which contain change of control provisions are contained in note 19.

Annual General Meeting

Your attention it drawn to the letter to shareholders and the notice of meeting enclosed with this report which sets out details of the matters which will be considered at the Annual General Meeting.

On behalf of the Board

Tony O'Brien
John Dunsmore
Directors

12 May 2009

Directors' statement of corporate governance

Corporate governance

The Directors are committed to maintaining the highest standards of corporate governance. This statement sets out how the principles outlined in the 2006 Financial Reporting Council Combined Code on Corporate Governance (the "Code") have been applied by the Group.

Board of Directors

Role

The Board is responsible for the overall leadership and control of the Group. There is a formal schedule of matters reserved to the Board for decision. This includes approval of Group strategic plans, annual budgets, financial statements, significant capital expenditure items, major acquisitions and disposals, changes to capital structure, Board appointments, review of the Group's corporate governance arrangements and system of internal control.

The roles of Chairman and Chief Executive are separate with a clear division of responsibility between them, which is set out in writing and approved by the Board. The Board delegates responsibility for the management of the Group through the Chief Executive to executive management. The Board also delegates some of its responsibilities to Board Committees, details of which are set out below.

Individual Directors may seek independent professional advice at the Company's expense, where they judge it necessary to discharge their responsibilities as Directors.

The Group has a policy in place which indemnifies the Directors in respect of legal action taken against them.

Membership

At 28 February 2009, the Board comprised of eleven Directors, four executive and seven non-executive Directors (including the Chairman). Since the year end, one executive Director has retired, leaving the Board to comprise of ten Directors, three executive Directors and seven non-executive Directors. The Board considers that between them, the Directors bring a range of skills, knowledge and experience necessary to lead the Group. Their biographical details are set out on pages 20 to 21.

It is Board policy that at least half the Board, excluding the Chairman, shall consist of independent non-executive Directors.

All of the Directors bring independent judgement to bear on issues of strategy, performance, resources, key appointments and standards. The Board has determined that each of the non-executive Directors is independent. In reaching that conclusion, the Board considered the principles relating to independence contained in the Combined Code and the guidance provided by a number of shareholder voting agencies. Those principles and guidance address a number of factors that might appear to affect the independence of Directors, including former service as an executive, extended service to the Board and cross-directorships. However, they also make clear that a Director may be considered independent notwithstanding the presence of one or more of these factors. This reflects the Board's view that independence is determined by a Director's character. Where relevant, the Board took account of these factors and in each case was satisfied that the Director's independence was not compromised.

Chairman

Tony O'Brien has been Chairman of the Group since January 2002, and was re-appointed on flotation in 2004. The Chairman is responsible for the efficient and effective working of the Board. He is responsible for ensuring that the Board considers the key strategic issues facing the Group and that the Directors receive accurate, timely, relevant and clear information. He also ensures that there is effective communication with shareholders.

Senior Independent Director

Richard Holroyd was appointed Senior Independent Director in July 2007. He is available to shareholders who have concerns, for which contact through the normal channels of Chairman, Chief Executive or Finance Director, has failed to resolve or for which such contact is inappropriate. He is also available to meet major shareholders on request.

Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board. All Directors have access to the Company Secretary who is responsible to the Board for ensuring that Board procedures are complied with. The Company Secretary is Noreen O'Kelly.

Terms of appointment

The non-executive Directors are engaged under the terms of a letter of appointment. Other than Tony O'Brien, each appointment is for an initial period of three years with each non-executive Director normally expected to serve two three year terms. The term of Tony O'Brien's contract is not fixed but is terminable by the Company on twelve months' notice. A copy of the standard letter of appointment is available on request from the Company Secretary.

Directors' statement of corporate governance *continued*

Retirement and re-election
At least one-third of Directors must retire at each annual general meeting and all Directors must submit themselves for re-election at least every three years. Directors appointed by the Board must submit themselves for election at the first annual general meeting following their appointment.

Induction and development
All new Directors are provided with extensive briefing materials on the Group's operations, management and governance structure. These include visits to Group businesses and briefings with senior management as appropriate. Ongoing briefings are also provided to all Directors as required.

Meetings
It is Board policy to meet not less than six times a year. The Board will also meet at other times as it considers appropriate. The Board makes at least one visit a year to one of the operating subsidiaries and the visit incorporates a scheduled Board meeting. In addition the Board normally spends one day a year reviewing the Group's strategy. During the year under review there were nine full meetings of the Board. Details of Directors' attendance at these meetings are set out in the table on page 29. In addition, at least one meeting a year provides an opportunity for non-executive Directors and the Chairman to meet without the executive Directors present, and a further one meeting a year provides an opportunity for the Senior Independent Director and the other non-executive Directors to meet without the Chairman being present.

The Chairman sets the agenda for each meeting in consultation with the Chief Executive and Company Secretary. The agenda and Board papers, which provide the Directors with relevant information to enable them fully consider the agenda items in advance, are circulated prior to each meeting. Directors are encouraged to participate in debate and constructive challenge.

Performance evaluation
The Board periodically reviews and appraises its own performance.

The Chairman conducts an annual review of corporate governance and the operation and performance of the Board and its Committees. He also conducts one to one discussions each year with each Director to assess his/her individual performance.

The Senior Independent Director and the other non-executive Directors review the Chairman's performance each year.

Remuneration
Details of remuneration paid to Directors (executive and non-executive) are set out in the Report of the Remuneration Committee on pages 30 to 35.

Share ownership and dealing
Details of Directors' shareholdings are set out on pages 34 to 35.

The Group has a policy on dealing in shares that applies to all Directors and senior management. This policy adopts the terms of the Model Code as set out in the Listing Rules published by the UK Listing Authority and the Irish Stock Exchange.

Communications with shareholders
The Group attaches considerable importance to shareholder communication and has an established investor relations programme.

There has been regular dialogue with institutional investors and presentations at the time of the release of the preliminary and interim results announcements. Results announcements are sent out promptly to shareholders. Trading Statements were issued in August 2008 and March 2009. Interim Management Statements are issued within the time frames specified under the Transparency Directive and were issued in July and January of this financial year. The Board is briefed regularly on the views and concerns of institutional shareholders.

The Group's website www.candcgroupplc.com provides the full text of the annual report and financial statements and the interim report. News releases are also made available immediately after release to the Stock Exchange.

The Company's annual general meeting affords individual shareholders the opportunity to question the Chairman and the Board. The annual report and the notice of annual general meeting are sent to shareholders at least 20 working days before the meeting. At the meeting, after each resolution has been dealt with, details are given of the level of proxy votes lodged for and against that resolution and also the level of votes withheld on that resolution.

Committees

The Board has established three permanent committees to assist in the execution of its responsibilities. These are the Audit Committee, the Nomination Committee and the Remuneration Committee. Ad-hoc committees are formed from time to time to deal with specific matters.

Each of the permanent Board Committees has terms of reference under which authority is delegated to them by the Board. These terms of reference are available on request from the Company Secretary. Minutes of all Committee meetings are circulated to the entire Board.

The current membership of each committee is set out on page 21. Attendance at meetings held is set out in the table on page 29.

The Chairmen of each of these committees attend the Annual General Meeting and are available to answer questions from shareholders.

Audit Committee

The Audit Committee comprises only non-executive Directors. It meets a minimum of four times a year. During the year under review it met eight times. Attendance at meetings held is set out in the table on page 29.

The Committee has determined that John Hogan is the Audit Committee financial expert.

The Finance Director attends Committee meetings as appropriate, while the external auditor attends as required and has direct access to the Committee Chairman.

The Committee's responsibilities include:

- monitoring the integrity and fairness of the financial statements of the Group, including the annual report, half yearly report, preliminary results and trading statements;
- reviewing the effectiveness of the Group's internal controls and risk management systems;
- maintaining and reviewing the effectiveness of the Group's internal audit function;
- making recommendations to the Board in relation to the appointment and removal of the Group's external auditor;
- evaluating the performance of the external auditor including their independence and objectivity;
- reviewing the annual internal and external audit plans;
- ensuring compliance with the Group's policy on the provision of non-audit services by the external auditor.

The Committee discharged its obligations during the year as follows:

- the Committee reviewed the pre-close trading statements issued by the Company in August 2008 and March 2009;
- the Committee reviewed the Financial Report for six months ended 31 August 2008 prior to its release in October;
- the Committee reviewed the Interim Management Statements issued in July and January;
- the Committee reviewed the external audit plan presented by the external auditor in advance of the audit;
- the Committee reviewed the preliminary results announcement, and the annual report and financial statements. It reviewed the post-audit report from the external auditors identifying any accounting or judgemental issues requiring its attention;
- the Committee approved the annual internal audit plan and received internal audit reports;
- the Committee considered whether or not to recommend the re-appointment of the external auditor.

The Group has a policy in place governing the conduct of non-audit work by the external auditors. Under this policy the auditor is prohibited from performing services where the auditor:

- may be required to audit his/her own work;
- participate in activities that would normally be undertaken by management;
- is remunerated through a "success fee" structure;
- acts in an advocacy role for the Group.

Other than the above, the Group does not impose an automatic ban on the external auditor undertaking non-audit work. The engagement of the external auditor in non-audit work must be pre-approved by the Committee or entered into pursuant to pre-approval policies and procedures established by the Committee.

Details of the amounts paid to the external auditor during the year for audit and other services are set out in the notes to the financial statements on page 56.

Directors' statement of corporate governance *continued*

Nomination Committee

The Nomination Committee is chaired by the Group Chairman and its constitution requires it to consist of a majority of non-executive Directors. It meets a minimum of twice a year and has met three times in the period under review. Attendance at meetings held is set out in the table on page 29.

The Committee's responsibilities include:

- reviewing the structure, size and composition (including the skills, knowledge and experience) required of the Board and making recommendations regarding any changes in order to ensure that the composition of the Board and its Committees is appropriate to the Group's needs;
- overseeing succession planning for the Board and senior management;
- establishing processes for the identification of suitable candidates for appointment to the Board;
- making recommendations to the Board on membership of Board Committees.

The Committee is empowered to use the services of independent consultants to facilitate the search for suitable candidates for appointment as non-executive Directors.

Remuneration Committee

The Remuneration Committee comprises solely of non-executive Directors. It meets at least twice a year and has met five times in the period under review. Attendance at meetings held is set out in the table on page 29.

The Committee's responsibilities include:

- making recommendations to the Board on the Group's policy for executive remuneration;
- determining the remuneration of the executive Directors and senior management;
- monitoring the level and structure of remuneration for senior management and trends across the Group;
- reviewing the design of all share incentive plans;
- approving any grant of options or awards under the Executive Share Option Plan, the Long Term Incentive Plan and the Joint Share Ownership Plan;
- overseeing the preparation of the Report of the Remuneration Committee on Directors' Remuneration (see pages 30 to 35).

The Committee receives advice from leading independent firms on compensation and benefits consultants when necessary. The Chairman and Chief Executive are fully consulted about all remuneration proposals.

In the period under review, the Committee determined the remuneration packages of the new executive Directors; the termination arrangements of retiring executive Directors; and the salaries and bonuses of the executive Directors and senior management. It reviewed the remuneration of management across the Group and approved the award of share options to the executive Directors and management. It also oversaw the implementation of the new management share plan (The C&C Joint Share Ownership Plan) which was approved by shareholders in December 2008.

Corporate social responsibility

Corporate social responsibility is embedded throughout the Group. Group policies and activities are summarised on page 19, and are available on the Group's website www.candcgroupplc.com.

Internal control

The Board has overall responsibility for the Group's system of internal control, for reviewing its effectiveness and for confirming that there is a process for identifying, evaluating and managing the significant risks for the achievement of the Group's strategic objectives. This system of internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss. The process which has been in place for the entire period accords with the Turnbull Guidance (revised guidance published in October 2005) and involves the Board considering the following:

- the nature and extent of the key risks facing the Group;
- the likelihood of these risks occurring;
- the impact on the Group should these risks occur;
- the actions being taken to manage these risks to the desired level.

The risks facing the Group are reviewed regularly by management and the Audit Committee of the Board whose terms of reference require it to conduct an annual assessment of internal control.

In accordance with the process outlined above, the Board confirms that it has conducted a review of the internal control systems in operation.

The key elements of the internal control system in operation are as follows:

- clearly defined organisation structures and lines of authority;
- corporate policies for financial reporting, treasury and financial risk management, information technology and security, project appraisal and corporate governance;
- annual budgets for all operating units, identifying key risks and opportunities;
- monitoring of performance against budgets and reporting thereon to the Directors on a monthly basis;
- an internal audit function which reviews key business processes and controls; and
- an audit committee which approves plans and deals with significant control issues raised by internal or external audit.

Compliance

The Group has complied with the Code during the period under review, save in the following respects:-

Brendan Dwan, who left the Board in May 2009 was an employee of the Group for many years, and had a service contract which pre-dated the Company's admission to listing in May 2004, and did not specify a notice period. It was therefore terminable on reasonable notice, which due to his length of service may have extended beyond one year. Brendan McGuinness, who left in April 2008, had a service contract which specified a notice period of two years by the Company. The termination payments in respect of these Directors are set out in the report of the Remuneration Committee on Directors' Remuneration.

The notice periods specified in the service contracts of the three executive Directors who were appointed during the year, do not exceed one year.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Attendance at scheduled board meetings and board committee meetings during the period.

	Board		Audit Committee		Nomination Committee		Remuneration Committee	
	A	B	A	B	A	B	A	B
Tony O'Brien	9	8	-	-	3	3	-	-
John Burgess	9	6	-	-	3	2	-	-
John Dunsmore	3	3	-	-	-	-	-	-
Brendan Dwan	9	9	-	-	-	-	-	-
Liam FitzGerald	9	8	8	6	-	-	5	5
Stephen Glancey	3	3	-	-	-	-	-	-
John Hogan	9	9	8	8	-	-	-	-
John Holberry	9	9	-	-	-	-	-	-
Richard Holroyd	9	9	8	8	-	-	5	5
Philip Lynch	9	9	-	-	3	3	5	5
Brendan McGuinness	1	1	-	-	-	-	-	-
James Muldowney	2	2	-	-	-	-	-	-
Breege O'Donoghue	9	9	-	-	3	3	-	-
Maurice Pratt	6	6	-	-	-	-	-	-

The 'A' columns represent the number of meetings held for which each individual Director was entitled to attend, while the 'B' columns represent the number of meetings attended by each Director.

Report of the remuneration committee on Directors' remuneration

Composition and terms of reference

The Remuneration Committee of the Board, whose membership is set out on page 21, consists solely of non-executive Directors. The Chairman and Chief Executive are fully consulted on remuneration proposals but are not present when their own remuneration is discussed. The Remuneration Committee obtains external advice from benefit consultants and other independent firms on compensation when necessary.

The Committee's terms of reference include making recommendations to the Board in respect of the Group policy on executive and senior management remuneration; and the consideration and determination of the remuneration of the executive Directors and senior management. It also oversees all employee share schemes.

Remuneration policy

The main aim of the Group's remuneration policy is to reward the Group's executive Directors and senior management competitively, having regard to the need to ensure that they are properly remunerated and motivated to perform in the best interests of shareholders. Performance related rewards, based on measured and stretching targets, are therefore an important component of remuneration packages.

The main elements of the remuneration package for senior management are basic salary and benefits, performance related annual bonus, pension benefits and longer term share incentives.

During the year, the Group recruited two new executive Directors, John Dunsmore and Stephen Glancey. In order to secure their services, a remuneration package was agreed which includes a high level of share-based incentive. The C&C Joint Share Ownership Plan was put in place to provide for this, and further details of this scheme are given below.

Basic salary and benefits

The salaries for executive Directors are reviewed annually in January. Given the Group-wide pay freeze, no increases were granted in January 2009. The employment contracts of John Dunsmore and Stephen Glancey entitle these Directors to a 3% increase in basic salary on the first and second anniversaries of their appointment. Both these Directors have waived their entitlement to this increase in November 2009.

Benefits to executive Directors and senior managers include a company car or car allowance and health benefits. John Dunsmore and Stephen Glancey receive a cash allowance of 7.5% of basic salary in lieu of these benefits.

Pensions

Payments in respect of pensions for executive Directors and senior management are calculated on basic salary only and no incentive or benefit elements are included.

John Dunsmore, Stephen Glancey and John Holberry receive a cash payment of 25% of basic salary, in order to provide their own pension benefits.

Performance related annual bonus

No bonuses were payable in respect of the year ended 28 February 2009.

The Group operates a performance related cash bonus scheme for executive Directors and senior management. The primary bonus metric is operating profit. The maximum annual bonus payable is up to 80% of basic salary for John Dunsmore, Stephen Glancey and the Strategy Director (Kenny Neison) and 70% for the other executive Directors and senior management. However John Dunsmore, Stephen Glancey and Kenny Neison have waived their bonus entitlements for the year ending 28 February 2010 in order to fund an all-employee bonus scheme.

Executive Share Option Scheme

An Executive Share Option Scheme was established in May 2004. It is policy to grant options under this scheme to key executives across the Group to encourage identification with shareholders' interests. Options are granted solely at the discretion of the Remuneration Committee. Under the scheme rules, options cannot be granted to non-executive Directors. In respect of grants since admission, the maximum grant that can normally be made to any individual in any one year is an award of 150% of basic salary in that year. The service contracts of John Dunsmore, Stephen Glancey and Kenny Neison entitle them to an annual grant of share options of 150% of basic salary.

Options will not normally be exercisable until three years after the date of grant and are subject to meeting a specific performance target. This performance target requires the Group's earnings per share (before exceptional items) to increase by 5% in excess of the Irish Consumer Price Index over three years, on a compound basis from date of grant, in order for options to vest. If the performance target is not met after the relevant three year period, the options lapse.

The Remuneration Committee has determined that the earnings per share figure for the year ended 28 February 2009, to be used for the purposes of measuring the share option performance condition, shall be the adjusted basic earnings per share figure excluding net gains on excess foreign exchange hedges of €11.2m (of which €10.2m was accounted for as revenue and included in operating profit, and the balance of €1m which was accounted for as a reduction in finance costs) and treating the 16m shares to be issued under the C&C Joint Share Ownership Plan as being issued for the entire year. The earnings per share figure to be used in future years in the measurement of the performance condition will be calculated on a basis consistent with these adjustments.

Details of Directors' share options are set out on pages 34 to 35.

The cost of the vesting of these awards is amortised over the vesting period to the extent that the Directors believe that the awards will vest.

Long term incentive plans

A share-based Long Term Incentive Plan for executive Directors and senior management was established at the time of the Group's admission to listing in May 2004.

Under the plan, awards of up to 100% of basic salary may be granted. Awards are in the form of nil-cost options over shares, based on the closing share price on the day before the grant date. For the shares to vest fully, C&C's total shareholder return must be in the top quartile of a comparator group over a three-year period. None of the award vests for below median performance. 30% of the award vests for median performance with straight-line pro-rating between the median and upper quartile. In addition to the total shareholder return condition, earnings per share growth (before exceptional items) must increase by 5% in excess of the Irish Consumer Price Index on a compound basis over the same three-year period or the Remuneration Committee must otherwise be satisfied that the Group's underlying financial performance over the performance period warrants that level of vesting. If both these conditions are not met at the end of the relevant period, the options lapse.

Details of Directors' interests in share options granted under the Long Term Incentive Plan are set out on page 35.

C&C Joint Share Ownership Plan

The C&C Joint Share Ownership Plan was approved by shareholders at an Extraordinary General Meeting of the company on 18 December 2008. The Remuneration Committee will supervise the operation of the Plan. The main terms of the plan are as follows:

Participants

Following shareholder approval, awards were granted to John Dunsmore, Stephen Glancey and Kenny Neison. In total they acquired interests in 12.8m ordinary shares, out of the 16m shares allocated to the Plan. An interest in the remaining 3.2 million shares may be acquired by a participant at any time when the Company is in an open period, following approval by the Remuneration Committee. An interest may not be acquired more than 1 year after shareholder approval of the Plan.

Nature of interests

Interests will take the form of a restricted interest in ordinary shares in the Company ("Interest"). An Interest permits a participant to benefit from the increase (if any) in the value of a number of ordinary shares in the Company ("Shares") over which the Interest is acquired. In order to acquire an Interest, a participant must enter into a joint ownership agreement with the trustees of an employee benefit trust under which the participant and the trustee jointly acquire the Shares and agree that when the Shares are sold the participant has a right to receive a proportion of the sale proceeds in so far as the value of the Shares exceeds a threshold amount. For the initial Interests acquired by the above named participants, this threshold amount or Hurdle Value is €1.035 per share, being 90% of the issue price of the Shares of €1.15 (the Share's closing price on 7 November 2008 which was the dealing day immediately before the announcement of the appointment of the three new executives).

A participant is required to provide upfront funding to the employee benefit trust equal to 10% of the issue price on the acquisition of their Interests, amounting to €0.115 per share (the "Entry Price").

The Hurdle Value will also be €1.035 per share and the Entry Price will also be €0.115 per share for any Interest in the remaining 3.2 million shares which may be acquired by a participant at any time within the period of six months from the adoption of the Plan on 18 December 2008.

When an Interest vests, the trustees will transfer shares to the participant of equal value to the participant's Interest or the Shares will be sold and the trustee will account to the participant for the balance i.e. the difference between the sale proceeds (less expenses) and the Hurdle Value.

Report of the remuneration committee on Directors' remuneration *continued*

Vesting conditions

The vesting of Interests granted to John Dunsmore, Stephen Glancey and Kenny Neison are subject to the following conditions. All of the Interests are subject to a time vesting condition with one-third of the Interest in the Shares vesting on the first anniversary of acquisition, one-third on the second anniversary and the final one-third on the third anniversary. In addition, half of the Interests in the Shares are subject to a pre-vesting share price target. In order to benefit from those Interests the Company's share price must be greater than €2.50 for at least 20 days out of 40 consecutive dealing days during the five-year period commencing on the date of acquisition of the Interest.

In the event of a takeover of the Company the time vesting conditions for half of the Interests will be accelerated in accordance with certain conditions.

The Committee will set the same or more challenging conditions to subsequent Interests to be acquired under the Plan by other participants.

Non-executive Directors' remuneration

The remuneration of the non-executive Directors is determined by the Board of Directors as a whole. The Chairman is not involved in determining his own remuneration.

The fees paid to non-executive Directors are set at a level which aims to attract individuals with the necessary experience and ability to make a significant contribution to the Group.

Promoting all-employee share ownership

The Group entered into an agreement in 2001 with trade unions representing the majority of its employees, which provided for an initial grant of free shares to eligible employees; the establishment of an approved save as you earn scheme; and the establishment of an approved profit sharing scheme, all after the completion of an initial public offering.

On admission, 9.4m ordinary shares with an aggregate value of €21.3m were issued to fulfil the Group's obligations under the free share arrangements. Currently 6.1m of these shares are held by employee trusts approved by the Irish/UK Revenue, in order to distribute these shares to employees in a tax efficient manner after the required holding periods expire.

A discretionary scheme was put in place for the year ended 28 February 2007. Under this scheme, due to exceptional earnings per share growth in that year, the Remuneration Committee and the Board approved a share allocation of between 3% and 4% of basic salary remuneration to employees subject to a minimum allocation of €1,000 per employee. The cost which was reflected in the income statement for the year ended 28 February 2007 was €2.5m. The Group purchased 189,061 shares during the previous financial year and placed these shares in Irish/ UK revenue approved employee trusts, where they are held for the benefit of each employee and where each employee has full voting rights and dividend entitlements. However employees face tax penalties should they dispose of the shares before the expiry of the vesting period.

Service contracts

Group policy is to ensure that all future contracts will have notice periods of one year or less. The service contracts of John Holberry, John Dunsmore and Stephen Glancey comply with this policy.

Directors' remuneration and interest in share capital

Details of the overall Directors' remuneration charged to the Group Income Statement is shown in note 28 on page 88. Individual Directors' remuneration and pension benefits for the year ended 28 February 2009 are given on pages 33 and 34. Directors' share options and the interests of the Directors and Secretary in the share capital of the Company are shown on pages 34 to 35.

Directors' Remuneration - 2009

	Basic Salary €000	Other Remuneration €000	Benefits in Kind €000	Pension Allowance €000	Annual Bonus	Compensation for loss of office	Total 2009 €000	Total 2008 €000
Executive Directors								
John Dunsmore	219	16	-	55	-	-	**290**	-
Brendan Dwan[(i)]	394	-	27	137	-	1,082	**1,640**	536
Stephen Glancey	156	12	-	39	-	-	**207**	-
John Holberry	334	15	-	83	-	-	**432**	-
Brendan McGuinness[(ii)]	35	-	3	22	-	1,256	**1,316**	1,595
James Muldowney[(iii)]	127	-	10	36	-	658	**831**	421
Maurice Pratt[(iv)]	571	22	18	197	-	1,733	**2,541**	1,037
Total	**1,836**	**65**	**58**	**569**	**-**	**4,729**	**7,257**	3,589

	Basic Fees €000	Other Fees[(v)] €000	Benefits in Kind €000	Total 2009 €000	Total 2008 €000
Non-Executive Directors					
John Burgess	65	-	-	**65**	65
Liam FitzGerald	65	-	-	**65**	65
John Hogan	65	25	-	**90**	90
Richard Holroyd	65	10	-	**75**	72
Philip Lynch	65	20	-	**85**	85
Tony O'Brien	180	-	29	**209**	209
Breege O'Donoghue	65	-	-	**65**	65
Total	**570**	**55**	**29**	**654**	651
Average number of Non-Executive Directors				**7**	7
Amounts charged in respect of equity settled share based employee benefits				**218**	480
Total Directors' Remuneration - 2009				**8,129**	4,720

(i) Brendan Dwan left the Board on 1 May 2009. A payment of €1,082,000 was paid on termination.
(ii) Brendan McGuinness retired from the Board in April 2008. A payment of €1,256,000 was paid on termination.
(iii) James Muldowney retired from the Board in July 2008. A termination payment of €658,000 was paid. In addition, he received an augmentation to his pension benefits costing €135,000.
(iv) Maurice Pratt retired from the Board in November 2008. A termination payment of €1,733,000 was paid. In addition he received an augmentation to his pension benefits costing €452,000.
(v) Other fees paid to John Hogan, Richard Holroyd and Philip Lynch in 2009 and 2008 represent fees paid as Chairman of the Audit Committee, Senior Independent Director and Chairman of the Remuneration Committee respectively.

Report of the remuneration committee on Directors' remuneration *continued*

Executive Directors' Pension Benefits

	Employer Contributions 2009		Increase in Accrued Pension		Transfer Value of Increase		Total Accrued Pension at leaving date	
	DC Plan €000	DB Plan €000	2009 €000	2008 €000	2009 €000	2008 €000	2009 €000	2008 €000
Brendan Dwan	**23**	**114**	**8**	8	**158**	150	**213**	197

Directors and their interests

The interests of the Directors and Secretary in office at 28 February 2009 in the share capital of Group Companies at the beginning of the year (or date of appointment if later) and the end of the year were:

Interests in C&C Group plc
Ordinary shares of €0.01 each

	28-Feb 2009	29-Feb 2008
Directors		
John Burgess	**98,727**	98,727
John Dunsmore	**5,120,000**(i)	-
Brendan Dwan	**639,005**(ii)	639,005 (ii)
Liam FitzGerald	**13,100**	13,100
Stephen Glancey	**5,120,000**(i)	-
John Hogan	**9,901**	9,901
John Holberry	**25,000**	-
Richard Holroyd	**22,000**	3,105
Philip Lynch	**782,898**	60,572
Tony O'Brien	**1,700,000**	1,700,000
Breege O'Donoghue	**56,738**	53,357
Total	**13,587,369**	2,577,767
Company Secretary		
Noreen O'Kelly	**135,500**	135,500

(i) Acquired under Joint Share Ownership Plan (see Report of the Remuneration Committee on Directors' Remuneration on pages 31 to 32 for further details)
(ii) 450,000 are held non-beneficially at 29/02/2008 and 28/02/2009.

The Directors and Secretary have no beneficial interests in any of the Group's subsidiary undertakings.

Liam FitzGerald acquired 21,900 shares on 18 May 2009 at €2.28 to bring his total holding to 35,000 shares.
No transactions took place in the Directors' interests between 28 February 2009 and 29 May 2009 other than as disclosed above.

Interests in Share Options – Executive Share Option Scheme
Share Options over Ordinary Shares of €0.01 each in C&C Group plc

	Outstanding 01-Mar-08	Granted during Year	Exercised	Forfeited/ Lapsed	Outstanding 28-Feb-09	Weighted Average Option Price
Directors						
Brendan Dwan	403,100	69,100	-	-	**472,200**	2.90
John Holberry	-	250,000	-	-	**250,000**	5.11
Brendan McGuinness	521,300	-	-	426,200	**95,100**	8.37
James Muldowney	343,600	-	75,000	268,600	**-**	-
Maurice Pratt	1,587,800	223,500	-	1,811,300	**-**	-
Company Secretary						
Noreen O'Kelly	210,900	39,600	-	-	**250,500**	2.96

Analysis of Outstanding Share Options granted under Executive Share Option Scheme

Date of Grant	19-May-04	20-Jun-05	15-Jun-06	13-Jun-07	3-Jun-08	Total
Exercise Price	€2.26	€3.56	€6.52	€11.53	5.11	
Brendan Dwan	322,200	80,900	-	-	69,100	**472,200**
John Holberry	-	-	-	-	250,000	**250,000**
Brendan McGuinness	-	-	60,000	35,100	-	**95,100**
	322,200	**80,900**	**60,000**	**35,100**	**319,100**	**817,300**
Noreen O'Kelly	162,300	48,600	-	-	39,600	**250,500**

Subject to meeting the performance conditions in each year, options have the following vesting periods. Options granted at €2.26 in May 2004 are exercisable in the period from 15/05/2007 to 14/05/2011. Options granted at €3.56 in June 2005 are exercisable in the period from 20/06/2008 to 19/06/2012. Options granted at €6.52 in June 2006 are exercisable in the period from 16/06/2009 to 15/06/2013. Options granted at €11.53 in June 2007 are exercisable in the period 14/06/2010 to 13/06/2014. Options granted at €5.11 in June 2008 are exercisable in the period 04/06/2011 to 03/06/2015.

Interests in Share Options – Long Term Incentive Plan
Share Options over Ordinary Shares of €0.01 each in C&C Group plc

	Outstanding 01-Mar-08	Granted during Year	Share Price at Grant Date	Forfeited/ Lapsed	Outstanding 28-Feb-09
Directors					
Brendan Dwan	49,900	-	-	-	**49,900**
James Muldowney	39,500	-	-	39,500	**-**
Maurice Pratt	107,565	59,600	€5.11	167,165	**-**
Company Secretary					
Noreen O'Kelly	28,900	-	-	**-**	**28,900**

Analysis of Outstanding Share Options granted under Long Term Incentive Plan

Date of Grant	15-Jun-06	13-Jun-07	Total
Share Price at Grant Date	€6.52	€11.53	
Brendan Dwan	30,400	19,500	**49,900**
Noreen O' Kelly	17,700	11,200	**28,900**

In addition to the above, in order to secure his services, John Holberry's service contract entitled him to 90,000 ordinary shares in C&C Group at nil-cost. These were designed to vest over a two-year timescale but the Remuneration Committee has agreed that these will vest prior to 31 August 2009.

The market price of the Company's shares at 28 February 2009 was €0.94 and ranged during the year from €0.78 to €5.40.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2006.

The Group and Company financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group and Company. The Companies Acts 1963 to 2006 provide in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the EU as applied in accordance with the Companies Acts 1963 to 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Under applicable law and the requirements of the Listing Rules issued by the Irish Stock Exchange, the Directors are also responsible for preparing a Directors' Report and reports relating to Directors' remuneration and corporate governance that comply with that law and those Rules. In particular, in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (the Transparency Regulations), the Directors are required to include in their report a fair review of the business and a description of the principal risks and uncertainties facing the Group and the Company and a responsibility statement relating to these and other matters, included below.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement, in accordance with the Transparency Regulations

Each of the Directors, whose names and functions are listed on pages 20 to 21 confirm that, to the best of each person's knowledge and belief:

- the Group financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group at 28 February 2009 and its results for the year then ended;
- the Company financial statements, prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2006, give a true and fair view of the assets, liabilities and financial position of the Company at 28 February 2009; and
- the Directors' report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

T. O'Brien	**J. Dunsmore**
Chairman	Chief Executive Officer

Independent auditor's report to the members of C&C Group plc

We have audited the Group and Company financial statements ("financial statements") of C&C Group plc for the year ended 28 February 2009 which comprise the Group Income Statement, the Group and Company Balance Sheets, the Group and Company Cash Flow Statement, the Group Statement of Recognised Income and Expense, the Company Statement of Changes in Equity, the Statement of Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 36.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU, and have been properly prepared in accordance with the Companies Acts 1963 to 2006 and, in the case of the Group financial statements, Article 4 of the IAS Regulation. We also report to you, in our opinion as to: whether proper books of account have been kept by the company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2006 FRC Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement and the Finance Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditor's report to the members of C&C Group plc *continued*

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 28 February 2009 and of its loss for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts 1963 to 2006, of the state of the Company's affairs as at 28 February 2009;
- the Group financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2006 and Article 4 of the IAS Regulation; and
- the Company financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2006.

Other matters

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company balance sheet is in agreement with the books of account.

In our opinion the information given in the Directors' report is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 28 February 2009 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

Chartered Accountants
Registered Auditor
Dublin

12 May 2009

Group income statement

For the year ended 28 February 2009

	Notes	Year ended 28 February 2009 Before exceptional items €m	Year ended 28 February 2009 Exceptional items €m	Year ended 28 February 2009 Total €m	Year ended 29 February 2008 (restated) Before exceptional items €m	Year ended 29 February 2008 (restated) Exceptional items €m	Year ended 29 February 2008 (restated) Total €m
Revenue	1 / 2	**514.4**	**-**	**514.4**	597.5	-	597.5
Operating costs	3	**(414.0)**	**(159.6)**	**(573.6)**	(473.9)	(15.6)	(489.5)
Operating (loss)/profit	2	**100.4**	**(159.6)**	**(59.2)**	123.6	(15.6)	108.0
Finance income	7	**2.3**	**3.8**	**6.1**	2.1	9.1	11.2
Finance expense	7	**(12.7)**	**-**	**(12.7)**	(16.9)	-	(16.9)
(Loss)/profit before tax		**90.0**	**(155.8)**	**(65.8)**	108.8	(6.5)	102.3
Income tax credit/(expense)	8	**(10.2)**	**14.2**	**4.0**	(11.7)	0.7	(11.0)
(Loss)/profit from continuing operations		**79.8**	**(141.6)**	**(61.8)**	97.1	(5.8)	91.3
Discontinued operations							
Profit from discontinued operations	9	**0.1**	**0.8**	**0.9**	6.2	137.4	143.6
(Loss)/profit for the year attributable to equity shareholders		**79.9**	**(140.8)**	**(60.9)**	103.3	131.6	234.9
Basic (loss)/earnings per share (cent)	11			**(19.4)c**			73.1c
Diluted (loss)/earnings per share (cent)	11			**(19.4)c**			72.6c
Continuing operations							
Basic (loss)/earnings per share (cent)	11			**(19.7)c**			28.4c
Diluted (loss)/earnings per share (cent)	11			**(19.7)c**			28.2c

On behalf of the board

T. O'Brien
Chairman

J. Dunsmore
Chief Executive Officer

Group statement of recognised income and expense

For the year ended 28 February 2009

	Notes	2009 €m	2008 €m
Income and expense recognised directly within equity:			
Exchange difference arising on the net investment in foreign operations	7	**(1.6)**	(1.8)
Foreign currency reserve recycled to the income statement on disposal of foreign subsidiary		**-**	(0.5)
Gain on revaluation of land	13	**5.9**	-
Net movement in cash flow hedging reserve	7	**(21.3)**	16.9
Deferred tax on cash flow hedges	21	**2.2**	(1.9)
Actuarial (losses)/gains on defined benefit pension obligations	22	**(41.6)**	2.0
Deferred tax on actuarial (losses)/gains on defined benefit pension obligations	21	**5.7**	(1.0)
Total income and expense recognised directly in equity		**(50.7)**	13.7
(Loss)/profit for the year attributable to equity shareholders		**(60.9)**	234.9
Recognised income and expense for the year attributable to equity shareholders		**(111.6)**	248.6

On behalf of the board

T. O'Brien
Chairman

J. Dunsmore
Chief Executive Officer

Group balance sheet

As at 28 February 2009

	Notes	2009 €m	2008 €m
ASSETS			
Non-current assets			
Goodwill	12	**394.7**	394.7
Property, plant & equipment	13	**95.7**	227.1
Derivative financial assets	23	**-**	3.6
Deferred tax assets	21	**15.0**	2.9
		505.4	628.3
Current assets			
Inventories	15	**44.5**	78.8
Trade & other receivables	16	**57.9**	67.5
Derivative financial assets	23	**11.6**	25.7
Cash & cash equivalents		**83.0**	32.7
		197.0	204.7
TOTAL ASSETS		**702.4**	833.0
EQUITY			
Equity share capital	24	**3.3**	3.1
Share premium	24	**65.4**	44.9
Other reserves	24	**28.4**	43.5
Treasury shares	24	**(14.7)**	-
Retained income	24	**167.3**	327.7
Total equity		**249.7**	419.2
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	19	**309.2**	288.9
Derivative financial liabilities	23	**3.3**	1.3
Retirement benefit obligations	22	**45.5**	27.2
Provisions	18	**1.3**	0.7
Deferred tax liabilities	21	**-**	6.4
		359.3	324.5
Current liabilities			
Derivative financial liabilities	23	**5.0**	0.6
Trade & other payables	17	**64.6**	69.8
Provisions	18	**20.8**	12.0
Current tax liabilities		**3.0**	6.9
		93.4	89.3
Total liabilities		**452.7**	413.8
TOTAL EQUITY & LIABILITIES		**702.4**	833.0

On behalf of the board

T. O'Brien
Chairman

J. Dunsmore
Chief Executive Officer

Group cash flow statement

for the year ended 28 February 2009

	2009 €m	2008 €m
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the year attributable to equity shareholders	(60.9)	234.9
Finance income	(6.1)	(11.2)
Finance expense	12.7	16.9
Income tax	(4.0)	12.0
Depreciation of property, plant & equipment	19.4	20.3
Revaluation of property, plant & machinery	136.5	-
Profit on disposal of subsidiaries after tax	(0.8)	(137.4)
Charge for share-based employee benefits	0.4	1.2
Pension contributions paid less amount charged to income statement	(23.2)	(2.8)
	74.0	133.9
Decrease/(increase) in inventories	24.8	(0.5)
(Increase)/decrease in trade & other receivables	(2.3)	16.8
Increase in provisions	9.4	6.4
Increase/(decrease) in trade & other payables	4.6	(2.8)
	110.5	153.8
Interest received	1.3	2.3
Interest and similar costs paid	(12.8)	(14.9)
Settlement gain on derivative financial instruments	6.3	2.9
Income taxes paid	(10.7)	(9.2)
Net cash inflow from operating activities	94.6	134.9
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(18.5)	(102.9)
Proceeds on disposal of subsidiaries (note 9)	12.9	236.5
Net cash (outflow)/inflow from investing activities	(5.6)	133.6
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	0.3	5.9
Proceeds from issue of new shares under Joint Share Ownership Plan	1.5	-
Bank loans repaid	-	(598.0)
New bank loans drawn down	20.0	540.0
Issue costs paid	-	(1.3)
Shares purchased under share buyback programme	-	(139.9)
Dividends paid	(60.2)	(81.1)
Net cash outflow from financing activities	(38.4)	(274.4)
Net increase/(decrease) in cash & cash equivalents	50.6	(5.9)
Cash & cash equivalents at beginning of year	32.7	40.7
Translation adjustment	(0.3)	(2.1)
Cash & cash equivalents at end of year	83.0	32.7

A reconciliation of cash & cash equivalents to net debt is presented in note 20 to the financial statements.

On behalf of the board

T. O'Brien
Chairman

J. Dunsmore
Chief Executive Officer

Company balance sheet

As at 28 February 2009

	Notes	2009 €m	2008 €m
ASSETS			
Non-current assets			
Financial assets	14	**788.7**	788.3
Trade & other receivables	16	**377.9**	391.3
Derivative financial assets	23	**-**	0.7
Deferred tax asset	21	**8.7**	8.1
		1,175.3	1,188.4
Current assets			
Derivative financial assets	23	**-**	0.6
		-	0.6
TOTAL ASSETS		**1,175.3**	1,189.0
EQUITY			
Equity share capital	24	**3.3**	3.1
Share premium	24	**767.3**	746.8
Other reserves		**(4.2)**	2.7
Retained income		**93.2**	145.2
Total equity		**859.6**	897.8
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	19	**309.2**	288.9
Derivative financial liabilities	23	**3.3**	1.3
		312.5	290.2
Current liabilities			
Derivative financial liabilities	23	**3.0**	0.6
Trade & other payables	17	**0.2**	0.4
		3.2	1.0
Total liabilities		**315.7**	291.2
TOTAL EQUITY AND LIABILITIES		**1,175.3**	1,189.0

On behalf of the board

T. O'Brien
Chairman

J. Dunsmore
Chief Executive Officer

Company cash flow statement

For the year ended 28 February 2009

	2009 €m	2008 €m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	**11.6**	306.4
Net cash inflow from operating activities	**11.6**	306.4
CASH FLOWS FROM INVESTING ACTIVITIES		
Funding of cash requirements of subsidiary undertakings	**(20.0)**	(290.0)
Net cash outflow from investing activities	**(20.0)**	(290.0)
CASH FLOWS FROM FINANCING ACTIVITIES		
Movement in loans with subsidiary undertakings	**33.6**	(90.0)
Proceeds from exercise of share options	**0.3**	5.9
Proceeds from issue of new shares under Joint Share Option Plan	**14.7**	-
New bank loans drawn down	**20.0**	540.0
Bank loans repaid	**-**	(250.0)
Issue costs paid	**-**	(1.3)
Shares purchased under share buyback programme	**-**	(139.9)
Dividends paid	**(60.2)**	(81.1)
Net cash inflow/(outflow) from financing activities	**8.4**	(16.4)
Net movement in cash & cash equivalents	**-**	-
Cash & cash equivalents at beginning and end of year	**-**	-

On behalf of the board

T. O'Brien
Chairman

J. Dunsmore
Chief Executive Officer

Company statement of changes in equity

For the year ended 28 February 2009

	Equity Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Cashflow Hedging Reserve €m	Share-based Payment Reserve €m	Retained Income €m	Total €m
Company							
At 1 March 2007	3.3	734.7	0.3	-	5.2	62.3	805.8
Total recognised income and expense for the year	-	-	-	(0.5)	-	306.4	305.9
Dividend on ordinary shares	-	6.2	-	-	-	(87.3)	(81.1)
Own shares acquired (note 24)	(0.2)	-	0.2	-	-	(139.9)	(139.9)
Exercised share options	-	5.9	-	-	-	-	5.9
Transfer on exercise/lapse of share options	-	-	-	-	(3.7)	3.7	-
Equity settled share-based payments	-	-	-	-	1.2	-	1.2
At 29 February 2008	3.1	746.8	0.5	(0.5)	2.7	145.2	897.8
Total recognised income and expense for the year	-	-	-	(5.1)	-	11.6	**6.5**
Dividend on ordinary shares	0.1	5.5	-	-	-	(65.8)	**(60.2)**
Joint share ownership plan	0.1	14.6	-	-	-	-	**14.7**
Exercised share options	-	0.4	-	-	-	-	**0.4**
Transfer on exercise/lapse of share options	-	-	-	-	(2.2)	2.2	**-**
Equity settled share-based payments	-	-	-	-	0.4	-	**0.4**
At 28 February 2009	**3.3**	**767.3**	**0.5**	**(5.6)**	**0.9**	**93.2**	**859.6**

On behalf of the board

T. O'Brien	**J. Dunsmore**
Chairman	Chief Executive Officer

Statement of accounting policies

Significant accounting policies

C&C Group plc (the 'Company') is a company tax resident and incorporated in Ireland. The Group's financial statements for the year ended 28 February 2009 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group").

The Company and Group financial statements, together the "financial statements", were authorised for issue by the Directors on 12 May 2009.

The accounting policies applied in the preparation of the financial statements for the year ended 28 February 2009 are set out below. These have been applied consistently for all periods presented in these financial statements and by all Group entities except for the change in accounting policy in relation to the measurement of Property, plant & equipment as set out below, the impact of which is described in note 13.

Statement of compliance

As required by European Union (EU) law, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, which comprise standards and interpretations approved by the International Accounting Standards Board (IASB). The individual financial statements of the Company have been prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the Companies Acts 1963 to 2006 which permits a Company that publishes its Company and Group financial statements together to take advantage of the exemption in section 148(8) of the Companies Act, 1963 from presenting its Company Income Statement which forms part of the approved Company financial statements.

IFRSs as adopted by the EU applied by the Company and Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 28 February 2009. The following provides a brief outline of the likely impact on future financial statements of relevant IFRSs adopted by the EU, which are not yet effective and have not been early adopted in these financial statements:

- Amendments to IFRS 2 *Share-based Payments, Vesting Conditions and Cancellations*. This amendment clarifies the accounting treatment of cancellations and vesting conditions. This amendment will have no impact on the Group's accounts.
- IFRS 3 Revised *Business Combinations*. This standard establishes principles for how an acquirer recognises, measures and discloses in its financial statements the goodwill acquired in a business combination, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The impact on the Group's accounts will depend on future acquisitions.
- IFRS 8 *Operating Segments*, which is effective for annual periods beginning on or after 1 January 2009, sets out the requirements for disclosure of financial and descriptive information about an entity's operating segments in the Group financial statements, its products and services, the geographical areas in which it operates, and its major customers and will replace IAS 14 *Segment Reporting*. The impact of this standard has not yet been fully assessed.
- Amendment to IAS 1 *Presentation of Financial Statement*. This amendment sets overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. This amendment is not expected to have a significant impact on the presentation of the Group's financial statements.
- IAS 23 *Borrowing Costs (Revised)*. This amendment requires an entity to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, as part of the cost of that asset. This amendment will not a material impact on the Group's financial statements.
- Amendment to IAS 27 *Consolidated and Separate Financial Statements*. The objective of this amendment is to enhance the relevance, reliability and comparability of the information that a parent entity provides in its separate financial statements and in its consolidated financial statements for a group of entitles under its control. The introduction of this amendment will impact on Group reporting but this is not expected to be significant.
- Amendment to IAS 32 *Puttable Financial Instruments and Obligations Arising on Liquidation*. This amendment will have no effect on the Group's financial statements.
- Amendment to IAS 39 *Eligible Hedged Items*. This amendment will have no effect on the Group's financial statements.
- IFRIC Interpretation 12 *Service Concession Arrangements*. This interpretation gives guidance on the accounting by operators for public to private service concession arrangements. This IFRIC will have no effect on the Group's financial statements.
- IFRIC Interpretation 13 *Customer loyalty Programmes*. This interpretation gives guidance on accounting for customer loyalty award credits. This IFRIC will not have a material impact on the Group's financial statements.
- IFRIC Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. This interpretation deals with accounting for refunds in contributions and minimum funding requirements. The IFRIC will only be of relevance to the Group if surpluses emerge on the Group's Defined Benefit Pension Schemes and those surpluses are of a sufficient magnitude to warrant application of the surplus cap.
- IFRIC Interpretation 15 *Agreements for the Construction of Real Estate*. This interpretation will have no effect on the Group's financial statements.

Basis of preparation

The Group and individual financial statements of the Company are prepared on the historical cost basis except for the measurement at fair value of share options and derivative financial instruments and the revaluation of certain items of Property, plant & equipment. The accounting policies have been applied consistently by Group entities and for all periods presented, except for the change in accounting policy associated with property, plant & equipment. The financial statements are presented in euro millions to one decimal place.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Group and Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, which are documented in the relevant accounting policies and notes as indicated below, relate primarily to:

- the determination of fair value of land and buildings (note 13),
- the determination of depreciated replacement cost in respect of the Group's plant & machinery (note 13),
- assessing goodwill for impairment (note 12),
- accounting for defined benefit pension schemes (note 22),
- measurement of financial instruments (note 23), and,
- valuation of share-based payments (note 5).

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all subsidiaries. The financial year ends of all entities in the Group are coterminous.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

On 30 April 2004, the Group, previously headed by C&C Group International Holdings Limited, underwent a re-organisation by virtue of which C&C Group International Holdings Limited's shareholders in their entirety exchanged their shares for shares in C&C Group plc, a newly formed company, which then became the ultimate parent company of the Group. Notwithstanding the change in the legal parent of the Group, this transaction has been accounted for as a reverse acquisition and the consolidated financial statements are prepared on the basis of the new legal parent having been acquired by the existing Group.

All inter-company balances and transactions, including recognised gains arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as recognised gains except to the extent that they provide evidence of impairment.

Company Financial Statements

Investments in subsidiaries are carried at cost less provision for impairment. Dividend income is recognised when the right to receive payment is established.

Revenue recognition

Revenue comprises the fair value of goods supplied to external customers exclusive of inter-company sales and value added tax, after allowing for discounts and other pricing related allowances and incentives. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, that it can be reliably measured, and that the significant risks and rewards of ownership of the goods have passed to the buyer. This is deemed to occur on delivery.

Excise duty

Excise duty is levied at the point of production in the case of the Group's manufactured products and at the point of importation in the case of imported products in the key jurisdictions in which the Group operates. The Group accounts for excise duties as a cost of the business and separately discloses this cost in operating costs.

Statement of accounting policies *continued*

Exceptional items

The Group has adopted an accounting policy and income statement format that seeks to highlight significant items of income and expense within Group results for the year. The Directors believe that this presentation provides a more helpful analysis as it highlights one-off items. Such items may include significant restructuring costs, profits or losses on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, significant impairment of assets and unforeseen gains/ losses arising on derivative instruments. The Directors in assessing the particular items, which by virtue of their scale and nature are disclosed in the income statement and related notes as exceptional items, use judgement.

Finance income and expenses

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, amortisation of borrowing issue costs, changes in the fair value of financial assets or liabilities which are accounted for at fair value through profit or loss, losses on hedging instruments that are recognised in profit or loss, gains or losses relating to the effective portion of interest rate swaps hedging variable rate borrowings, impairment losses recognised on financial assets and unwinding of the discount on provisions. All borrowing costs are recognised in profit or loss using the effective interest method.

Research and development

Expenditure on research that is not related to specific product development is recognised in the income statement as incurred.

Expenditure on the development of new or substantially improved products or processes is capitalised if the product or process is technically feasible and commercially viable.

Government grants

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Capital grants received and receivable by the Group are credited to government grants and are amortised to the income statement on a straight line basis over the expected useful lives of the assets to which they relate.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations and has been disposed of or is held for sale. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the earliest period presented.

Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products (business segment) or in providing products within a particular economic environment (geographical segment), which is subject to risks and returns different to those of other segments. Supported by the Group's internal organisational and management structure and its system of internal financial reporting, segmentation by business is regarded as being the predominant source and nature of the risks and returns facing the Group and is thus the primary segment under IAS14 *Segment Reporting*. Geographical segmentation is therefore the secondary segment.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads that can be allocated on a reasonable basis. Unallocated items comprise mainly retirement benefit obligations, borrowings and certain exceptional expense items.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euro, which is the presentation currency of the Group and the functional currency of the Company.

Transactions in foreign currencies are translated into the functional currency of the entity at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets carried at historic cost are not subsequently retranslated. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currencies at the foreign exchange rate ruling at that date. Foreign exchange movements arising on translation are recognised in the income statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to euro at the average exchange rate for the financial period. Foreign exchange movements arising on translation of the net investment in a foreign operation, including those arising on long term intra Group loans for which settlement is neither planned nor likely to happen in the foreseeable future, are recognised directly in equity in the foreign currency translation reserve through the statement of recognised income and expense.

Any movements that have arisen since 1 March 2004, the date of transition to IFRS, are recognised in the currency translation reserve and are recycled through the income statement on disposal of the related business. Translation differences that arose before the date of transition to IFRS as adopted by the EU in respect of all non-euro denominated operations are not presented separately.

Goodwill

Goodwill is the excess of the consideration paid over the fair value of the identifiable assets, liabilities and contingent liabilities in a business combination and relates to the future economic benefits arising from assets, which are not capable of being individually, identified and separately recognised.

Goodwill arising on acquisitions prior to the date of transition to IFRS as adopted by the EU has been retained, with the previous Irish GAAP amount being its deemed cost, subject to being tested for impairment. Goodwill written off to reserves under Irish GAAP prior to 1998 has not been reinstated and will not be included in determining any subsequent profit or loss on disposal.

Goodwill on acquisitions is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

Property, plant & equipment

As more fully described in note 13, the Group changed its accounting policy in relation to Property, plant & equipment in the year. In line with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors,* the initial application of the accounting policy to revalue these assets did not require a prior year adjustment.

Property (comprising land and buildings) is recognised at estimated fair value with the changes in the value of the property reflected in revaluation gains in the statement of recognised income and expense, except impairment losses, which are recognised in the income statement. The fair value is based on estimated market value at the valuation date, being the estimated amount for which a property could be exchanged in an arms length transaction. Such valuations are determined based on benchmarking against comparable transactions for similar properties in similar locations as those of the Group or on the use of valuation techniques including the use of market yields on comparable properties. Information on the basis on which such valuations were undertaken in the year is set out in note 13.

Plant & machinery is carried at its revalued amount. In view of the specialised nature of the Group's plant & machinery and the lack of comparable market-based evidence of similar plant sold as a 'going concern' i.e. as part of a continuing business, upon which to base a market approach of fair value, the Group uses a depreciated replacement cost approach to determine a fair value for such assets.

Depreciated replacement cost is assessed, firstly, by the identification of the gross replacement cost for each class of plant & machinery. A depreciation factor derived from both the physical and functional obsolescence of each class of asset, taking into account estimated residual values at the end of the life of each class of asset, is then applied to the gross replacement cost to determine the net replacement cost. Finally an economic obsolescence factor, which is derived based on current and anticipated capacity or utilisation of each class of plant & machinery as a function of total available production capacity, is applied to determine the depreciated replacement cost. The Group has adopted a policy of valuing its plant & machinery in this manner annually.

Statement of accounting policies *continued*

Motor vehicles & other equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition, construction or production of qualifying assets are recognised in profit or loss as incurred. When parts of an item of property, plant & equipment have different useful lives, they are accounted for as separate items (major components) of property, plant & equipment. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

Property, plant & equipment, other than freehold land which is not depreciated, was depreciated during the current year on the following basis:

Buildings	2% straight line
Motor vehicles	15% straight line
Other equipment incl returnable bottles, cases and kegs	5-25% straight line
Plant & machinery	6-10% straight line
Storage tanks	3.33% straight line

As a result of adopting the depreciated replacement cost revaluation policy for plant & machinery at the year end, a reducing balance depreciation method will be applied to Plant & machinery and storage tanks going forward at the following rates:-

Plant & machinery	15-30% reducing balance
Storage tanks	10% reducing balance

The residual value and useful lives of property, plant & equipment are reviewed and adjusted if appropriate at each balance sheet date.

On disposal of property, plant & equipment the cost or valuation and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the income statement.

The carrying amounts of the Group's property, plant & equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying amount of an asset or its cash generation unit exceeds its recoverable amount (being the greater of fair value less costs of sale and value in use). Impairment losses are recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition and is based on the first-in first-out principle.

In the case of finished goods and work in progress, cost includes direct production costs and the appropriate share of production overheads plus excise duties where appropriate. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the sale.

Provision is made for slow-moving or obsolete stock where appropriate.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value at an appropriate rate if the effect of the time value of money is deemed material.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Leases

Where the Group has entered into lease arrangements on land and buildings the lease payments are allocated between land and buildings and each component is assessed separately to determine whether it is a finance or operating lease.

Finance leases, which transfer to the Group substantially all the risks and rewards to ownership of the leased asset, are recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement as part of finance costs.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Retirement benefit obligations

The Group operates a number of defined contribution and defined benefit pension schemes.

Obligations to the defined contribution pension schemes are recognised as an expense in the income statement as the related employee service is received. Under these schemes, the Group has no obligation, either legal or constructive, to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

The liabilities and costs associated with the Group's defined benefit pension schemes, all of which are funded and administered under trusts which are separate from the Group, are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. When the benefits of a defined benefit scheme are improved, the portion of the increased benefit relating to the past service of employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the enhanced benefits vest immediately, the related expense is recognised immediately in the income statement. The net surplus or deficit arising on the Group's defined benefit pension schemes is shown within either non-current assets or non-current liabilities on the face of the Group Balance Sheet. The deferred tax liabilities and assets arising on pension scheme surpluses and deficits are disclosed separately within deferred tax assets or liabilities, as appropriate.

The expected increase in the present value of scheme liabilities arising from employee service in the current or prior periods is recognised in arriving at operating profit or loss together with the expected returns on the scheme assets and the increase during the period in the present value of the scheme liabilities arising from the passage of time. Differences between the expected and the actual return on plan assets, experience gains and losses on scheme liabilities, together with the effect of changes in the current or prior assumptions underlying the liabilities are recognised in the statement of recognised income and expense.

The defined benefit pension asset or liability in the Group Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high-quality corporate bonds) less the fair value of plan assets (measured at bid value) out of which the obligations are to be settled directly.

Company

The Company has no direct employees and is not the sponsoring employer for any of the Group's defined benefit pension schemes. There is no stated policy within the Group in relation to the obligations of Group companies to contribute to scheme deficits. Group companies make contributions to the schemes as requested by the sponsoring employers.

Share-based payments

The Group operates an equity settled Executive Share Option Scheme, an equity settled share-based Long Term Incentive Plan (the 'LTIP') and a Joint Share Ownership Plan. Its policy in relation to the granting of share options together with the nature of the underlying market and non-market performance and other vesting conditions is addressed in the Report on Directors' Remuneration on pages 30 to 32 and in note 5 to the financial statements.

Equity settled share-based payment transactions

Group share schemes allow employees to acquire shares in the Company. The fair value of share entitlements granted is recognised as an employee expense in the income statement with a corresponding increase in equity. Share options granted under the Executive Share Option Scheme are subject to non-market vesting conditions. Share entitlements granted by the Company under the LTIP are subject to both market and non-market vesting conditions. A percentage of shares granted under the Joint Share Ownership Plan are subject to both market and non-market vesting conditions while the remainder are subject to non-market vesting conditions only, details of which are set out in the Report on Directors' Remuneration on pages 30 to 32. Market conditions are incorporated into the calculation of fair value at grant date. Non-market vesting conditions are not taken into account when estimating the fair value of entitlements as at the grant date. The expense for the share entitlements shown in the income statement is based on the fair value of the total number of entitlements expected to vest and is allocated to accounting periods on a straight line basis over the vesting period. The cumulative charge to the income statement is reversed only where entitlements do not vest because all non-market performance conditions have not been met or where an employee in receipt of share entitlements leaves the Group before the end of the vesting period. No reversal is recorded for failure to vest as a result of market conditions not being met. The proceeds received by the Company on the vesting of share entitlements are credited to share capital and share premium when the share entitlements are exercised. Amounts included in the share-based payments reserve are transferred to retained income when vested options are exercised, forfeited or lapse.

Statement of accounting policies *continued*

The Group has no exposure in respect of cash-settled share-based payment transactions and share-based payment transactions with cash alternatives as defined by IFRS 2 Share-Based Payment.

Income tax

Current tax

Current tax expense represents the expected tax amount to be paid in respect of taxable income for the current year. Current tax for the current and prior years, to the extent that it is unpaid, is recognised as a liability in the balance sheet.

Deferred tax

Deferred tax is provided on the basis of the balance sheet liability method on all temporary differences at the balance sheet date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is recognised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised for all temporary differences except where they arise from:-

- the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit or loss nor the taxable profit or loss at the time of the transaction, or,
- temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference is subject to the Group's control and it is probable that a reversal will not be recognised in the foreseeable future.

Deferred tax assets in respect of deductible temporary differences are recognised only to the extent that it is probable that taxable profits or taxable temporary differences will be available against which to offset these items. The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of the deferred tax asset to be utilised.

Deferred tax and current tax are recognised as a component of the tax expense in the income statement except to the extent that they relate to items recognised directly in equity (for example, certain derivative financial instruments and actuarial gains and losses on defined benefit pension schemes), in which case the related tax is recognised in equity.

Financial instruments

Trade & other receivables

Trade receivables are recognised and carried at original invoice value less an allowance for incurred losses. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the income statement. Bad debts are written-off in the income statement on identification.

Cash & cash equivalents

Cash & cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash & cash equivalents for the purpose of the statement of cash flows.

Trade & other payables

Trade & other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the maturity date is less than 6 months.

Interest-bearing loans & borrowings

Interest-bearing loans & borrowings are recognised initially at fair value less attributable transaction costs and are subsequently measured at amortised cost with any difference between the amount originally recognised and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis. Where the refinancing of a loan results in a significant change in the present value of the expected cashflows, the original loan is de-recognised and the replacement loan is recognised at fair value.

Derivative financial instruments
The Group uses derivative financial instruments (principally interest rate swaps and forward foreign exchange contracts) to hedge its exposure to foreign exchange and interest rate risks arising from operational and financing activities. The Group does not enter into speculative transactions.

Derivative financial instruments are measured at fair value at each reporting date. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into the account current interest and currency exchange rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles and equates to the quoted market price at the balance sheet date.

Gains or losses on re-measurement to fair value are recognised immediately in the income statement except where derivatives are designated and qualify for hedge accounting in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

Derivative financial instruments entered into by the Group are for the purposes of hedge accounting classified as cash flow hedges which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset, liability, a firm commitment or a highly probable forecast transaction.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised as a separate component of equity with the ineffective portion being reported in the income statement. The associated gains or losses that had previously been recognised in equity are transferred to the income statement contemporaneously with the materialisation of the hedged transaction, except when a firm commitment or forecast transaction results in the recognition of a non-financial asset or a non-financial liability, in which case the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for special hedge accounting. At that point in time, if the hedged transaction is still probable, any cumulative gain or loss on the hedging instrument recognised as a separate component of equity is kept in equity until the forecast transaction occurs with future changes in fair value recognised in the income statement. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement in the period.

Share capital

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the gross proceeds.

Own shares acquired under share buyback programme
The cost of ordinary shares purchased by the Company on market is recorded as a deduction from retained income on the face of the Group and Company Balance Sheet. An amount equal to the nominal value of shares cancelled is included within the capital redemption reserve fund.

Treasury shares
Where the Company issues equity share capital under its Joint Share Ownership Plan, which is held in trust by the Group's Employee Benefit Trust, the consideration paid is deducted from total shareholders' equity and classified as treasury shares on consolidation.

Dividends
Final dividends on ordinary shares are recognised as a liability in the financial statements only after they have been approved at an annual general meeting of the Company. Interim dividends on ordinary shares are recognised when they are paid.

Company financial assets

The change in legal parent of the Group on 30 April 2004 as disclosed in detail in that year's annual report was accounted for as a reverse acquisition. This transaction gave rise to a financial asset in the Company's accounts, which relates to the value of its investment in subsidiaries. Financial assets are reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Share options granted to employees of subsidiary companies are accounted for as an increase in the carrying value of the investment in subsidiaries and the share-based payment reserve.

Notes

Forming part of the financial statements

1. Prior year adjustment

(a) Classification of trade incentives

Following a review of the classification of certain trade incentives, the Directors considered it appropriate to account for these transactions as a deduction from revenue in line with the accounting treatment outlined in the accounting policy for revenue recognition.

In previous years, the Group classified these costs within Direct Brand Marketing costs in operating expenses. This classification amendment has no impact on the profit for the financial year or previous financial year or on the financial position (net assets) of the Group as reported.

The impact of the classification change on revenue and operating expenses on continuing operations in both years is shown below:

		2009			2008	
	Revenue	**Operating expenses**	**Operating profit**	Revenue	Operating expenses	Operating profit
As previously stated	**523.5**	**(423.1)**	**100.4**	602.7	(479.1)	123.6
Impact of change	**(9.1)**	**9.1**	**-**	(5.2)	5.2	-
As restated	**514.4**	**(414.0)**	**100.4**	597.5	(473.9)	123.6

(b) Change of accounting policy in relation to property, plant & machinery

Following a review of the carrying value of the Group's Cider production facility and related assets, the Directors considered it more appropriate to measure the carrying value of these assets on a revaluation basis. In line with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors,* the initial application of an accounting policy to revalue assets does not require a prior year adjustment. See note 13 for further details.

2. Segmental reporting

Segmental revenue and operating profit information is presented below in respect of the Group's continuing business and geographical segments while the relevant information in relation to the Group's discontinued wines & spirits and Soft drinks businesses is set out in note 9. Segmental assets and liabilities for the full Group as at each year end are presented below. The primary format, business segments, is based on the Group's management and internal reporting structure and reflects the dominant source and nature of risks and returns arising from the Group's business.

The Group analyses its business into three main segments as follows:-

(i) Cider

This segment includes the Group's cider products, with Bulmers in the Republic of Ireland and Magners in all other markets being the two main brands involved.

(ii) Spirits & liqueurs

This segment consists 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.

(iii) Distribution

This segment relates to the distribution of agency products and wholesaling to the licensed trade in Northern Ireland.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads, which can be allocated on a reasonable basis. Unallocated items comprise mainly current tax, deferred tax, derivative financial assets/liabilities, retirement benefit obligations, Group net borrowings and certain exceptional expense items.

2. Segmental reporting (continued)

Class of business analysis

	2009 Revenue €m	2009 Operating profit €m	2009 Assets €m	2009 Liabilities €m	2008 Revenue (restated) €m	2008 Operating profit €m	2008 Assets €m	2008 Liabilities €m
Cider	386.8	84.8	508.1	(69.6)	465.3	107.5	664.5	(55.4)
Spirits & liqueurs	85.9	15.3	73.9	(12.2)	87.5	15.8	74.1	(15.7)
Distribution	41.7	0.3	10.8	(4.9)	44.7	0.3	29.5	(11.4)
Total before unallocated items	514.4	100.4	592.8	(86.7)	597.5	123.6	768.1	(82.5)
Unallocated items:								
Exceptional items (note 6)	-	(159.6)*	-	-	-	(15.6)**	-	-
Current tax liabilities	-	-		(3.0)	-	-	-	(6.9)
Deferred tax assets/(liabilities)	-	-	15.0	-	-	-	2.9	(6.4)
Derivative financial assets/(liabilities)	-	-	11.6	(8.3)	-	-	29.3	(1.9)
Retirement benefit obligations	-	-	-	(45.5)	-	-	-	(27.2)
Group net borrowings	-	-	83.0	(309.2)	-	-	32.7	(288.9)
	514.4	(59.2)	702.4	(452.7)	597.5	108.0	833.0	(413.8)

* Of the exceptional items in the current year €2.7m relates to the Spirits & liqueurs segment and €156.9m relates to the Cider segment.

** Of the exceptional items in the prior year €10m of the exceptional cost is directly attributable to the Cider segment, while a further €0.4m is directly attributable to the Spirits and liqueurs segment.

Geographical analysis of revenue, assets and liabilities by country of operation

	2009 Revenue €m	2009 Assets €m	2009 Liabilities €m	2008 Revenue (restated) €m	2008 Assets €m	2008 Liabilities €m
Republic of Ireland	452.3	577.3	(77.3)	524.6	749.3	(70.8)
Rest of the world	62.1	15.5	(9.4)	72.9	18.8	(11.7)
Total before unallocated items	514.4	592.8	(86.7)	597.5	768.1	(82.5)

Geographical analysis of revenue by country of destination

	2009 €m	2008 €m
Republic of Ireland	167.8	191.9
UK	249.4	308.5
Rest of Europe	53.2	54.0
North America	35.9	35.8
Rest of the world	8.1	7.3
Total	514.4	597.5

Notes *continued*

Forming part of the financial statements

2. Segmental reporting (continued)

Other segment information by class of business

	2009			2008	
	Capital expenditure €m	Depreciation €m	Revaluation €m	Capital expenditure €m	Depreciation €m
Cider	18.0	18.5	128.2	89.2	14.8
Spirits & liqueurs	0.9	0.8	2.0	1.1	0.8
Distribution	-	0.1	0.4	-	0.1
Discontinued operations	-	-	-	2.0	4.6
	18.9	19.4	130.6	92.3	20.3

Other segment information by country of operation

	2009			2008	
	Capital expenditure €m	Depreciation €m	Revaluation €m	Capital expenditure €m	Depreciation €m
Republic of Ireland	18.8	19.2	130.2	92.0	19.8
Rest of the world	0.1	0.2	0.4	0.3	0.5
	18.9	19.4	130.6	92.3	20.3

3. Operating costs

	2009			2008		
	Before exceptional items €m	Exceptional items €m	Total €m	Before exceptional items (restated) €m	Exceptional items €m	Total (restated) €m
Raw material cost of goods sold	168.4	-	168.4	289.4	-	289.4
Inventory write-down	1.3	11.1	12.4	2.4	-	2.4
Excise duties	98.8	-	98.8	124.1	-	124.1
Employee remuneration (note 4)	48.1	8.9	57.0	85.4	15.6	101.0
Direct brand marketing	74.0	-	74.0	96.0	-	96.0
Other operating, selling and administration costs	42.8	3.1	45.9	51.5	-	51.5
Depreciation	19.4	-	19.4	20.3	-	20.3
Revaluation of property, plant & machinery	-	136.5	136.5	-	-	-
Research and development costs	0.6	-	0.6	0.4	-	0.4
Auditor remuneration:						
- audit services	0.2	-	0.2	0.4	-	0.4
- non audit services	0.2	-	0.2	0.1	-	0.1
Operating lease rentals:						
- plant and machinery	1.9	-	1.9	1.2	-	1.2
- other	-	-	-	2.6	-	2.6
Total	455.7	159.6	615.3	673.8	15.6	689.4
Allocated to discontinued operations	(41.7)	-	(41.7)	(199.9)	-	(199.9)
Total relating to continuing operations	414.0	159.6	573.6	473.9	15.6	489.5

4. Employee numbers & remuneration costs

The average number of persons employed by the Group (including executive Directors) during the year, analysed by category, was as follows:-

	2009 Number	2008 Number
Production	**210**	465
Sales & marketing	**250**	316
Distribution	**138**	297
Administration	**102**	138
Total	**700**	1,216

The actual number of persons employed by the Group as at 28 February 2009 was 673 (29 February 2008: 821).

The aggregate remuneration costs of these employees can be analysed as follows:-

	2009 €m	2008 €m
Wages, salaries and other short term employee benefits	**39.3**	70.6
Severance costs (note 6)	**10.4**	15.6
Social welfare costs	**3.7**	7.0
Retirement benefit obligations – defined benefit schemes (note 22)	**2.2**	5.8
Retirement benefit obligations – defined contribution schemes	**1.0**	0.8
Equity settled share-based payments (note 5)	**0.4**	1.2
Charged to the income statement	**57.0**	101.0
Actuarial loss/(gain) on defined benefit pension schemes (note 22)	**41.6**	(2.0)
Total employee benefits	**98.6**	99.0

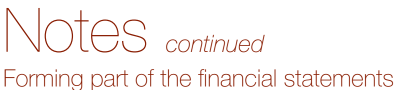
5. Share-based payments

In May 2004, the Group established an equity settled Executive Share Option Scheme under which options to purchase shares in C&C Group plc are granted to certain executive Directors and senior management. Under the terms of the scheme, the options are exercisable at the market price prevailing at the date of the grant of the option. The maximum grant that can normally be made to any individual in any one year is an award of 150% of basic salary in that year. Options were granted in May 2004 and in June of each year from 2005 through to 2008 under this scheme.

Under this scheme, options will not normally be exercisable until three years after the date of grant and are subject to meeting a specific performance target. This performance target requires the Group's earnings per share (before exceptional items) to increase by 5% in excess of the Irish Consumer Price Index over three years on a compound basis, in order for options to vest. If after the relevant three-year period (i.e. 3 years from date of grant) the performance target is not met the options lapse.

In January 2006, the Group established a Long Term Incentive Plan (LTIP) under the terms of which options to purchase shares in C&C Group plc are granted at nil cost to certain key executive employees. Options under this scheme were granted in January 2006 and in June of each year from 2006 through to 2008.

Under this plan, awards of up to 100% of basic salary may be granted. For the shares to vest fully, total shareholder return (TSR) must be in the top quartile of a comparator group over a three-year period. None of the award vests for below median performance. 30% of the award vests for median performance with straight-line pro-rating between the median and upper quartile. In addition to the total shareholder return condition, earnings per share growth (before exceptional items) must increase by 5% in excess of the Irish Consumer Price Index on a compound basis over the same three-year period. If at the end of the relevant period both these conditions are not met the options lapse.



Notes *continued*

Forming part of the financial statements

5. Share-based payments (continued)

In December 2008, shareholders at an Extraordinary General Meeting approved the establishment of a Joint Share Ownership Plan where certain employees of the Company and its subsidiaries are eligible to participate in the Plan at the discretion of the Remuneration Committee. Under this plan, interests in the form of a restricted interest in ordinary shares in the Company are awarded to certain key executives on payment upfront to the Employee Benefit Trust of funding equal to 10% of the issue price on the acquisition of the interest.

The vesting of Interests granted is subject to the following conditions. All of the Interests are subject to a time vesting condition with one-third of the Interest in the shares vesting on the first anniversary of acquisition, one-third on the second anniversary and the final one-third on the third anniversary. In addition, half of the Interests in the shares will be subject to a pre-vesting share price target. In order to benefit from those Interests the Company's share price must be greater than €2.50 for at least 20 days out of 40 consecutive dealing days during the five-year period commencing on the date of acquisition of the Interest.

When an Interest vests, the trustees will transfer shares to the participant of equal value to the participant's interest on receipt of payment of the residual 90% from the participant or the shares will be sold and the trustee will account to the participant for the balance i.e. the difference between the net sale proceeds and the Hurdle value (balance (90%) of the issue price on the acquisition of the Interest).

The fair value assigned to the options granted were computed in accordance with the trinomial valuation methodology, the fair value of the LTIP options granted were computed in accordance with a stochastic model and the fair value of the interests awarded under the Joint Share Ownership Plan were computed using a Monte Carlo simulation. As per IFRS 2 *Share-based Payment* market based vesting conditions, such as the LTIP TSR condition and the share price target condition in the Joint Share Ownership Plan, have been taken into account in establishing the fair value of equity instruments granted. Other non-market or performance related conditions were not taken into account in establishing the fair value of equity instruments granted, instead these non-market vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. The main assumptions used in the valuations were as follows:-

	Joint share ownership plan shares granted December 2008	**LTIP options granted June 2008**	**Options granted June 2008**	**LTIP options granted June 2007**	**Options granted June 2007**
Exercise price	€1.15	€0.00	€5.11	€0.00	€11.53
Risk free interest rate	2.12% - 2.54%	n/a	4.33%	N/a	4.33%
Expected volatility	41.6% - 47.8%	45.7%	27.3%	30.2%	25%
Expected life	1.7 - 3.0 years	3.5 years	7 years	3.5 years	7 years
Dividend yield	6.0%	5.19%	5.19%	2.5%	2.5%

Expected volatility was based to the extent possible on an analysis of the historic volatility of C&C Group plc shares since listing on 30 April 2004 and other quoted companies on the Irish and London Stock Exchanges, reflecting the short trading history of the Group. Further details of the terms applicable to these option schemes are outlined in the report of the Remuneration Committee on pages 30 to 35.

5. Share-based payments (continued)

Details of the shares and share options granted under these schemes are as follows:

Grant Date	Vesting period	Number of options/equity interests granted	Outstanding at 28 Feb 09	Grant price €	Market value at grant date €	Fair value at grant date €	Expense in Income Statement 2009 €m	2008 €m
13 May 2004	3 years	4,914,900	657,500	2.26	2.26	0.49	-	0.1
20 June 2005	3 years	1,708,200	369,300	3.56	3.56	0.72	0.1	0.3
12 Jan 2006 (LTIP)	3 years	44,365	-	-	5.53	4.63	-	0.1
15 June 2006	3 years	846,900	383,300	6.52	6.52	1.24	0.1	0.5
15 June 2006 (LTIP)	3 years	127,600	48,100	-	6.52	4.48	-	0.2
13 June 2007	3 years	318,500	206,600	11.53	11.53	2.76	-	-
13 June 2007 (LTIP)	3 years	82,100	30,700	-	11.53	5.26	-	-
13 June 2008	3 years	1,013,700	767,500	5.11	5.11	0.98	-	-
13 June 2008 (LTIP)	3 years	59,600	-	-	5.11	3.38	-	-
18 Dec 2008 (Joint share ownership plan)	3 years	12,800,000	12,800,000	1.15	1.315	0.16 - 0.21	0.2	-
		21,915,865	**15,263,000**				**0.4**	1.2
APSS Scheme		**189,061**	**-**	11.39	11.39	11.39	**-**	-
		22,104,926	**15,263,000**				**0.4**	1.2

The amount charged to the income statement in respect of the above option grants assumes that all outstanding options granted during 2006 will vest and all qualifying conditions will be achieved, all outstanding options granted during 2005 vested in May 2008. Given that, in order for options to vest, the non-market performance target requires the Group's earnings per share (before exceptional items) to increase by 5% in excess of the Irish Consumer Price Index over three years on a compound basis, and that adjusted basic EPS for the year ended 29 February 2008 fell by 41% and fell a further 21% for the year ended 28 February 2009, the Directors consider the likelihood of achieving the non-market vesting conditions for the 2007 and 2008 options and LTIPs as remote and therefore it is currently assumed that no options granted during 2007 and 2008 will vest.

The amount charged to the income statement includes an accelerated charge of €0.1m (2008: €0.2m in relation to the disposal of the Soft drinks business to Britvic plc) in relation to employees leaving the Group as part of a restructuring programme for share option grants where the underlying conditions have been met at the date of departure. These employees were deemed 'good leavers' under the terms of the scheme, with all share options granted deemed to have vested and the exercise period reduced from 4 years to 6 months.

A summary of activity under the Group's share option schemes and Joint Share Ownership Plan together with the weighted average exercise price of the share options is as follows:

	2009 Number of options/ equity interests	2009 Weighted average exercise price €m	2008 Number of options	2008 Weighted average exercise price €m
Outstanding at beginning of year	**4,571,365**	**3.61**	6,787,265	3.02
Granted	**13,873,300**	**1.43**	400,600	9.17
Exercised	**(156,500)**	**2.94**	(2,354,900)	2.53
Forfeited / lapsed	**(3,025,165)**	**3.14**	(261,600)	6.52
Outstanding at end of year	**15,263,000**	**1.72**	4,571,365	3.61

The number of share options exercisable at 28 February 2009 was 1,026,800 (2008: 2,379,800).

The unvested options outstanding at 29 February 2008 have a weighted average vesting period outstanding of 2.7 years. The weighted average contractual life of vested and unvested share options is 6.6 years.

Notes *continued*

Forming part of the financial statements

5. Share-based payments (continued)

The weighted average share price at date of exercise of all options exercised during the period was €4.07 (2008: €8.84) and the share price as at 28 February 2009 was €0.935

In 2001, the Group entered into an agreement with trade unions representing the majority of its employees, which provided for the establishment of an approved save as you earn scheme and of an approved profit sharing scheme. A discretionary scheme was put in place for the year ended 28 February 2007. Under this scheme, due to exceptional earnings per share growth in that year, the Remuneration Committee and the Board approved and granted to employees shares to the value of between 3% and 4% of basic salary remuneration to employees subject to a minimum allocation of €1,000 per employee. The cost, which was reflected in the income statement in 2006/07, was €2.5m. The Group purchased 189,061 shares during the prior financial year and placed these shares in Irish/UK Revenue approved employee trusts where they are held in the held in trust on behalf of each employee and where each employee has full voting rights and dividend entitlements. However, tax penalties apply should the employees sell the shares before the vesting period expires. There is no allocation of shares under this scheme proposed for the current financial year. Participating employees to whom these shares are awarded are entitled to all dividends declared and have full voting rights while the shares are held in the trusts.

6. Exceptional items

	2009 €m	2008 €m
Restructuring costs	**12.0**	15.6
Inventory write-down	**11.1**	-
Gain on mark to market of derivative financial instruments	**(3.8)**	(9.1)
Revaluation of property, plant & machinery	**136.5**	-
(Profit) on disposal of subsidiary undertakings, net of tax	**(0.8)**	(137.4)
Total	**155.0**	(130.9)
Allocated to discontinued operations	**0.8**	137.4
Total relating to continuing operations	**155.8**	6.5

(a) Restructuring costs

Restructuring costs comprising severance and other initiatives, including the costs associated with consolidating the Group's Dublin operations into a single location and net of defined benefit pension scheme past service costs of €0.7m and curtailment gains of €2.2m (2008: nil) relating to the restructuring programme, resulted in an exceptional charge before taxation of €12.0m (2008: €15.6m).

In February 2009, the Group announced a reorganisation and cost reduction programme with the objective of reducing operating costs by realigning the cost structure to the current sales volumes base and streamlining the Group's organisational structure thereby improving cost competitiveness, involving a head count reduction in the region of 121 people. The exceptional net pension credit of €1.5m arose as a result of a reduction in employee numbers following the Group's head-office restructuring programme. A reorganisation and cost reduction programme was also implemented during the previous financial year involving a headcount reduction in the region of 150 people across the Group.

(b) Inventory write-down

At 28 February 2009, the Group's stock holding of apple juice at circa 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, the Group recorded an impairment charge in relation to excess apple juice stocks at the year-end.

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

During the current financial year, 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. During the prior year, a shortfall in expected Sterling revenues resulted in surplus Sterling hedges in 2007/08 and 2008/09 that were effectively cancelled giving rise to a gain of €9.1m. Both these gains were classified within exceptional items on the basis of materiality and the unforeseen circumstances giving rise thereto (see note 7 for further details).

6. Exceptional items (continued)

(d) Revaluation of property, plant & machinery

As a result of current levels of demand and expectations of future growth, the Group 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. Using the valuation methodologies outlined in note 13, 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 in the Statement of Recognised Income & Expense (SORIE).

(e) Profit on disposal of subsidiary

On 11 September 2008, the Group announced the disposal of its wine & spirit distribution business in the Republic of Ireland to a subsidiary of DCC plc for a consideration of €11.4m realising a profit after tax of €0.2m. On 26 February 2009, the Group agreed the disposal of its wine & spirit distribution business in Northern Ireland for a consideration of circa €3.7m resulting in a profit after tax of €0.6m.

During the prior year, the Group completed the disposal of its Soft drinks division and related assets (Republic of Ireland Wholesaling) to Britvic plc, for a consideration of €246.6m, realising a profit after tax of €137.4m (see note 9 for further details).

The taxation implication of the exceptional items is 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 dedesignation of excess sterling hedges (2008: a credit of €0.7m to continuing activities in relation to both the gain on mark to market of the derivative financial instruments and the reorganisation costs associated with the Group restructuring; and a charge of €4.5m to discontinued operations in relation to Capital Gains Tax charged on the transfer of brands to Britvic plc on disposal of the Soft drinks business).

7. Finance income and expense

	2009 €m	2008 €m
Recognised in income statement		
Finance income:		
Interest income on bank deposits	**(1.3)**	(2.1)
Gain on mark to market of derivative financial instruments arising on surplus sterling hedges (note 23)	**(3.8)**	(9.1)
Ineffective portion of change in fair value of cash flow hedges	**(1.0)**	-
Total finance income	**(6.1)**	(11.2)
Finance expenses:		
Interest expense on interest bearing borrowings	**13.5**	17.2
Issue costs written off on refinancing of debt	**-**	1.9
Income arising on interest rate swaps designated as cash flow hedges against interest exposure	**(0.7)**	(2.0)
Ineffective portion of change in fair value of cash flow hedges	**(0.1)**	(0.2)
Total finance costs	**12.7**	16.9
Net finance expense	**6.6**	5.7
Recognised directly in equity		
Effective portion of changes in fair value of cash flow hedge	**5.6**	15.0
Fair value of cash flow hedges transferred to income statement	**(26.9)**	1.4
Fair value of cash flow hedges transferred to finance expenses on discontinuance of hedge accounting (note 23)	**-**	0.5
Deferred tax on cash flow hedges recognised directly in equity	**2.2**	(1.9)
Foreign currency translation differences for foreign operations	**(1.6)**	(1.8)
Net (expense)/income recognised directly in equity	**(20.7)**	13.2

Notes *continued*

Forming part of the financial statements

8. Income tax

	2009 €m	2008 €m
(a) Analysis of charge in year recognised in the income statement		
Current tax:		
Irish corporation tax	**5.9**	9.0
Foreign corporation tax	**2.3**	2.6
Adjustment in respect of previous years	**(1.4)**	(0.7)
	6.8	10.9
Deferred tax:		
Irish	**(10.6)**	1.2
Foreign	**-**	(0.1)
	(10.6)	1.1
Total income tax (credit)/expense recognised in income statement	**(3.8)**	12.0
Allocated to discontinued operations	**(0.2)**	(1.0)
Total relating to continuing operations	**(4.0)**	11.0

The tax assessed for the year is lower than that calculated at the standard rate of corporation tax in the Republic of Ireland as explained below.

	2009 €m	2008 €m
(Loss)/profit before tax from continuing operations	**(65.8)**	102.3
Profit from discontinued operations	**0.1**	7.2
Profit on disposal of discontinued operations	**1.0**	141.9
	(64.7)	251.4
Tax at standard rate of corporation tax in the Republic of Ireland of 12.5%	**(8.1)**	31.4
Actual tax charge is affected by the following:		
Expenses not deductible for tax purposes	**2.7**	1.0
Adjustments in respect of prior years	**(1.4)**	(0.7)
Deferred tax provided for at a different rate to the standard corporation tax *	**2.9**	-
Differences in effective tax rates on overseas earnings	**1.5**	0.9
Manufacturing relief	**(1.4)**	(2.4)
Non taxable income (incl. disposal of subsidiary undertakings)	**-**	(17.7)
Other differences	**-**	(0.5)
Total income tax	**(3.8)**	12.0
(b) Deferred tax recognised directly in equity		
Deferred tax arising on movement in defined benefit pension obligations	**(5.7)**	1.0
Deferred tax arising on movement in derivatives designated as cashflow hedges	**(2.2)**	1.9
	(7.9)	2.9

* Deferred tax in relation to the Group's exceptional write-down of property, plant & machinery has been recognised at the tax rates expected to apply when the deferred tax assets arising are realised, taking into account the expiration of manufacturing relief in 2010.

(c) Factors that may affect future charges

Manufacturing relief in the Republic of Ireland is due to expire on 31 December 2010.

9. Discontinued operations

The Group completed the disposal of its wine & spirit distribution business in the Republic of Ireland to a subsidiary of DCC plc during September 2008 and on 26 February 2009 agreed the disposal of its wine & spirit distribution business in Northern Ireland to Golf Holdings Ltd.

During the previous financial year, the Group completed the sale of its Soft drinks business to Britvic plc.

9. Discontinued operations (continued)

In line with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* depreciation was not charged on property, plant & equipment held in these businesses from the date the assets were classified as 'held for sale' and the businesses are presented as discontinued operations for all periods presented and are shown separately from continuing operations.

Results of discontinued operations

	Wines & spirits 2009 €m	Soft drinks/ wines & spirits 2008 €m
Revenue	**41.8**	207.1
Expenses	**(41.7)**	(199.9)
Results from discontinued operations before tax	**0.1**	7.2
Income tax expense	**-**	(1.0)
Results from discontinued operations	**0.1**	6.2
Gain on sale of discontinued operations	**1.0**	141.9
Income tax expense	**(0.2)**	-
Capital gains tax arising on sale of discontinued operations	**-**	(4.5)
Profit from discontinued operations (net of income tax)	**0.9**	143.6

Cash flows from discontinued operations

	2009 €m	2008 €m
Net cash from operating activities	**0.4**	0.8
Net cash from investing activities	**12.9**	234.5
Net cash from financing activities	**-**	(20.0)
Net cash inflow from discontinued operations	**13.3**	215.3
Depreciation	**-**	4.6
Capital expenditure	**-**	(2.0)

Effect of disposal on the financial position of the Group

	Wines & spirits 2009 €m	Soft drinks/ wines & spirits 2008 €m
Property, plant & equipment	**0.1**	57.1
Goodwill	**-**	32.2
Inventories	**8.5**	25.9
Trade & other receivables	**10.4**	63.0
Deferred tax assets	**-**	3.0
Trade & other payables	**(5.4)**	(54.5)
Provisions	**-**	(0.6)
Retirement benefit obligations	**-**	(19.0)
Foreign currency reserve de-recognised on disposal	**-**	(0.5)
Net assets and liabilities disposed of	**13.6**	106.6
Consideration receivable	**15.1**	246.6
Costs of disposal payable	**(0.5)**	(12.1)
Net proceeds receivable	**14.6**	234.5
Profit arising on disposal before tax	**1.0**	141.9
Tax payable	**(0.2)**	(4.5)
Profit arising on disposal after tax	**0.8**	137.4

Notes *continued*

Forming part of the financial statements

10. Dividends

	2009 €m	2008 €m
Dividends paid		
Final: paid 15.0c per ordinary share in July 2008 (2008: 15.0c paid in July 2007)	47.0	49.2
Interim: paid 6.0c per ordinary share in December 2008 (2008: 12.0c paid in December 2007)	18.8	38.1
Total equity dividends	65.8	87.3
Settled as follows:		
Paid in cash	60.2	81.1
Scrip dividend	5.6	6.2
	65.8	87.3

The Directors have proposed a final dividend of 3.0 cent per share (2008: 15.0 cent), which is subject to shareholder approval at the AGM, giving a proposed total dividend for the year of 9.0 cent per share (2008: 27.0 cent).

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

11. Earnings per ordinary share

	2009 €m	2008 €m
(Loss)/earnings as reported	(60.9)	234.9
Adjustment for exceptional items net of tax (note 6)	140.8	(131.6)
Earnings as adjusted for exceptional items net of tax	79.9	103.3
	Number '000	Number '000
Number of shares at beginning of year	312,993	327,569
Shares issued in lieu of dividend	2,634	727
Shares issued in respect of options exercised	156	2,355
Shares issued and held in trust in respect of joint share ownership plan	12,800	-
Own shares purchased and cancelled	-	(17,658)
Number of shares at end of year	328,583	312,993
Weighted average number of ordinary shares (basic)	313,925	321,229
Adjustment for the effect of conversion of options	94	2,361
Weighted average number of ordinary shares, including options (diluted)	314,019	323,590
Basic earnings per share	Cent	Cent
Basic (loss)/earnings per share	(19.4)	73.1
Adjusted basic earnings per share	25.5	32.2
Diluted earnings per share		
Diluted (loss)/earnings per share	(19.4)	72.6
Adjusted diluted earnings per share	25.4	31.9
Continuing operations	€m	€m
(Loss)/earnings from continuing operations as reported	(61.8)	91.3
Adjustment for exceptional items net of tax (note 6)	141.6	5.8
Earnings from continuing operations as adjusted for exceptional items net of tax	79.8	97.1

11. Earnings per ordinary share (continued)

Basic earnings per share	**Cent**	Cent
Basic (loss)/earnings per share	**(19.7)**	28.4
Adjusted basic earnings per share	**25.4**	30.2
Diluted earnings per share		
Diluted (loss)/earnings per share	**(19.7)**	28.2
Adjusted diluted earnings per share	**25.4**	30.0

Discontinued operations	**€m**	€m
Earnings from discontinued operations as reported	**0.9**	143.6
Adjustment for exceptional items net of tax (note 6)	**(0.8)**	(137.4)
Earnings from discontinued operations as adjusted for exceptional items net of tax	**0.1**	6.2

Basic earnings per share	**Cent**	Cent
Basic earnings per share	**0.3**	44.7
Adjusted basic earnings per share	**-**	1.9
Diluted earnings per share		
Diluted earnings per share	**0.3**	44.4
Adjusted diluted earnings per share	**-**	1.9

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. 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.

The issue of certain shares in respect of employee share options is contingent upon the 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 1,004,800 at 28 February 2009 and 400,600 at 29 February 2008) 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 6,400,000 at 28 February 2009 and nil at 29 February 2008) is also contingent upon satisfaction of specified performance conditions and these have also been excluded from the computation of diluted earnings per share.

12. Goodwill

Goodwill is analysed by business segment as follows:-

	Cider €m	Spirits & liqueurs €m	Soft drinks €m	Total €m
Cost				
At 1 March 2007	345.1	49.6	32.2	**426.9**
Disposal of Soft drinks business (note 9)	-	-	(32.2)	**(32.2)**
At 29 February 2008	345.1	49.6	-	**394.7**
Movement	-	-	-	**-**
At 28 February 2009	345.1	49.6	-	**394.7**

The goodwill within each business segment is further allocated to a number of individual cash generating units (CGUs) for the purposes of impairment testing. The CGU's represent the lowest level within the Group at which the associated goodwill is monitored for management purposes and are not larger than the primary and secondary segments determined in accordance with IAS 14 *Segment Reporting*.

Notes *continued*

Forming part of the financial statements

12. Goodwill (continued)

Goodwill is subject to impairment testing on an annual basis, and whenever there is an indication that the unit may be impaired. No impairment losses were recognised by the Group in the current or previous financial year.

Impairment testing is carried out for each CGU on a value-in-use basis by comparing the carrying value of goodwill to its recoverable amount (generally its current value-in-use). For the purposes of the value-in-use computations, budgeted cashflows are employed for the first year and cash flow is then projected forward for the following four years based on assumed growth for each business averaging 1% per annum, based on current assessments of anticipated market conditions during those periods. All forecasts incorporate a 2.5% terminal growth factor into perpetuity.

The discount factor applied to future cash flows of each CGU was 12%.

The key assumptions used in the value-in-use and impairment review calculations include anticipated market conditions, management's estimates of future profitability, capital expenditure requirements, working capital investment and tax considerations.

The impairment testing carried out on the goodwill in the balance sheet at 28 February 2009 relating to both the Cider and Spirits & liqueurs businesses identified very significant headroom in the recoverable amount of the related CGUs as compared to their carrying value. The key sensitivity for the impairment test is the growth in sales and EBIT margin. No reasonable adjustments to the assumptions underlying the impairment testing models applied would result in any foreseeable risk of an impairment charge arising.

13. Property, plant & equipment

	Land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Group				
Cost or valuation				
At 1 March 2007	58.3	209.3	81.2	348.8
Currency retranslation	(0.1)	-	(0.1)	(0.2)
Additions	19.7	69.2	3.4	92.3
Disposal of soft drinks business	(28.7)	(56.1)	(54.6)	(139.4)
At 29 February 2008	49.2	222.4	29.9	301.5
Currency retranslation	(0.1)	-	(0.2)	(0.3)
Additions	2.8	8.4	7.7	18.9
Disposal of wines & spirits	-	-	(0.6)	(0.6)
Reclassification	-	(9.2)	9.2	-
Revaluation loss	(28.0)	(102.6)	-	(130.6)
At 28 February 2009	**23.9**	**119.0**	**46.0**	**188.9**
Depreciation				
At 1 March 2007	5.6	70.2	60.6	136.4
Charge for the year	1.1	14.3	4.9	20.3
Disposal of soft drinks business	(4.1)	(34.8)	(43.4)	(82.3)
At 29 February 2008	2.6	49.7	22.1	74.4
Currency retranslation	-	-	(0.1)	(0.1)
Charge for the year	2.1	13.5	3.8	19.4
Disposal of wines & spirits	-	-	(0.5)	(0.5)
Reclassification	-	(6.7)	6.7	-
At 28 February 2009	**4.7**	**56.5**	**32.0**	**93.2**
Net book value				
At 28 February 2009	**19.2**	**62.5**	**14.0**	**95.7**
At 29 February 2008	46.6	172.7	7.8	227.1

13. Property, plant & equipment (continued)

No depreciation is charged on land, which had a book value after revaluation of €8.5m at 28 February 2009 (29 February 2008: €2.6m).

Change in accounting policy

The Group's accounting policy has been to measure all items of property plant & equipment at historic cost or deemed cost less accumulated depreciation and impairment losses except for land, which is not depreciated. Certain items of property, plant & equipment that had been valued at fair value prior to the date of transition to IFRS as adopted by the EU were measured on the basis of deemed cost, being the revalued amount as at the date the revaluation was performed.

However, during the financial year ended 28 February 2009, the Directors undertook a review to determine the appropriateness of the accounting policy applied in relation to the Group's Cider production facility and related assets in light of the significant excess capacity levels at the production facility. They concluded that it was no longer appropriate to measure the carrying value of these assets at historic or deemed cost. Accordingly, the Group changed its accounting policy to recognise property at open market value and plant & machinery assets at a revalued amount. In light of the specialised nature of the plant & machinery assets and the lack of available evidence of open market value, the Group adopted a depreciated replacement cost approach.

The company's freehold properties were valued by external valuer, Paul McNamara, BSc FSCS FRICS MCI Arb - Lisney and its plant & machinery assets valued by external valuer, David Fawcett, FRICS - Sanderson Weatherall, on 28 February 2009. The valuations were 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 market value, defined as 'the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion' and was subject to the assumption that the property be sold as part of a continuing business. The valuer's opinion of market value was primarily derived using comparable recent market transactions on an arm's length basis.

In view of the specialised nature of the Group's plant & machinery assets and the lack of comparable market evidence of similar plant being sold as a 'going concern' a depreciated replacement cost approach was used to assess a fair value of the Group's plant & machinery assets. This methodology takes a gross current replacement cost for each class of plant & machinery and applies a depreciation factor to reflect both physical and functional obsolescence. An economic obsolescence factor is then applied to the net current replacement cost. This factor takes into account the anticipated capacity utilisation of plant relative to total available production capacity. The significant additional assumptions applied in valuing the plant & machinery include useful lives and asset utilisations, the following useful lives were attributed to the assets:-

Asset category	Useful life
Tanks	30 years
Process equipment	20 years
Bottling & packaging equipment	15 years
Process automation	10 years

Following the valuation exercise, the carrying value of land was increased and the resulting gain of €5.9m was credited directly to a revaluation surplus reserve within equity. The carrying value of buildings, plant & machinery was reduced and the resulting loss of €136.5m was recognised in the income statement.

	Land €m	Buildings €m	Plant & Machinery €m	Total €m
Carrying value under revaluation model	8.5	10.7	62.5	**81.7**
Carrying value under cost model	2.6	44.6	165.1	**212.3**
Gain/(loss) on revaluation	**5.9**	**(33.9)**	**(102.6)**	**(130.6)**

The Group also assessed the carrying value of its assets for indications of impairment and concluded that the recoverable value of all assets is in excess of their revised carrying amounts.

Change in classification

The Group reclassified certain assets, which were previously classified within Plant & machinery, more appropriately within Motor vehicles & other equipment in the current financial year.

Notes *continued*

Forming part of the financial statements

14. Financial assets

	2009 €m	2008 €m
Company		
Equity investment in subsidiary undertakings at cost		
At beginning of year	**788.3**	710.4
Capital contribution impact of interest free funding loans, net of tax	-	76.7
Capital contribution in respect of share options granted to employees of subsidiary undertakings (note 5)	**0.4**	1.2
At end of year	**788.7**	788.3

The fair value adjustment to amounts receivable from subsidiary undertakings represents the value of notional interest arising on interest free loans. This amount was accounted for as an increase in the carrying value of financial assets in the year ended 29 February 2008.

The total expense of €0.4m (2008: €1.2m) attributable to employee share options granted to employees of subsidiary undertakings has been included as a capital contribution in financial assets.

In the opinion of the Directors, the shares in the subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet. Details of subsidiary undertakings are set out in note 29.

15. Inventories

	2009 €m	2008 €m
Group		
Raw materials & consumables	**32.1**	55.1
Finished goods & goods for resale	**12.4**	23.7
Total inventories at lower of cost and net realisable value	**44.5**	78.8

Inventory write-down recognised as an expense within operating costs amounted to €12.4m (2008: €2.4m). This predominantly represents an apple juice stock impairment charge of €11.1m that arose as a result of the Group's surplus apple juice stocks. At 28 February 2009, the Group's stock holding of apple juice at circa 36 months was deemed excessive in light of anticipated future needs, forward purchase commitments and useful life of stock on hand. The prior year write-down of €2.4m principally related to finished goods damaged in a third party warehouse.

16. Trade & other receivables

	Group		Company	
	2009 €m	2008 €m	2009 €m	2008 €m
Amounts falling due within one year:				
Trade receivables	**46.7**	56.5	**-**	-
Prepayments	**11.2**	11.0	**-**	-
	57.9	67.5	**-**	-
Amounts falling due after one year:				
Amounts due from Group undertakings	**-**	-	**377.9**	391.3
	-	-	**377.9**	391.3
Total	**57.9**	67.5	**377.9**	391.3

16. Trade & other receivables (continued)

The aged analysis of trade receivables analysed between amounts that were neither past due nor impaired and amounts past due at 28 February 2009 and 29 February 2008 were as follows:-

	Gross 2009 €m	Impairment 2009 €m	Gross 2008 €m	Impairment 2008 €m
Group				
Neither past due nor impaired	**38.3**	**-**	49.2	-
Past due				
Past due 0-30 days	**5.7**	**(0.3)**	4.7	(0.1)
Past due 31-120 days	**2.8**	**(0.3)**	3.0	(0.5)
Past due 121-365 days	**1.0**	**(0.5)**	0.9	(0.7)
More than one year	**0.4**	**(0.4)**	0.3	(0.3)
Total	**48.2**	**(1.5)**	58.1	(1.6)

Trade receivables are on average receivable within 45 days of the balance sheet date, are unsecured and are not interest-bearing. The movement in the allowance for impairment in respect of trade receivables during the year was as follows:-

	2009 €m	2008 €m
Group		
At beginning of year	**1.6**	1.8
Recovered during the year	**(0.1)**	(0.4)
Provided during the year	**0.6**	1.0
De-recognised on disposal	**(0.3)**	(0.1)
Written off during the year	**(0.3)**	(0.7)
At end of year	**1.5**	1.6

Company

The Company has guaranteed the liabilities of all its subsidiary companies incorporated in the Republic of Ireland. As at 28 February 2009, the Directors consider these to be in the nature of insurance contracts and do not consider it probable that the Company will have to make a payment under these guarantees and as such accounts for them as a contingent liability as detailed in note 27.

17. Trade & other payables

	Group		Company	
	2009 €m	2008 €m	2009 €m	2008 €m
Trade payables	**16.1**	26.8	**-**	-
Payroll taxes & social security	**0.8**	1.3	**-**	-
VAT	**0.5**	1.3	**-**	-
Excise duty	**7.6**	6.5	**-**	-
Accruals	**39.6**	33.9	**0.2**	0.4
Total	**64.6**	69.8	**0.2**	0.4

The Group's exposure to currency and liquidity risk related to trade & other payables is disclosed in note 23.

Notes *continued*

Forming part of the financial statements

18. Provisions

	Group 2009 €m	Group 2008 €m
At beginning of year	**12.7**	1.3
Provided during the year	**14.7**	12.1
Utilised during the year	**(5.3)**	(0.1)
De-recognised on disposal	**-**	(0.6)
At end of year	**22.1**	12.7
Current	**20.8**	12.0
Non-current	**1.3**	0.7
	22.1	12.7

Included in the current year provision are: severance costs arising from the Group reorganisation; relocation costs with respect to the consolidation of the Group's Dublin offices into a single location; and dilapidation costs on the properties disposed of as part of the disposal of the Soft drinks business. Also provided against is the Group's exposure to employee and third party insurance claims. Under the terms of employer and public liability insurance policies, the Group bears a portion of the cost of each claim up to the specified excess. The provision is calculated based on the expected portion of settlement costs to be borne by the Group in respect of specific claims arising before the balance sheet date.

19. Interest bearing loans & borrowings

Maturity analysis
Group and Company

	Payable by instalment 2009 €m	Repayable other than by instalment 2009 €m	Total 2009 €m
Non-current			
3-4 years	-	309.2	**309.2**
Total	**-**	**309.2**	**309.2**

	2008 €m	2008 €m	2008 €m
Non-current			
3-4 years	-	288.9	288.9
Total	-	288.9	288.9

Unamortised issue costs of €0.8m (2008: €1.1m) have been netted against outstanding bank loans and are being amortised to the income statement on an effective interest rate basis.

Borrowing facilities

The Group manages its borrowing ability by entering into committed borrowing agreements. During the previous financial year, the Group re-negotiated its debt facility and repaid all amounts owing under the previous debt facility. The current debt facility is a committed revolving loan agreement, which is denominated in euro, repayable on the fifth anniversary of the date of the agreement (8 May 2012) and is subject to variable Euribor interest rates. The debt is guaranteed by a number of the Group's subsidiary undertakings as outlined in note 27. 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 Facility Agreement, an agreed excess of net disposal proceeds arising from the disposal of part of the business must be applied to repay outstanding loans and the available committed facility cancelled by that amount if the said net disposal proceeds are not reinvested within 12 months from the date of disposal. As a result, in the current year €170m of the Group's unutilised loan facility was cancelled. The undrawn committed facilities available to the Group as at 28 February 2009 amounted to €120m (2008: €310m).

Further information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in note 23.

20. Analysis of net debt

	1 March 2008 €m	Translation adjustment €m	Cash flow €m	Non-cash changes €m	28 February 2009 €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 (note 23)	0.6	-	(0.8)	6.5	**6.3**
	256.8	**0.3**	**(31.4)**	**6.8**	**232.5**

	1 March 2007 €m	Translation adjustment €m	Cash flow €m	Non-cash changes €m	29 February 2008 €m
Group					
Interest bearing loans & borrowings	346.1	-	(59.3)	2.1	288.9
Cash & cash equivalents	(40.7)	2.1	5.9	-	(32.7)
	305.4	2.1	(53.4)	2.1	256.2
Interest rate swaps (note 23)	(3.2)	-	(2.2)	6.0	0.6
	302.2	2.1	(55.6)	8.1	256.8

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

21. Recognised deferred tax assets and liabilities

	2009 Assets €m	2009 Liabilities €m	2009 Net assets/ liabilities €m	2008 Assets €m	2008 Liabilities €m	2008 Net assets/ liabilities €m
Group						
Property, plant & equipment	**9.1**	**-**	**9.1**	-	(4.3)	(4.3)
Defined benefit pension schemes	**5.8**	**-**	**5.8**	2.9	-	2.9
Derivative financial instruments	**0.1**	**-**	**0.1**	-	(2.1)	(2.1)
	15.0	**-**	**15.0**	2.9	(6.4)	(3.5)

	2009 Assets €m	2009 Liabilities €m	2009 Net assets/ liabilities €m	2008 Assets €m	2008 Liabilities €m	2008 Net assets/ liabilities €m
Company						
Derivative financial instruments	**0.7**	**-**	**0.7**	0.1	-	0.1
Interest free loans fair value adjustment	**8.0**	**-**	**8.0**	8.0	-	8.0
	8.7	**-**	**8.7**	8.1	-	8.1

Analysis of movement in net deferred tax asset/liability

	1 March 2008 €m	Recognised in income statement €m	De-recognised on disposal €m	Foreign currency movement €m	Recognised in equity €m	28 February 2009 €m
Group						
Property, plant & equipment	(4.3)	13.4	-	-	-	**9.1**
Defined benefit pension schemes	2.9	(2.8)	-	-	5.7	**5.8**
Derivative financial instruments	(2.1)	-	-	-	2.2	**0.1**
	(3.5)	**10.6**	**-**	**-**	**7.9**	**15.0**

Notes *continued*

Forming part of the financial statements

21. Recognised deferred tax assets and liabilities (continued)

Group	1 March 2007 €m	Recognised in income statement €m	De-recognised on disposal €m	Foreign currency Movement €m	Recognised in equity €m	29 February 2008 €m
Property, plant & equipment	(4.8)	(1.0)	1.5	-	-	(4.3)
Defined benefit pension schemes	8.7	(0.1)	(4.5)	(0.2)	(1.0)	2.9
Derivative financial instruments	(0.2)	-	-	-	(1.9)	(2.1)
	3.7	(1.1)	(3.0)	(0.2)	(2.9)	(3.5)

Company	**1 March 2008 €m**	**Fair value adjustment €m**	**Recognised in income statement €m**	**Recognised in equity €m**	**28 February 2009 €m**
Derivative financial instruments	0.1	-	-	0.6	**0.7**
Interest free loans fair value adjustment	8.0	-	-	-	**8.0**
	8.1	**-**	**-**	**0.6**	**8.7**

Company	1 March 2007 €m	Fair value adjustment €m	Recognised in income statement €m	Recognised in equity €m	29 February 2008 €m
Derivative financial instruments	-	-	-	0.1	0.1
Interest free loans fair value adjustment	-	8.0	-	-	8.0
	-	8.0	-	0.1	8.1

There are no unrecognised deferred tax assets or liabilities.

22. Retirement benefit obligations

The Group operates two defined benefit pension schemes for employees in the Republic of Ireland, both of which provide pension benefits based on final salary and the assets of which are held in separate trustee administered funds. The Group is committed to provide a defined benefit pension scheme for employees in Northern Ireland.

The pension scheme assets are held in separate trustee administered funds to meet long-term pension liabilities to past and present employees. The trustees of the funds are required to act in the best interest of the funds' beneficiaries. The appointment of trustees to the funds is determined by the schemes' trust documentation. The Group has a policy in relation to its principal staff pension fund that members of the fund should nominate half of all fund trustees.

Both schemes are now closed to new members and the Executive Scheme is closed for future accruals.

On disposal of the Soft drinks business to Britvic plc during the previous financial year, it was agreed that:-

- an amount equal to the actuarial value of the aggregate benefits payable under the defined benefit pension scheme to and in respect of the Republic of Ireland transferring employees be transferred out of the C&C defined benefit pension schemes, and that,

- the Northern Ireland defined benefit pension scheme would transfer to Britvic plc with Britvic plc agreeing to transfer an amount equal to the actuarial value of the aggregate benefits payable to the remaining C&C employees under the Northern Ireland defined benefit pension scheme to a new pension scheme which will be salary-related contracted-out scheme for the purposes of the Pension Schemes Act 1993, and a registered pension scheme for the purposes of Part 4 of the Finance Act 2004.

The process of separating the pension schemes is largely completed and is due to be finalised by September 2009.
The accounting treatment at the time of sale reflects the de-recognition of the assets and liabilities attributed to employees transferring to Britvic plc valued at best estimates by the Group's actuaries, Mercer Human Resource Consulting.

22. Retirement benefit obligations (continued)

Actuarial valuations – funding requirements

As stated, independent actuarial valuations of the defined benefit schemes are carried out on a triennial basis using the projected unit credit method. The funding requirements in relation to the Group's defined benefit schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. The most recently completed actuarial valuations of the main schemes were carried out on 1 January 2006. These valuations are currently being updated and are due to be completed by June 2009. The actuarial valuations are not available for public inspection, however the results of the valuations are advised to members of the various schemes.

Independent actuaries, Mercer Human Resource Consulting, have employed the projected unit credit method to determine the present value of the defined benefit obligations arising, the related current service cost and the funding requirements.

Assumptions

The financial assumptions that have the most significant impact on the results of the actuarial valuations are those relating to the discount rate used to convert future pension liabilities to current values and the rate of increase in salaries. These and other assumptions used are set out below.

Mortality rates also have a significant impact on the actuarial valuations and the rates used have been based on the most up-to-date mortality tables, which in the case of Non Pensioners are 85% PA92(C=2030) medium cohort and in the case of Pensioners are 85% PA92(C=2015) medium cohort. These tables conform to best practice. Based on these tables, the assumed life expectations on retirement are:

Future life expectations at age 65		No of years
Current retirees – no allowance for future improvements	Male	18.5
	Female	21.5
Current retirees – with allowance for future improvements	Male	20.7
	Female	23.8
Future retirements – with allowance for future improvements	Male	21.8
	Female	24.8

Scheme liabilities:

The average age of active members is between 42 and 48 years while the duration of liabilities ranges from 15 to 25 years. The principal long-term financial assumptions used by the Group's actuaries in the computation of the defined benefit liabilities arising on pension schemes as at 28 February 2009 and 29 February 2008 are as follows:

	2009		2008	
	ROI	UK	ROI	UK
Salary increases	**3.70%**	**4.20%**	4.25%	4.50%
Increases to pensions in payment	**3.00%**	**2.50%**	3.00%	2.50%
Discount rate	**5.50%**	**6.50%**	5.45%	6.00%
Inflation rate	**2.25%**	**3.50%**	2.50%	3.50%

Scheme assets:

The long-term rates of return expected at 28 February 2009 and 29 February 2008, determined in conjunction with the Group's actuaries, analysed by the class of investments in which the schemes assets are invested, are as follows:

	2009 ROI	2008 ROI
Equity	**9.40%**	7.90%
Bonds	**3.20%**	3.80%
Property	**6.20%**	6.10%
Cash	**2.50%**	2.50%

Notes *continued*

Forming part of the financial statements

22. Retirement benefit obligations (continued)

a. Impact on Group Income Statement

	2009 ROI €m	2009 UK €m	2009 Total €m	2008 ROI €m	2008 UK €m	2008 Total €m
Analysis of defined benefit pension expense:						
Current service cost	3.5	0.1	3.6	7.6	0.5	8.1
Past service cost	0.7	-	0.7	-	-	-
Settlements and curtailments	(2.2)	-	(2.2)	-	-	-
Interest on scheme liabilities	8.2	0.2	8.4	8.8	1.0	9.8
Expected return on scheme assets	(8.1)	(0.2)	(8.3)	(11.3)	(0.8)	(12.1)
Total expense recognised in operating costs	2.1	0.1	2.2	5.1	0.7	5.8

Analysis of amount recognised in Statement of Recognised Income & Expense (SORIE)

	2009 ROI €m	2009 UK €m	2009 Total €m	2008 ROI €m	2008 UK €m	2008 Total €m	2007 ROI €m	2007 UK €m	2007 Total €m	2006 ROI €m	2006 UK €m	2006 Total €m	2005 ROI €m	2005 UK €m	2005 Total €m
Actual return less expected return on scheme assets	(44.0)	(0.8)	(44.8)	(26.9)	(1.1)	(28.0)	3.8	-	3.8	21.3	2.6	23.9	4.7	0.5	5.2
Experience gains and losses on scheme liabilities	0.1	(0.2)	(0.1)	4.4	(0.4)	4.0	(2.7)	-	(2.7)	7.0	(1.0)	6.0	(0.8)	-	(0.8)
Effect of changes in assumptions on value of liabilities	3.2	0.1	3.3	22.6	3.4	26.0	3.6	(3.2)	0.4	(30.3)	(5.7)	(36.0)	(16.2)	-	(16.2)
Total pension cost recognised in SORIE	(40.7)	(0.9)	(41.6)	0.1	1.9	2.0	4.7	(3.2)	1.5	(2.0)	(4.1)	(6.1)	(12.3)	0.5	(11.8)
Scheme assets	107.3	2.2	109.5	123.8	3.3	127.1	182.7	22.4	205.1	178.7	20.1	198.8	145.5	15.4	160.9
Scheme liabilities	(151.8)	(3.2)	(155.0)	(150.6)	(3.7)	(154.3)	(216.6)	(40.0)	(256.6)	(223.1)	(34.6)	(257.7)	(187.9)	(26.0)	(213.9)
Deficit in the scheme	(44.5)	(1.0)	(45.5)	(26.8)	(0.4)	(27.2)	(33.9)	(17.6)	(51.5)	(44.4)	(14.5)	(58.9)	(42.4)	(10.6)	(53.0)

The cumulative actuarial loss recognised to date in the SORIE is €56.0m (2008: €14.4m).

22. Retirement benefit obligations (continued)

b. Impact on Group balance sheet

The net pension liability at 28 February 2009 is analysed as follows:

Analysis of net pension deficit

	2009			2008		
	ROI €m	**UK €m**	**Total €m**	ROI €m	UK €m	Total €m
Bid value of assets at end of year:						
Equity[i]	**63.4**	**-**	**63.4**	111.9	-	111.9
Bonds	**19.7**	**-**	**19.7**	13.5	-	13.5
Property	**8.5**	**-**	**8.5**	18.9	-	18.9
Cash	**42.2**	**-**	**42.2**	25.8	-	25.8
	133.8	**-**	**133.8**	170.1	-	170.1
Attributed to disposal of Soft drinks business[ii]	**(26.5)**	**2.2**	**(24.3)**	(46.3)	3.3	(43.0)
	107.3	**2.2**	**109.5**	123.8	3.3	127.1
Actuarial value of scheme liabilities	**(151.8)**	**(3.2)**	**(155.0)**	(150.6)	(3.7)	(154.3)
Deficit in the scheme	**(44.5)**	**(1.0)**	**(45.5)**	(26.8)	(0.4)	(27.2)
Related deferred tax asset	**5.5**	**0.3**	**5.8**	2.7	0.2	2.9
Net pension liabilities	**(39.0)**	**(0.7)**	**(39.7)**	(24.1)	(0.2)	(24.3)

(i) including a direct investment in C&C Group plc as at the year end of €nil (2008: €nil)

(ii) assets of €26.5m are held in trust for the benefit of employees in the Republic of Ireland who transferred to Britvic plc and will be transferred to a comparable scheme to be established by Britvic plc in 2009/10. Assets of €2.2m are currently held in trust by Britvic plc for employees of the Group in Northern Ireland.

Reconciliation of scheme assets (bid values)

	2009			2008		
	ROI €m	**UK €m**	**Total €m**	ROI €m	UK €m	Total €m
Assets at beginning of year	**123.8**	**3.3**	**127.1**	182.7	22.4	205.1
Movement in year						
Translation adjustment	**-**	**(0.5)**	**(0.5)**	-	(0.1)	(0.1)
Expected return on assets	**8.1**	**0.2**	**8.3**	11.3	0.8	12.1
Actual return less expected return on scheme assets	**(44.0)**	**(0.8)**	**(44.8)**	(26.9)	(1.1)	(28.0)
Employer contributions	**25.1**	**0.3**	**25.4**	6.2	2.4	8.6
Member contributions	**0.7**	**-**	**0.7**	1.2	-	1.2
Premiums paid	**(0.3)**	**-**	**(0.3)**	-	-	-
Benefit payments	**(6.1)**	**(0.3)**	**(6.4)**	(4.4)	(0.3)	(4.7)
	107.3	**2.2**	**109.5**	170.1	24.1	194.2
Disposal of Soft drinks business	**-**	**-**	**-**	(46.3)	(20.8)	(67.1)
Assets at end of year	**107.3**	**2.2**	**109.5**	123.8	3.3	127.1

The expected employer contributions to defined benefit schemes for year ending 28 February 2010 is €3.6m.

Notes *continued*

Forming part of the financial statements

22. Retirement benefit obligations (continued)

b. Impact on Group balance sheet (continued)

The scheme assets had the following investment profile at the year end:

	2009		2008	
	ROI	**NI**	ROI	Total
Equities	**47.0%**	**75.0%**	67.0%	67.0%
Bonds	**15.0%**	**14.0%**	11.0%	11.0%
Property	**6.0%**	**1.0%**	8.0%	8.0%
Cash	**32.0%**	**10.0%**	14.0%	14.0%
	100.0%	**100.0%**	100.0%	100.0%

Reconciliation of actuarial value of liabilities		2009			2008	
	ROI €m	**UK €m**	**Total €m**	ROI €m	UK €m	Total €m
Liabilities at beginning of year	**150.6**	**3.7**	**154.3**	216.6	40.0	256.6
Movement in year						
Translation adjustment	**-**	**(0.6)**	**(0.6)**	-	(0.6)	(0.6)
Current service cost	**3.5**	**0.1**	**3.6**	7.6	0.5	8.1
Past service cost	**0.7**	**-**	**0.7**	-	-	-
Settlements & curtailments	**(2.2)**	**-**	**(2.2)**	-	-	-
Interest cost on scheme liabilities	**8.2**	**0.2**	**8.4**	8.8	1.0	9.8
Member contributions	**0.7**	**-**	**0.7**	1.2	-	1.2
Actuarial (gain)/loss immediately recognised in equity	**(3.3)**	**0.1**	**(3.2)**	(27.0)	(3.0)	(30.0)
Premiums paid	**(0.3)**	**-**	**(0.3)**	-	-	-
Benefit payments	**(6.1)**	**(0.3)**	**(6.4)**	(4.4)	(0.3)	(4.7)
	151.8	**3.2**	**155.0**	202.8	37.6	240.4
Disposal of Soft drinks business	**-**	**-**	**-**	(52.2)	(33.9)	(86.1)
Liabilities at end of year	**151.8**	**3.2**	**155.0**	150.6	3.7	154.3

23. Financial instruments and financial risk management

(a) Overview of risk exposures and risk management strategy

The Group's multinational operations expose it to various financial risks in the ordinary course of business that include credit risk, liquidity risk, currency risk and interest rate risk. The most significant exposures relate to changes in foreign exchange rates and interest rates as well as the creditworthiness of its counterparties. The Group has a risk management programme in place that seeks to limit the impact of these risks on the financial performance of the Group and it is the policy of the Group to manage these risks in a non-speculative manner.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. This is executed through various committees to whom the Board has delegated appropriate levels of authority as discussed further in the Corporate Governance section of this report on pages 25 to 29.

The Board, through its Committees, has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers these to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance from fluctuations in financial markets. The Group manages its risk exposures in part through the use of derivative financial instruments, where appropriate. All derivative contracts entered into are in liquid markets with credit rated parties. Treasury activities are performed within strict terms of reference that have been approved by the Board.

This note presents information about the Group's exposure to each of the financial risks to which the Group is exposed, the Groups' objectives, policies and processes for measuring and managing these risks and the Groups' management of liquid resources.

23. Financial instruments and financial risk management (continued)

(b) Financial assets and liabilities

The carrying and fair values of financial assets and liabilities by category were as follows:

Group

28 February 2009	Cashflow hedges €m	Fair value through income statement €m	Loans & receivables €m	Liabilities at amortised cost €m	Total carrying value €m	Fair value €m
Financial assets:						
Cash & cash equivalents	-	-	83.0	-	83.0	83.0
Derivative financial assets	5.6	6.0	-	-	11.6	11.6
Trade receivables	-	-	46.7	-	46.7	46.7
Financial liabilities:						
Interest bearing loans & borrowings	-	-	-	(309.2)	(309.2)	(262.2)
Derivative financial liabilities	(8.3)	-	-	-	(8.3)	(8.3)
Trade payables & accruals	-	-	-	(55.7)	(55.7)	(55.7)
Provisions	-	-	-	(22.1)	(22.1)	(22.1)
	(2.7)	6.0	129.7	(387.0)	(254.0)	(207.0)

Group

29 February 2008	Cashflow hedges €m	Fair value through income statement €m	Loans & receivables €m	Liabilities at amortised cost €m	Total carrying value €m	Fair value €m
Financial assets:						
Cash & cash equivalents	-	-	32.7	-	32.7	32.7
Derivative financial assets	23.1	6.2	-	-	29.3	29.3
Trade receivables	-	-	56.5	-	56.5	56.5
Financial liabilities:						
Interest bearing loans & borrowings	-	-	-	(288.9)	(288.9)	(245.5)
Derivative financial liabilities	(1.9)	-	-	-	(1.9)	(1.9)
Trade payables & accruals	-	-	-	(60.7)	(60.7)	(60.7)
Provisions	-	-	-	(12.7)	(12.7)	(12.7)
	21.2	6.2	89.2	(362.3)	(245.7)	(202.3)

Company

28 February 2009	Cashflow hedges €m	Loans & receivables €m	Liabilities at amortised cost €m	Total carrying value €m	Fair value €m
Financial assets:					
Derivative financial assets	-	-	-	-	-
Amounts due from Group undertakings	-	377.9	-	377.9	377.9
Financial liabilities:					
Interest bearing loans & borrowings	-	-	(309.2)	(309.2)	(262.2)
Derivative financial liabilities	(6.3)	-	-	(6.3)	(6.3)
Accruals	-	-	(0.2)	(0.2)	(0.2)
	(6.3)	377.9	(309.4)	62.2	109.2

Notes *continued*

Forming part of the financial statements

23. Financial instruments and financial risk management (continued)

(b) Financial assets and liabilities (continued)

Company

	Cashflow hedges €m	Loans & receivables €m	Liabilities at amortised cost €m	Total carrying value €m	Fair value €m
29 February 2008					
Financial assets:					
Derivative financial assets	1.3	-	-	1.3	1.3
Amounts due from Group undertakings	-	391.3	-	391.3	391.3
Financial liabilities:					
Interest bearing loans & borrowings	-	-	(288.9)	(288.9)	(245.5)
Derivative financial liabilities	(1.9)	-	-	(1.9)	(1.9)
Accruals	-	-	(0.4)	(0.4)	(0.4)
	(0.6)	391.3	(289.3)	101.4	144.8

Estimation of fair values

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities. There is no material difference between the fair value of these assets and liabilities and their carrying amount.

Short term bank deposits and cash & cash equivalents

The nominal amount of all short-term bank deposits and cash & cash equivalents is deemed to reflect fair value at the Balance Sheet date.

Trade & other receivables/payables

The nominal amount of all trade & other receivables/payables after provision for impairment is deemed to reflect fair value at the Balance Sheet date.

Derivatives (interest rate swaps and forward currency contracts)

The fair values of forward currency contracts and interest rate swaps are based on market prices and calculations supplied by the financial institutions, which are the counterparties to the contracts.

Interest bearing loans & borrowings

The fair value of all interest bearing loans & borrowings has been calculated by discounting all future cashflows to their present value using a market rate reflecting the Group's cost of borrowing at the balance sheet date. All loans bear interest at floating rates.

(c) Accounting for derivatives and hedging activities

Group	Group 2009 €m	Group 2008 €m	Company 2009 €m	Company 2008 €m
Financial assets: current				
Interest rate swaps	**-**	0.6	**-**	0.6
Forward exchange contracts	**11.6**	25.1	**-**	-
	11.6	25.7	**-**	0.6
Financial assets: non-current				
Interest rate swaps	**-**	0.7	**-**	0.7
Forward exchange contracts	**-**	2.9	**-**	-
	-	3.6	**-**	0.7
Financial liabilities: current				
Interest rate swaps	**(3.0)**	(0.6)	**(3.0)**	(0.6)
Forward exchange contracts	**(2.0)**	-	**-**	-
	(5.0)	(0.6)	**(3.0)**	(0.6)
Financial liabilities: non-current				
Interest rate swaps	**(3.3)**	(1.3)	**(3.3)**	(1.3)
Forward exchange contracts	**-**	-	**-**	-
	(3.3)	(1.3)	**(3.3)**	(1.3)

23. Financial instruments and financial risk management (continued)

(c) Accounting for derivatives and hedging activities (continued)

Derivatives are initially recorded at fair value on the date the contract is entered into and subsequently, re-measured to fair value at reporting dates. The gain or loss arising on re-measurement is recognised in the income statement except where the instrument is a designated hedging instrument under the cashflow hedging model.

In order to qualify for hedge accounting, the Group is required to document the relationship between the item being hedged and the hedging instrument and demonstrate, at inception, that the hedge relationship will be highly effective on an ongoing basis. The hedge relationship must also be tested for effectiveness retrospectively and prospectively on subsequent reporting dates.

Gains and losses on cash flow hedges that are determined to be highly effective are recognised in a cashflow hedging reserve within equity to the extent that they are actually effective. When the forecasted transaction occurs, the gains or losses deferred in equity are released to the income statement. Ineffective portions of the gain or loss on the hedging instrument are recognised in the income statement.

All interest rate swaps entered into by the Group and Company are designated as cashflow hedges in accordance with IAS 39 *Financial Instruments: Recognition and Measurement.* The Group has tested these hedging relationships and determined them to be highly effective, both prospectively and retrospectively. The actual level of ineffectiveness arising in such relationships is not material.

The Group ordinarily seeks to apply the hedge accounting model to all forward currency contracts. These contracts are generally entered into to sell forward a portion of the Group's highly probable Sterling, US and CAN dollar revenues in respect of which it has no natural hedge. A shortfall identified in expected Sterling revenues compared to the forecast transactions originally hedged resulted in the Group having surplus contracts to sell Sterling. The Group ceased the application of hedge accounting in respect of the surplus contracts once the hedged forecast transactions could no longer be regarded as highly probable. All gains and losses arising on these contracts together with those arising on offsetting Sterling purchase contracts are recognised in the income statement from that point onwards. In addition, gains and losses deferred in the cashflow hedge reserve were immediately recycled to the income statement to the extent that the original forecast transactions are no longer expected to occur. The impact of this has resulted in a gain of €3.8m (2008: €9.1m) being recognised within finance income in the income statement.

At 28 February 2009, the effective portion of gains and losses arising on derivative contracts have been deferred in equity only to the extent that they relate to highly probable forecast transactions and where all the hedge accounting criteria in IAS 39 have been met.

(d) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and deposits and derivative contracts with banks. In the context of the Group's operations, credit risk is mainly influenced by the individual characteristics of each counterparty and is not deemed significant.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customer track records and historic default rates. Generally, individual 'risk limits' are set by customer and risk is only accepted above such limits in defined circumstances. A strict credit assessment is made of all new applicants who request credit-trading terms. The utilisation and revision, where appropriate, of credit limits is regularly monitored. Impairment provision accounts are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amount is considered irrecoverable and is written off directly against the trade receivable.

From time to time, the Group holds significant cash balances, which are invested on a short-term basis and disclosed under cash and cash equivalents in the Balance Sheet. It is Group policy to restrict the investment of these funds to banks with high credit ratings.

The Company also bears credit risk in relation to amounts owed by Group undertakings and from guarantees provided in respect of the liabilities of wholly owned subsidiaries as disclosed in note 17.

The carrying amount of financial assets, net of impairment provisions represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:-

	Group		Company	
	2009	2008	**2009**	2008
	€m	€m	**€m**	€m
Trade & other receivables	**46.7**	56.5	**377.9**	391.3
Cash & cash equivalents	**83.0**	32.7	**-**	-
Interest rate swaps used for hedging	**-**	1.3	**-**	1.3
Forward exchange contracts	**11.6**	28.0	**-**	-
	141.3	118.5	**377.9**	392.6

The ageing of trade receivables and an analysis of movement in the Group impairment provisions against trade receivables are disclosed in note 16. The Group does not have any significant concentrations of risk.

Notes *continued*

Forming part of the financial statements

23. Financial instruments and financial risk management (continued)

(e) Liquidity risk

Liquidity risk is the risk that the Group or Company will not be able to meet its financial obligations as they fall due. Liquid resources are defined as the total of cash & cash equivalents. The Group's main liquidity risk relates to maturing debt. The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or committed bank facilities to meet all debt obligations as they fall due. To achieve this the Group (a) maintains adequate cash or cash equivalent balances; (b) prepares detailed 3 year cash projections; and (c) keeps refinancing options under review with a view to replacing all debt facilities in advance of their maturity dates. In addition, the Group maintains an overdraft facility that is unsecured. Undrawn borrowings available to the Group at the Balance Sheet date amounted to €120m.

The following are the contractual maturities of financial liabilities, including interest payments and derivatives excluding the impact of netting arrangements:-

2009	**Carrying amount €m**	**Contractual cash flows €m**	**6 mths or less €m**	**6-12 mths €m**	**1-2 yrs €m**	**2-5 yrs €m**
Interest bearing loans & borrowings	**309.2**	**(325.0)**	**(2.4)**	**(2.3)**	**(4.6)**	**(315.7)**
Interest rate swaps – net cash outflows	**6.3**	**(9.5)**	**(1.9)**	**(2.1)**	**(2.9)**	**(2.6)**
FX forward contracts – gross cash outflows	**(9.6)**	**(85.5)**	**(61.6)**	**(23.9)**	**-**	**-**
FX forward contracts – gross cash inflows	**-**	**95.1**	**70.8**	**24.3**	**-**	**-**
Trade payables & accruals	**55.7**	**(55.7)**	**(55.7)**	**-**	**-**	**-**
Provisions	**22.1**	**(22.1)**	**(20.8)**	**-**	**(1.3)**	**-**
Total contracted outflows	**383.7**	**(402.7)**	**(71.6)**	**(4.0)**	**(8.8)**	**(318.3)**

2008	Carrying amount €m	Contractual cash flows €m	6 mths or less €m	6-12 mths €m	1-2 yrs €m	2-5 yrs €m
Interest bearing loans & borrowings	288.9	(348.1)	(7.0)	(6.9)	(13.7)	(320.5)
Interest rate swaps – net cash outflows	0.6	2.7	0.6	0.6	1.2	0.3
FX forward contracts – gross cash outflows	(28.0)	(194.1)	(61.1)	(85.8)	(47.2)	-
FX forward contracts – gross cash inflows	-	240.1	94.7	96.0	49.4	-
Trade payables & accruals	60.7	(60.7)	(60.7)	-	-	-
Provisions	12.7	(12.7)	-	(12.0)	(0.7)	
Total contracted outflows	334.9	(372.8)	(33.5)	(8.1)	(11.0)	(320.2)

Company 2009	**Carrying amount €m**	**Contractual cash flows €m**	**6 mths or less €m**	**6-12 mths €m**	**1-2 yrs €m**	**2-5 yrs €m**
Interest bearing loans & borrowings	**309.2**	**(325.0)**	**(2.4)**	**(2.3)**	**(4.6)**	**(315.7)**
Interest rate swaps – net cash outflows	**6.3**	**(9.5)**	**(1.9)**	**(2.1)**	**(2.9)**	**(2.6)**
Trade payables & accruals	**0.2**	**(0.2)**	**(0.2)**	**-**	**-**	**-**
Total contracted outflows	**315.7**	**(334.7)**	**(4.5)**	**(4.4)**	**(7.5)**	**(318.3)**
2008						
Interest bearing loans & borrowings	288.9	(348.1)	(7.0)	(6.9)	(13.7)	(320.5)
Interest rate swaps – net cash outflows	0.6	2.7	0.6	0.6	1.2	0.3
Trade payables & accruals	0.4	(0.4)	(0.4)	-	-	-
Total contracted outflows	289.9	(345.8)	(6.8)	(6.3)	(12.5)	320.2

23. Financial instruments and financial risk management (continued)

(f) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group enters into derivatives to mitigate risks arising in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks. The Group carries out all such transactions within the Treasury policy as set down by the Board of Directors. Generally the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Currency risk

The Group's main currency exposure relates to sales transactions in foreign currencies, as it has significant net receivables in Sterling and US$ relating to its export sales.

A limited amount of inputs purchased are denominated in currencies other than euro, relating principally to direct brand marketing activities in export markets and purchases of certain raw materials. The Group and Company debt is all denominated in euro.

The euro is used for planning and budgetary purposes and as the presentation currency for financial reporting. Currency exposures for the entire Group are managed and controlled centrally. Forward foreign currency contracts are used to reduce exposures to fluctuations in foreign exchange rates. Group policy is to limit the short-term exposures to fluctuations in foreign currencies by hedging a significant portion of the projected non-euro forecast sales revenue up to a maximum of two years ahead. The Group does not enter into derivative financial instruments for speculative purposes. All derivative contracts entered into are in liquid markets with credit-approved parties. Treasury operations are controlled within strict terms of reference that have been approved by the Board.

The Group's operations are predominately located in the eurozone, consequently, the Group has only limited exposure to exchange risk related to the translation of foreign operations. Given the low level of exposure, it is Group policy not to hedge this balance sheet risk.

The net currency gains and losses on transactional currency exposures are recognised in the income statement.

The currency profile of the Group's financial instruments as at 28 February 2009 is as follows:-

	Euro €m	Sterling €m	USD/CAD €m	Not at risk €m	Total €m
Cash & cash equivalents	0.1	0.7	3.3	78.9	**83.0**
Trade receivables	-	15.6	4.3	26.8	**46.7**
Derivative financial assets and liabilities	-	11.5	(1.9)	(6.3)	**3.3**
Interest bearing bank loans	-	-	-	(309.2)	**(309.2)**
Trade payables & accruals	-	(2.9)	(0.5)	(52.3)	**(55.7)**
Provisions	-	-	-	(22.1)	**(22.1)**
Total	**0.1**	**24.9**	**5.2**	**(284.2)**	**(254.0)**

The Company has no currency risk as all its assets and liabilities are denominated in euro.

Foreign currency contracts in place at 28 February 2009 to sell fixed amounts of the currencies below for contracted euro amounts can be summarised as follows:-

	Stg£		US$		CAN$	
	Stg£m	Avg fwd rate	US$m	Avg fwd rate	CAN$m	Avg fwd rate
Year ending 28 February 2010	56.0	0.75	24.0	1.41	6.0	1.58

A 10% strengthening in the euro against Sterling and the US Dollar, based on outstanding financial assets and liabilities at 28 February 2009, would have a €3.4m negative impact on the income statement and a €6.8m positive impact on the equity reserve. A 10% weakening in the Euro against Sterling and the US Dollar would have a €0.4m positive effect on the income statement and a €1.4m negative impact on the equity reserve. This analysis assumes that all other variables, in particular interest rates remain constant.

Notes *continued*

Forming part of the financial statements

23. Financial instruments and financial risk management (continued)

(f) Market risk (continued)

Interest rate risk

The interest rate profile of the Group and Company's interest-bearing financial instruments at the reporting date is summarised as follows:

	Group		Company	
	2009	2008	**2009**	2008
	€'m	€'m	**€'m**	€'m
Variable rate instruments				
Interest bearing loans & borrowings	**(310.0)**	(290.0)	**(310.0)**	(290.0)
Cash & cash equivalents	**83.0**	32.7	**-**	-
Derivative assets	**-**	1.3	**-**	1.3
Derivative liabilities	**(6.3)**	(1.9)	**(6.3)**	(1.9)
	(233.3)	(257.9)	**(316.3)**	(290.6)

The Group and Company's exposure to market risk for changes in interest rates arises principally from its long-term debt obligations. Group treasury, using interest rate swaps to give the desired mix of fixed and floating rate debt, manages interest cost and exposure to market risk centrally. The Group policy is to fix interest rates on between 50% and 60% of Group debt. With the objective of managing this mix in a cost-efficient manner, the Group and Company enters into interest rate swaps under which the Group contracts to exchange, at predetermined intervals, the difference between fixed and variable interest amounts calculated by reference to a pre-agreed notional principal. These swaps are designated under IAS 39 as cashflow hedges to hedge the exposure to variability in cashflow arising from the changes in benchmark interest rates.

Interest rate swap contracts in place at 28 February 2009 have the effect of converting up to €150m (2008: €150m) of Group and Company debt from floating rates to fixed rates. The level of cover in place in summarised as follows:-

	Weighted average amount fixed m	Weighted average fixed interest rate
Year ending 28 February 2010	150.0	3.60%
Year ending 28 February 2011	100.0	4.01%
Year ending 29 February 2012	50.0	4.57%
Period ending 31 August 2012	50.0	4.57%

Based on the level and composition of year-end debt, a change in average interest rates of one percent per annum would change the interest charge by €1.6m (2008: €1.4m).

The following table indicates the periods in which cash flows associated with derivatives that are cash flow hedges are expected to occur:-

Group **28 February 2009**	Carrying amount €m	Expected cash flows €m	6 months or less €m	6-12 months €m	1-2 years €m	More than 2 years €m
Interest rate swaps						
- assets	**-**	**-**	**-**	**-**	**-**	**-**
- liabilities	**(6.3)**	**(9.5)**	**(1.9)**	**(2.1)**	**(2.9)**	**(2.6)**
Forward exchange contracts						
- assets	**5.6**	**5.5**	**4.2**	**1.3**	**-**	**-**
- liabilities	**(2.0)**	**(1.9)**	**(1.0)**	**(0.9)**	**-**	**-**
	(2.7)	**(5.9)**	**1.3**	**(1.7)**	**(2.9)**	**(2.6)**
29 February 2008						
Interest rate swaps						
- assets	1.3	2.9	0.6	0.6	1.2	0.5
- liabilities	(1.9)	(0.2)	-	-	-	(0.2)
Forward exchange contracts						
- assets	28.0	46.0	33.6	10.2	2.2	-
- liabilities	-	-	-	-	-	-
	27.4	48.7	34.2	10.8	3.4	0.3

23. Financial instruments and financial risk management (continued)

(f) Market risk (continued)

The following table indicates the periods in which cash flows associated with derivatives that are cash flow hedges are expected to impact profit or loss:-

Group **28 February 2009**	**Carrying amount €m**	**Expected cash flows €m**	**6 months or less €m**	**6-12 months €m**	**1-2 years €m**	**More than 2 years €m**
Interest rate swaps						
- assets	-	-	-	-	-	-
- liabilities	(6.3)	(9.5)	(1.9)	(2.1)	(2.9)	(2.6)
Forward exchange contracts						
- assets	5.6	4.7	3.7	1.0	-	-
- liabilities	(2.0)	(1.7)	(1.0)	(0.7)	-	-
	(2.7)	(6.5)	0.8	(1.8)	(2.9)	(2.6)
29 February 2008						
Interest rate swaps						
- assets	1.3	2.7	0.5	0.5	1.2	0.5
- liabilities	(1.9)	(0.2)	-	-	(0.2)	-
Forward exchange contracts						
- assets	28.0	46.1	33.6	10.2	2.3	-
- liabilities	-	-	-	-	-	-
	27.4	48.6	34.1	10.7	3.3	0.5

The following table indicates the periods in which cash flows associated with derivatives that are cash flow hedges are expected to occur:-

Company **28 February 2009**	**Carrying amount €m**	**Expected cash flows €m**	**6 months or less €m**	**6-12 months €m**	**1-2 years €m**	**More than 2 years €m**
Interest rate swaps						
- assets	-	-	-	-	-	-
- liabilities	(6.3)	(9.5)	(1.9)	(2.1)	(2.9)	(2.6)
	(6.3)	(9.5)	(1.9)	(2.1)	(2.9)	(2.6)

Company 29 February 2008	Carrying amount €m	Expected cash flows €m	6 months or less €m	6-12 months €m	1-2 years €m	More than 2 years €m
Interest rate swaps						
- assets	1.3	2.9	0.6	0.6	1.2	0.5
- liabilities	(1.9)	(0.2)	-	-	-	(0.2)
	(0.6)	2.7	0.6	0.6	1.2	0.3

The cashflows associated with derivatives that are cash flow hedges are expected to impact profit or loss in the same periods.

Notes *continued*

Forming part of the financial statements

24. Share Capital and Reserves

Share capital

	Authorised number	Allotted and called up number	Authorised €m	Allotted and called up* €m
At 28 February 2009 Ordinary shares of €0.01 each	**800,000,000**	**328,583,417***	**8.0**	**3.3***
At 29 February 2008 Ordinary shares of €0.01 each	800,000,000	312,992,836**	8.0	3.1
At 28 February 2007 Ordinary shares of €0.01 each	800,000,000	327,568,577**	8.0	3.3

* inclusive of 12.8m treasury shares which are not fully paid up. The balance of 315,783,417 ordinary shares are fully paid
** fully paid up ordinary shares

All shares in issue carry equal voting and dividend rights. The beneficial owners of the 12.8m shares issued under the Joint Share Ownership Plan have waived their right to receive a dividend.

Reserves

Group

	Equity Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Capital Reserve €m	Cashflow Hedging Reserve €m	Share-based Payments Reserve €m	Currency Translation Reserve €m	Revaluation Reserve €m	Treasury Shares €m	Retained Income €m	Total €m
At 1 March 2007	3.3	32.8	0.3	24.9	1.9	5.2	0.8	-	-	315.3	384.5
Total recognised income and expense for the year	-	-	-	-	15.0	-	(2.3)	-	-	235.9	248.6
Dividend on ordinary shares	-	6.2	-	-	-		-	-	-	(87.3)	(81.1)
Exercised share options	-	5.9	-	-	-	-	-	-	-	-	5.9
Transfer on exercise/lapse of share options	-	-	-	-	-	(3.7)	-	-	-	3.7	-
Own shares acquired	(0.2)	-	0.2	-	-	-	-	-	-	(139.9)	(139.9)
Equity settled share-based payments	-	-	-	-	-	1.2	-	-	-	-	1.2
At 29 February 2008	3.1	44.9	0.5	24.9	16.9	2.7	(1.5)	-	-	327.7	419.2
Total recognised income and expense for the year	-	-	-	-	(19.1)	-	(1.6)	5.9	-	(96.8)	**(111.6)**
Dividend on ordinary shares	0.1	5.5	-	-	-	-	-	-	-	(65.8)	**(60.2)**
Exercised share options	-	0.4	-	-	-	-	-	-	-	-	**0.4**
Transfer on exercise/lapse of share options	-	-	-	-	-	(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**

24. Share Capital and Reserves (continued)

(i) *Movements in the year ended 29 February 2008*

In July 2007, 327,238 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €12.50 per share, instead of part or all the cash element of their year ended 28 February 2007 final dividend. In December 2007, 400,121 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €5.39 per share, instead of part or all the cash element of their year ended 29 February 2008 interim dividend.

Also, during the financial year, 2,354,900 ordinary shares were issued on the exercise of share options for a consideration of €5.9m and 17,658,000 shares were repurchased for a total consideration of €139.9m.

(ii) *Movements in the year ended 28 February 2009*

In July 2008, 612,317 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €5.12 per share, instead of part or all the cash element of their year ended 29 February 2008 final dividend. In December 2008, 2,021,764 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €1.23 per share, instead of part or all the cash element of their year ended 28 February 2009 interim dividend.

Also, during the financial year, 156,500 ordinary shares were issued on the exercise of share options for a consideration of €0.4m and a further 12,800,000 shares were issued as part of an Joint Share Ownership Plan for a total consideration of €14.7m, of which €1.5m was funded by the participating Executives and the balance funded by the Group. These shares are held in trust with Kleinwort Benson (Guernsey) Trustees Limited and the entitlements associated with the shares fall to the benefit of the relevant executives if certain conditions in the Joint Share Ownership scheme are met over the life of the scheme.

Details of Directors' shareholdings and employee share ownership plans are set out in the Report of the Remuneration Committee on pages 34 to 35.

Company income statement

In accordance with Section 148(8) of the Companies (Amendment) Act, 1963, the income statement of the Company has not been presented separately in these consolidated financial statements. A profit of €11.6m (2008: €306.4m) was recognised in the individual Company income statement of C&C Group plc.

Share premium

The share premium, as stated in the Company balance sheet, represents the premium recognised on shares issued and amounts to €767.3m as at 28 February 2009 (2008: €746.8m). The movement in the current year relates to the exercise of share options, the issuance of a scrip dividend to those who elected to receive additional ordinary shares in place of a cash dividend, and the issue of shares under the Joint Share Ownership plan.

The change in legal parent of the Group on 30 April 2004 as disclosed in detail in that year's annual report was accounted for as a reverse acquisition. This transaction gave rise to a reserve of €703.9m, which, for presentation purposes in the Group financial statements, has been netted against the share premium in the consolidated balance sheet.

Capital redemption reserve and capital reserves

These reserves initially arose on the conversion of preference shares into share capital of the Company and other changes and reorganisations of the Group's capital structure. The movement in the prior year relates to the purchase of 17.7m shares with a nominal value of €0.01 per share under the Group's share buyback programme, which was approved by shareholders at the 2006 Annual General Meeting. These reserves are not distributable.

Cashflow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred as set out in note 23 together with any deferred gains or losses on hedging contracts where hedge accounting was discontinued but the forecast transaction is still anticipated to occur.

Share-based payment reserve

The reserve comprises amount expensed in the income statement in connection with share option grants falling within the scope of IFRS 2 *Share-based Payment* less any exercises or lapses of such share options, as set out in note 5.

Forming part of the financial statements

24. Share Capital and Reserves (continued)

Currency translation reserve

The translation reserve comprises all foreign exchange differences from 1 March 2004, arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the balance sheet date.

Treasury shares

This reserve arises when the Company issues equity share capital under its Joint Share Ownership Plan, which is held in trust by the Group's Employee Benefit Trust, the consideration paid is deducted from total shareholders' equity and classified as treasury shares on consolidation.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business through the optimisation of the debt and equity balance. The Board considers capital to comprise long-term debt and equity.

The Board periodically reviews the capital structure of the Group, considering the cost of capital and the risks associated with each class of capital. The Board approves any material adjustments to the capital structure in terms of the relative proportions of debt and equity. In order to maintain or adjust the capital structure, the Group may issue new shares, dispose of assets, alter dividend policy or return capital to shareholders. Prior to the year end the Directors undertook a decision to propose a reduction in the full year dividend per share payable to ordinary shareholders for the financial year ended 28 February 2009 from 27c per share to 9c per share, the final element (3.0c) is subject to shareholder approval at the AGM to be held on 28 August 2009.

In addition, as part of the Group's capital management strategy, a share buyback programme was implemented during the previous financial year. The Company invested €139.9m as part of this on-market share buyback programme, purchasing 17.7m shares at an average price of €7.84. The Company's Irish stockbrokers, Davy, conducted the share repurchase programme. All shares acquired as part of the share buyback programme were cancelled immediately on acquisition. There were no shares purchased during the current financial year and the programme is terminated. At the AGM held on 11 July 2008, shareholders granted the Company authority to make market purchases of up to 10% of its own shares.

The level of debt in the capital structure is measured by the ratio of Debt:EBITDA before exceptional items. In the period, this ratio increased from 1.9 at 29 February 2008 to 2.6 at 28 February 2009.

25. Capital commitments

At the year-end, the following capital commitments authorised by the Board had not been provided for in the financial statements:-

	2009 €m	2008 €m
Contracted	**0.8**	7.6
Not contracted	**0.5**	8.7
	1.3	16.3

It is expected that these commitments will be settled in the following financial year. The capital commitments in the prior year primarily relate to the finalisation of the expansion of the Cider production facility.

26. Commitments under operating leases

Future minimum rentals payable under non-cancellable operating leases at the year end are as follows:

	2009		2008	
	Land & buildings	Other	Land & buildings	Other
	€m	€m	€m	€m
Payable within one year	0.4	0.9	-	1.7
Payable in 2 to 5 years	1.6	3.0	-	3.7
	2.0	3.9	-	5.4

During the financial year, the Group entered into a number of lease agreements for the provision of office accommodation in Dublin.

27. Guarantees and contingencies

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. The Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

In the prior year, the Company drew down new debt and the Company, together with a number of its subsidiaries as outlined in note 29, gave a letter of guarantee to secure its obligations in respect of these bank loans. The actual loans outstanding at 28 February 2009 amounted to €310m (2008: €290m).

During the current year, Entreprise Ireland funding of €0.2m was received towards the costs of implementing a development plan. These funds are fully repayable should the company at any time during the term of the Agreement be in breach of the terms and conditions of the Agreement. The Agreement terminates after five years.

Under the terms of the Sale Purchase Agreement with respect to the disposal of the Soft drinks business to Britvic plc, the Group has a maximum exposure of €249.2m in relation to warranties undertaken. All claims with respect to these warranties must be presented in writing to the Group within 2 years following completion of the sale, except for a claim relating to tax where the time limit is 4 years.

Under the terms of the Sale Purchase Agreements with respect to the disposal of the wines and spirits distribution businesses, the Group has a maximum exposure of €9.6m with respect to the Republic of Ireland business and Stg£1.9m with respect to the Northern Ireland business in relation to warranties undertaken. All claims with respect to these warranties must be presented in writing to the group within 21 months and 18 months respectively following completion of the sale, except for a claim relating to tax in Northern Ireland where the time limit is 7 years.

Pursuant to the provisions of Section 17 of the Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of all its subsidiary companies incorporated in the Republic of Ireland for the financial year to 28 February 2009 and as a result such subsidiaries are exempt from the filing provisions of Section 7, Companies (Amendment) Act, 1986 (note 29).

28. Related party transactions

(a) Group

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.

Subsidiary undertakings

The consolidated financial statements include the financial statements of the Company and its subsidiaries. A listing of all subsidiaries is provided in note 29. Sales to and purchases from, together with outstanding payables and receivables are eliminated in the preparation of the consolidated financial statements in accordance with IAS 27 *Consolidated Financial Statements.*

Forming part of the financial statements

28. Related party transactions (continued)

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 (note 5).

Details of key management remuneration are as follows:-

	2009 Number	2008 Number
Number of individuals	**14**	11
	€m	€m
Salaries and other short term employee benefits	**2.6**	4.0
Post employment benefits	**0.5**	0.6
Termination payments	**4.4**	1.9
Cash settled long term incentive plan	**0.1**	0.4
Equity settled share-based payments	**0.2**	0.5
Charged to the Income statement	**7.8**	7.4
Actuarial loss recognised on defined benefit pension schemes	**1.0**	0.2
Total	**8.8**	7.6

Provision has been made for termination payments in respect of Directors leaving service in the year ending 28 February 2010.

Details of transactions with executive and non-executive Directors are set out in the Report of the Remuneration Committee on pages 30 to 35.

(b) Company

The Company has a related party relationship with its subsidiaries. Details of the transactions in the year between the Company and its subsidiaries are as follows:

	€m
Dividends received from subsidiaries	**-**
Expenses paid by subsidiaries on behalf of the Company	**(13.7)**
Equity settled share-based payments	**0.4**
Movement in loans with subsidiary undertakings	**33.6**
Funding of cash requirements of subsidiary undertakings	**(20.0)**

29. Subsidiary undertakings

Name	Nature of business	Class of shares held (100%)
Trading subsidiaries		
*^ Bulmers Limited	Cider	Ordinary
*^ C&C (Holdings) Limited	Holding company	Ordinary
#*^ C&C Group International Holdings Limited	Holding company	Ordinary
*^ C&C Group Irish Holdings Limited	Holding company	Ordinary
*^ C&C International Limited	Spirits & liqueurs	Ordinary
* C&C Management Services (2007) Limited	Provision of management services	Ordinary
C&C Management Services (UK) Limited	Provision of management services	Ordinary
~ Hollywood & Donnelly Limited	Cider & beer distribution	Ordinary
~ Quinns of Cookstown (1964) Limited	Cider, beer & soft drinks distribution	Ordinary
*^ Wm. Magner Limited	Cider	Ordinary
Wm Magner GmbH	Cider	Ordinary
Wm. Magner, Inc	Cider	Ordinary
Other subsidiaries		
* Bestormel Limited	Non-trading	Ordinary
* Bouchel Limited	Non-trading	Ordinary
* C&C Agencies Limited	Land dealing	Ordinary
* C&C (Investments) Limited	Non-trading	Ordinary
* C&C Group Pension Trust (No. 2) Limited	Non-trading	Ordinary
* C&C Group Pension Trust Limited	Non-trading	Ordinary
~ C&C Logistics (NI) Limited	Non-trading	Ordinary
~ C&C Pension Trust (1988) Limited	Holding company	Ordinary
~ C&C Profit Sharing Trustee (NI) Limited	Non-trading	Ordinary
* C&C Profit Sharing Trustee Limited	Non-trading	Ordinary
Cantrell & Cochrane B.V.	Non-trading	Ordinary
* Cantrell & Cochrane Limited	Holding company	Ordinary
* Cravenby Limited	Non-trading	Ordinary
* Edward and John Burke (1968) Limited	Patent company	Ordinary
* Findlater (Wine Merchants) Limited	Holding company	Ordinary
* Fruit of the Vine Limited	Non-trading	Ordinary
* Grants of Ireland Limited	Holding company	Ordinary
* Irish Mist Liqueur Company Limited	Non-trading	Ordinary
* Lough Corrib Mineral Water Company Limited	Non-trading	Ordinary
* Magners Irish Cider Limited	Non-trading	Ordinary
* M O'Sullivan & Sons Limited	Non-trading	Ordinary
~ Reihill McKeown Limited	Non-trading	Ordinary
* Showerings (Ireland) Limited	Non-trading	Ordinary
* Thwaites Limited	Non-trading	Ordinary
* TJ Carolan & Son Limited	Non-trading	Ordinary
* Tullamore Dew Company Limited	Non-trading	Ordinary
* Vandamin Limited	Non-trading	Ordinary

All the above subsidiary companies are registered in the Republic of Ireland and have their registered office at The Grange, Stillorgan Road, Blackrock, Co Dublin, with the exception of:-

- C&C Management Services (UK) Limited which has its registered office at Abbots House, Abbey Street, Reading, Berkshire, England,
- Cantrell & Cochrane B.V. which has its registered office at A.J. Ernststraat 595 H, 1082 LD, Amsterdam,
- Wm Magner GmbH which has its registered office at Hans-Steiberger-StraBe 2b, 85540 Harr,
- Wm Magner, Inc. which has its registered office at 1114 Avenue of the Americas, New York 10036-7703, and,
- those marked "~" which have their registered offices at 468-472 Castlereagh Road, Belfast.

* Companies covered by Section 17 guarantees (note 27)
^ Original guarantors in respect of bank loans
\# Immediate subsidiary of C&C Group plc.

30. Approval of financial statements

These financial statements were approved by the Directors on 12 May 2009.

Shareholder and other information

C&C Group plc is an Irish registered company. Its ordinary shares are quoted on the Irish and London Stock Exchanges. C&C also has a Level 1 American Depository Receipts (ADR) programme for which Deutsche Bank acts as depository (symbol CCGGY). Each ADR share represents three C&C ordinary shares.

Financial Calendar	Date
Annual general meeting	28 August 2009
Payment date for final dividend	2 September 2009
Interim results announcement	October 2009
Interim dividend payment	December 2009
Financial year-end	28 February 2010

Website

Further information on C&C Group plc is available at *www.candcgroupplc.com*

Secretary and Registered Office

Noreen O'Kelly
C&C Group plc
The Grange, Stillorgan Road, Blackrock, Co Dublin
Tel: +353 1 616 1100
Fax: +353 1 654 6727

Investor Relations

K Capital Source
10 Merrion Square, Dublin 2

Registrars

Shareholders/investors with queries concerning their holdings, dividend information or administrative matters should contact our registrars:

Capita Registrars
Unit 5, Manor Street Business Park, Manor Street, Dublin 7
Tel: +353 1 810 2400
Fax: +353 1 810 2422
Email: enquiries@capitaregistrars.ie

Principal bankers

AIB Bank
Bank of Ireland

Solicitors

McCann FitzGerald
Riverside One, Sir John Rogerson's Quay, Dublin 2

Stockbrokers

Citigroup
Davy Stockbrokers

Auditor

KPMG
Chartered Accountants
1 Stokes Place, St. Stephen's Green, Dublin 2

Dividend Payments

An interim dividend of 6c per ordinary share was paid on 10 December 2008.

A final dividend of 3c, if approved, will be paid in respect of ordinary shares on 2 September 2009. A scrip alternative will be offered to shareholders.

Dividend Withholding Tax ('DWT') must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrars. DWT applies to dividends paid by way of cash or by way of shares under a scrip dividend scheme and is deducted at the standard rate of income tax (currently 20%). Non-resident shareholders and certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim exemption from DWT and have been sent the relevant form. Further copies of the form may be obtained from Capita Registrars. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed form has not been received by the relevant record date. Individuals who are resident in Ireland for tax purposes are not entitled to an exemption.

Shareholders who wish to have their dividend paid direct to a bank account, by electronic funds transfer, should contact Capita Registrars to obtain a mandate form. Tax vouchers will be sent to the shareholder's registered address under this arrangement.

CREST members

Share holders who hold their shares via CREST will automatically receive dividends in Euro unless they elect otherwise.

Non-CREST members

Shareholders who hold their shares in certificate form will automatically receive dividends in Euro with the following exceptions:

- Shareholders with an address in the UK will automatically receive dividends in Sterling
- Shareholders who had previously elected to receive dividends in a particular currency will continue to receive dividends in that currency.

Shareholders who wish to receive dividends in a currency other than that which will be automatically used should contact the Registrar.

CREST

Transfer of the Company's shares takes place through the CREST settlement system. Shareholders have the choice of holding their shares in electronic form or in the form of share certificates.

Notes

The Grange,
Stillorgan Road, Blackrock, Co. Dublin
www.candcgroupplc.com