# 24/7

## A day in the life of Britvic

INTERIM REPORT 2010

BRITVIC

OVERVIEW

# OUR PERFORMANCE AT A GLANCE

## GROUP TOTAL BRANDED REVENUE

| | |
|---|---|
| 2008 | £454.7m |
| 2009 | £483.2m |
| 2010 | £505.3m |

**+4.6%**

## GROUP PROFIT BEFORE TAX

| | |
|---|---|
| 2008 | £17.2m |
| 2009 | £20.0m |
| 2010 | £27.8m |

**+39.0%**

## GROUP HALF YEAR DIVIDEND

| | |
|---|---|
| 2008 | 3.8p |
| 2009 | 4.1p |
| 2010 | 4.7p |

**+14.6%**

## GROUP EARNINGS PER SHARE

| | |
|---|---|
| 2008 | 6.1p |
| 2009 | 6.9p |
| 2010 | 9.5p |

**+37.7%**

# 6PM

## TRIATHLON CIRCUIT TRAINING

**When you're pushing your body to its limit, Gatorade gives you everything you need to replenish, rehydrate and refuel.**

# EVERY MINUTE EVERY HOUR EVERY DAY

**Someone somewhere is contributing to the creation of a Britvic brand.**

**Whether they are sourcing ingredients across the world, running our production lines, making deliveries, engaging with our customers, filling vending machines or having great ideas for new brands, new flavours or new marketing campaigns, they all have a vital role to play. 24/7.**

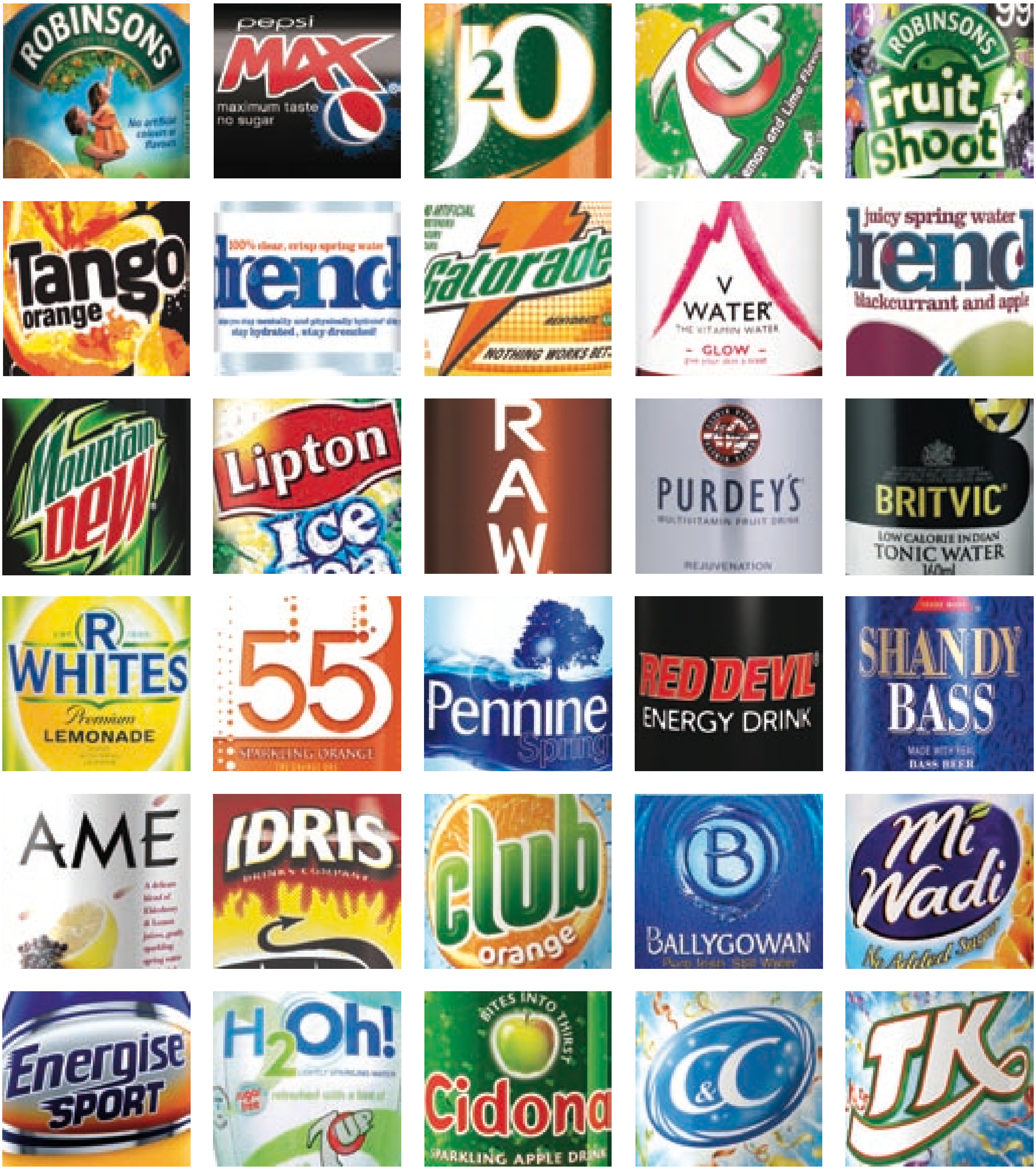
# EVERY MINUTE EVERY HOUR EVERY DAY

**Someone somewhere is enjoying a Britvic brand.**

**From the breakfast table to the gym, from on-the-go refreshment to a night in the pub with friends, we have great drinks to suit all occasions and all tastes. 24/7.**

OVERVIEW

# OUR BRAND PORTFOLIO



# 4PM

## SHOP 'TIL YOU DROP

**Getting ready for a big night out? In that case you need to look good inside and out – V Water will make you Glow!**

OVERVIEW

# WHO WE ARE

**Britvic is one of the two leading branded soft drinks businesses in the UK and Republic of Ireland.**

With great brands like Robinsons, $J_2O$, Tango and Fruit Shoot in the UK, strong local brands in Ireland, and exclusive agreements to make and distribute global brands like Pepsi and 7UP in selected territories, we are dedicated to creating and building brands that delight consumers always.

We have a strong track record of innovation in products and packaging, are renowned for our compelling and effective marketing and sell over 1.7 billion litres of soft drinks each year.

We are the largest supplier of branded still drinks in Great Britain and the number two supplier of branded carbonates. We are also the number one supplier to the GB on-premise market and number two in the GB take-home market.

In Ireland we are number one in the licensed on-premise market and number two in the grocery market.

Britvic International is focused on export and the travel industry as well as extending availability of Britvic brands through licensing and franchising agreements.

In May 2010, Britvic acquired Fruité Entreprises – the leading independent soft drinks company in France.

# CHAIRMAN'S STATEMENT

**Gerald Corbett**
Independent
Non-Executive Chairman

**Our new financial year has begun well, building on the steady progress we have made in the last five years. Group operating profit in our first half rose by 28% to £40.7m. Group revenue rose by 4.6%, and operating profit margin improved by 150% points. We continued to perform well in the market place, either gaining or holding market share in all our major brands. This was against the background of continued economic difficulties and weak consumer confidence.**

Our strategy of widening our distribution, improving our price-pack architecture, developing new products and brand extensions, while improving our supply chain and business efficiencies is the basis of our continued profit progression.

In Ireland, in spite of the dire economic circumstances, we have turned in a modest profit compared to breaking even last year. We have made good progress in improving the business, and are delivering better synergies than we anticipated three years ago when we bought the business.

Group profit before tax in the first half has increased by 39% to £27.8m, and earnings per share have grown by 37.7% to 9.5p per share. We will be paying an interim dividend of 4.7p, an increase of nearly 15% which will be payable on 2 July to shareholders on the register on 28 May 2010.

Commercial highlights in the first half include the agreement reached with our partner PepsiCo to launch Mountain Dew Energy in the second half. This is a global brand with worldwide sales of more than one billion litres. We have also launched brand extensions for Robinsons squash, $J_2O$ and Fruit Shoot, and new 600ml packs for Pepsi, 7UP and Tango. And we are celebrating 75 years of Robinsons' sponsorship of the Wimbledon Championships.

We have also announced the acquisition of Fruité Entreprises SA, the French soft drink company which leads in the syrups category with Teisseire and other brands. The consideration is €237m, funded by debt and a circa 10% equity placing. Our experience in Ireland gives us confidence that we can add value to businesses we acquire, with synergies in purchasing, supply chain, and the implementation of our Business Transformation Programme. In addition, there are opportunities for sales of Britvic products in France. We are committed to steadily expanding our business internationally.

A recession tests the quality of a company and its management. To date we feel we are passing that test. The environment remains very uncertain, however, and continued success places big demands on our team. On behalf of the board, I thank them for their efforts, and confirm that we are confident of another good year.

OPERATING AND FINANCIAL REVIEW
# CHIEF EXECUTIVE'S REVIEW

**Paul Moody**
Chief Executive

**In the 28 weeks ended 11 April 2010 ('the period'), Britvic's revenue grew by 4.6% to £505.3m. Britvic's GB & International businesses have grown their combined revenue by 8.8%, another strong performance that builds on a successful top-line-led track record of growth. The result in GB & International was primarily driven by our own synchronised execution, leading to a continued outperformance of the soft drinks market, in itself showing modest signs of growth in the period.**

Our resilient and well-diversified GB brand portfolio has benefited from both innovation and strong market execution. Britvic has for some time been refocusing its brand and pack portfolio, as well as sales resources, in order to extend quality distribution in routes to market where Britvic is currently under-represented. New account wins, as a result of this refocus, have increased availability of our products for consumers and shoppers.

Britvic Ireland has performed in line with expectations in challenging conditions, as the Irish soft drinks market continues to see value decline significantly despite a modest growth in volume. Our Business Transformation Programme is currently being successfully implemented in Ireland; the remaining 2010-11 synergies of around €12m, announced in January 2009, will mainly be realised this year.

Our recently-implemented group supply chain structure produced numerous benefits, such as the one million GB cases currently being produced in Ireland for brands such as Mountain Dew Energy.

Britvic International saw volumes increase by 28.9% and revenue increase by 20.0%. Business wins secured in the travel sector are a key component of this growth that have helped drive a significant margin expansion.

These overall results, combined with an unrelenting focus on costs, have driven group operating profit growth of 27.6% to £40.7m with a group operating profit margin improvement of 150bps to 8.1%. Group profit after tax (PAT) was up by 38.5% and basic earnings per share (EPS) increased by 37.7%, both before exceptional items. The continued earnings growth and cash generative nature of the business underpin the board's confidence in paying an interim dividend per share of 4.7p, up 14.6% on last year.

## OUR SOFT DRINK MARKETS

- The overall GB take-home soft drinks market has returned to growth after a 2009 volume decline of 0.9%. As a more stabilised picture has emerged, the UK take-home market saw a 1.4% volume increase in the period, after a 3.0% year-on-year decline in the same period last year. This volume increase translated to a 4.5% rise in market value;
- GB take-home market stills volumes continue to grow ahead of carbonates for the third consecutive quarter, with strong growth from the plain water category up 6.5% and sports drinks up 4.6%, leading to a total GB take-home stills market volume growth of 2.1%. Squash volumes, which have been adversely impacted by private-label moves into 'double concentrate', saw a 0.3% volume decline in the period, with a robust 8.6% rebound in the most recent four weeks;
- GB take-home market carbonate volumes saw a 0.7% increase in the period as stills return to being the main driver of market growth. The glucose/stimulant category continues its high growth trajectory, up by 19.6% in the last 12 weeks;
- The GB licensed on-premise soft drinks market has seen a material stabilisation in recent quarters, with volumes up 0.9% in the quarter to the end of January 2010, up from 0.3% in the quarter to the end of November 2009;

- The GB impulse market has also witnessed some recent resilience after a period of decline. GB impulse soft drink volumes fell by only 0.1% in the period, with a 0.9% increase in the most recent four weeks;
- In Ireland, the widely-documented macro-economic conditions have continued to adversely affect the soft drinks market. In the period, Republic of Ireland (ROI) grocery soft drink volumes were up by 2.8% but value declined by 10.6%. Foreign exchange differences between the North and South have adversely affected the ROI market, with imported volumes from GB and Europe evident. As consumers cut back, we remain cautious about the balance of 2010 as consumers actively seek value at the point of purchase. We see no evidence yet of any forthcoming upturn in the Irish soft drinks market.

## BRITVIC'S STRATEGY

### SUPPORTING AND GROWING OUR CORE BRANDS

We continue to invest in our strong portfolio of brands through innovation, in-outlet execution and marketing, to ensure that they are preferred by consumers. Our core GB brands have continued to grow in the period.

Pepsi continued to grow share, with a volume share increase of 0.3% on the same period last year. Within the licensed channel, Pepsi retains its position as the number one cola.

7UP also continued to grow share, with a volume share increase of 0.6% on the prior year.

Robinsons again continued to strengthen its market leading position. While the squash category was down 0.3% in the period by volume, private label lost both volume and value share as retailers fully introduced 'double concentrate' squash into the category. With the first-ever Robinsons tie-in with a national pantomime programme at Christmas, and the partnership with Wimbledon entering its 75th year, the Robinsons brand continues to grow as a core part of family life.

$J_2O$ has again demonstrated its resilience with a 13.5% GB take-home market volume growth in the period, with value share of premium adult juice drinks up 1.7%. This was, in part, driven by a strong advertising campaign and the recently launched $J_2O$ Pub Quiz.

### INNOVATING/DEVELOPING NEW PRODUCTS

Crucial to our future success is our ability to innovate into new growth segments of the market. This is rooted in our real understanding of consumers and their changing needs, combined with the excellence of our research and development teams in exploring and implementing new technologies to deliver those consumer needs. With our refocused attention on gaining inroads into the GB impulse and food service channels, our product launches have, in recent years, been focused on completing a compelling single-serve portfolio that plays in each major category within these channels.

The GB innovation stream also continues to attract a premium within other sectors so that the brand and channel mix delivers price and margin accretion each year. Our GB programme for 2010 maintains this emphasis, with a number of brand extensions such as Fruit Shoot My-5 and $J_2O$ White Blend. A major launch into the high-growth glucose/stimulant category with PepsiCo's Mountain Dew Energy completes a busy year for our GB innovation pipeline.

Given the difficult local trading conditions in Ireland, no major new innovations have been launched locally, although there are opportunities for GB brands and new brands to be launched at an appropriate time in the future.

Britvic International continues to enjoy robust territory-specific pack innovation and the benefit of the GB brand portfolio, including the introduction of $J_2O$ into Sweden and Robinsons Light in Sweden, Denmark and Finland.

## CURRENT TRADING AND OUTLOOK

Britvic has delivered another strong performance in the first half with market share gains across our brands in GB within their respective categories. The execution of our plans has resulted in another period of outperformance within a GB market showing some signs of modest improvement across all of the take-home, impulse and licensed markets. Key account wins and a strategic move into the 'on-the-go' channel have partly driven the strong performance which bodes well for the second half of the year. A strong GB innovation pipeline is also currently being launched, which again is anticipated to add between 1-2% to the GB top line over a full-year period.

Britvic International goes from strength to strength through account wins and wider distribution, and Britvic Ireland is well-positioned for the eventual return to growth in the market.

It is important to note that market visibility beyond the short-term remains limited. However, trading in the early weeks of the second half has seen a return to robust growth, and a strong top-line performance so far this year gives the board confidence in meeting full-year expectations.

# 1PM

## A BREAK FROM THE OFFICE

**Don't eat lunch at your desk again!**
**Make time to do or try something different, like Lipton Ice Tea… don't knock it 'til you've tried it!**


Lipton

# 3PM
## BECKTON FACTORY RECEPTION

# 20 MINUTES WITH PAUL MOODY

**How has the business performed in the first half of the year?**
We're very pleased with the performance. Overall the group's revenues grew by 4.6% – within GB and International, revenues were up 8.8%. There's very strong growth in our EBIT (Earnings before interest and tax) margin, and our earnings per share growth is 38%. This financial performance is reflective of a very strong market performance, where all of our key brands in key categories have grown their market share.

**So have you seen signs of a return in consumer confidence?**
In GB there is some sign of that – for example, we've seen the stills market beginning to show growth. Certainly during the depth of the recession, particularly in stills, there was no doubt that people switched away from premium categories; but now we're seeing some recovery. There's also continued strength with the carbonates market as well.

If you look at the Irish business, unfortunately there isn't quite the same sign of improving consumer confidence. We're still seeing consumers chase value, and therefore they're moving into major multiples, away from the High Street. The pub market is showing some signs of stability, but overall we're showing low double-digit decline year-on-year.

**What are you seeing in current trading?**
Looking at the first few weeks of the quarter this year, we're really pleased with the robust performance of the business.

**And what are your priorities for the rest of the year?**
We've got some very big brand activities, notably around the World Cup and Robinsons at Wimbledon. We're going to cement the success we've already seen in the early days of our new product development, particularly with Mountain Dew Energy and the 600ml pack. And crucially, we're going to keep driving the performance of the business, both at top line and bottom line – and flawless execution is at the heart of our plan.

**So what is the outlook for Britvic?**
I think it looks very strong. We've got a wonderful portfolio of brands, which we've demonstrated can grow both the market and strengthen our position. Last year and into this year we've been very successful in implementing our new innovations. We're also successful in driving new distribution. A great example is the deal we struck with Compass in March. So despite the uncertainty about the consumer in the UK, we're very confident that our brand strength will continue driving the success of Britvic.

**You've also just announced the acquisition of Fruité Entreprises SA. What's the rationale behind the deal?**
We've always been clear about the potential benefits of and our desire to build our presence overseas, particularly in North and Western Europe. Buying this business in France makes good sense. The business has a market-leading brand in Teisseire syrups. In many respects it's a similar product to Robinsons – so we understand the market. And, of course, Fruité has a very strong infrastructure – manufacturing and sales. We're confident that we can bring some of our existing brands into the French market as well as develop their brands. It's really a perfect strategic fit for Britvic.

**But why does it make sense for Britvic now?**
This is a business we've been keeping an eye on for a couple of years. We saw the opportunity when Fruité became available, and we then pursued the acquisition.

**Are you concerned about another acquisition against an uncertain economic backdrop?**
There's no doubt when we bought the business in Ireland, nobody expected the severe economic downturn that has hit the market there. Britvic Ireland is a good business with strong brands and we've been managing the business through that focusing on transferring our capability, building the business and its brands.

Our view about the business in France is very different. As we look specifically at the soft drinks market in France, it's showing good growth. The syrup market is showing growth, as indeed is the juice market. So circumstances are very different and we believe the opportunity to drive the business in France is very clear.

**And can we expect any news of more acquisitions?**
We have been very clear in our ambition. We've talked about potentially building our relationship with Pepsi, with other territories and other geographies. But we've also talked about seeing businesses that have brands and infrastructure and technologies that would be attractive. So as and when we see opportunities again, then certainly we'd look very closely at them.

# FINANCIAL AND BUSINESS REVIEW

**The following is based on Britvic's results for the 28 weeks ended 11 April 2010 ('the period') compared with the same period last year and all numbers exclude exceptional items.**

## KEY PERFORMANCE INDICATORS

The principal key performance indicators that management uses to assess the performance of the group in addition to income statement measures of performance are as follows:

- **VOLUME GROWTH –** number of litres (excluding factored brands) sold by the group relative to prior period.
- **AVERAGE REALISED PRICE (ARP) –** average revenue per litre sold.
- **REVENUE GROWTH –** sales achieved by the group relative to prior period.
- **BRAND CONTRIBUTION MARGIN –** revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product, divided by revenue. Such costs include brand specific advertising and promotion costs, raw materials, and marginal production and distribution costs. Management uses the brand contribution margin to analyse Britvic's financial performance, because it provides a measure of contribution at brand level.
- **OPERATING PROFIT MARGIN –** operating profit before exceptional items and divided by revenue.
- **FREE CASH FLOW –** net cash flow excluding movements in borrowings, dividend payments and exceptional items.

## OVERVIEW

In the period total volumes (excluding franchised brands in Ireland) were up 4.8% on the prior year with total revenues (including franchised brands in Ireland) up 4.6% at £505.3m. Operating profit before exceptional items for the period was up 27.6% to £40.7m, with an improvement in the group's operating profit margin of 150bps to 8.1%. GB & International operating profit was up by 23.5% to £39.4m, with an improvement in operating profit margin of 120bps to 9.5%. Profit before tax and exceptional items for the period was £27.8m, up 39.0% on the prior period, with earnings per share up 37.7%.

## GB STILLS

| | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | % change |
|---|---|---|---|
| **Volume (millions litres)** | 254.0 | 246.0 | 3.3 |
| **ARP per litre** | 70.1p | 68.9p | 2.2 |
| **Revenue** | 178.0 | 168.7 | 5.5 |
| **Brand contribution** | 77.8 | 69.8 | 11.5 |
| **Brand contribution margin** | 43.7% | 41.4% | 230bps |

Britvic has continued to outperform the GB stills market over the period across all of our categories with volumes up 3.3% to 254m litres against a take-home market up by 2.1% over the period. The ARP increase of 2.2% has been driven by the remaining effect of the price increase in the first half of 2009, a marginally favourable product mix and more effective promotions in store.

As a result of the strong volume and ARP performance, we have seen continued strong revenue growth of 5.5% driven by the success of $J_2O$, the continued high impact of Robinsons squash, as well as the successful launch, in the third quarter of 2009, of Juicy drench in the impulse market.

The brand contribution margin of 43.7% represents an improvement on last year of 230bps. This is a result of the timing impact of last year's headline price increase against the decelerating rise in raw material cost inflation this year – ie the reversal of the margin erosion we saw last year prior to the price increase. This is essentially a first half impact and we anticipate a stabilised margin over the balance of the year.

## GB CARBONATES

| | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | % change |
|---|---|---|---|
| **Volume (millions litres)** | 536.0 | 495.6 | 8.2 |
| **ARP per litre** | 42.3p | 41.2p | 2.7 |
| **Revenue** | 226.8 | 204.4 | 11.0 |
| **Brand contribution** | 86.6 | 73.6 | 17.7 |
| **Brand contribution margin** | 38.2% | 36.0% | 220bps |

Britvic has again outperformed the GB soft drinks market in carbonates. Volumes are up 8.2% in the period compared to a GB take-home market volume growth of 0.7%. This volume growth has not come at the expense of price, with ARP up 2.7%, mainly driven by more effective promotional management, additional distribution, as well as pack and product mix.

Brand contribution margin has improved by 220bps to 38.2%. As with stills the margin improvement has come from both the pricing improvement and cost control, again with a stabilised margin over the balance of the year.

| INTERNATIONAL | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | % change |
|---|---|---|---|
| **Volume (millions litres)** | 14.7 | 11.4 | 28.9 |
| **ARP per litre** | 73.5p | 78.9p | (6.8) |
| **Revenue** | 10.8 | 9.0 | 20.0 |
| **Brand contribution** | 4.1 | 3.0 | 36.7 |
| **Brand contribution margin** | 38.0% | 33.3% | 470bps |

Our international division has delivered another outstanding result. With volume up nearly 29% and revenue up 20% we have an increase in brand contribution of around 37%. As well as the growth in volume and revenue we have seen effective control of A&P spend this year.

The ARP decline is essentially the impact of mix, driven by the travel sector reflecting the volume benefit from new contracts with Easyjet and Ryanair that we won last year, and we will start to see the benefits of these in the third quarter. In addition, we have also secured new contracts with Virgin Rail and Virgin Atlantic Airways.

Fruit Shoot in Holland continues to perform very well with both effective promotional activity driving volume and ever-increasing base sales as the brand establishes itself in the market.

| IRELAND | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | % change |
|---|---|---|---|
| **Volume (millions litres)*** | 114.0 | 123.6 | (7.8) |
| **ARP per litre*** | 58.3p | 60.1p | (3.0) |
| **Total revenue** | 89.7 | 101.1 | (11.3) |
| **Brand contribution** | 35.5 | 34.3 | 3.5 |
| **Brand contribution margin** | 39.6% | 33.9% | 570bps |
| **Fixed costs** | (34.2) | (34.3) | 0.3 |
| **Operating profit** | 1.3 | 0.0 | – |

* Volumes and ARP above include own-brand soft drinks sales and do not include third party Irish drink sales included within total revenue and brand contribution.

Trading conditions in Ireland remain difficult. Own brand volume is down 8% and revenue is down 11%, with underlying euro revenues down 14%. The Irish grocery market is seeing a price deflation, demonstrated by a decline in value of nearly 11%, whilst the decline in Licensed has continued, this time by 13%. Our business has responded with a series of pricing initiatives and as a result of this, and the difficult conditions in the attractive-priced Licensed channel, underlying euro ARP is down 6.1%.

Recent market data suggests that although volumes are improving, value continues to decline. We remain extremely cautious about the short-term prospects with the balance of 2010 being difficult.

However, the near 6% increase in Irish brand contribution margin is encouraging, and the H2-weighted incremental synergies, which will take the cumulative total to €25m by the end of the year, are driven by the recent successful implementation of SAP & Siebel in March. The remaining synergies of €2m, due in 2011, will complete the synergies programme.

| GROUP COSTS AND OVERHEADS | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | % change |
|---|---|---|---|
| **Non-brand A&P*** | (4.8) | (4.1) | (17.1) |
| **Fixed supply chain**** | (48.9) | (49.0) | 0.2 |
| **Selling costs**** | (57.1) | (54.2) | (5.4) |
| **Overheads and other*** | (52.5) | (41.5) | (26.5) |
| **Total** | (163.3) | (148.8) | (9.7) |
| **Total A&P spend** | (29.6) | (28.9) | (2.4) |
| **A&P as a % of net revenue***** | 6.1% | 6.3% | 20bps |

* contained within Administration Expenses
** contained within Selling and Distribution Costs
*** excludes revenue from Britvic Ireland's licensed wholesale & distribution division

We have seen A&P as a percentage of revenue fall to 6.1%. The overall spend on advertising is up nearly £1m, though the strong top line, plus our use of more cost-effective ways to engage consumers, mean that A&P spend is likely to stabilise at this level in what is a busy year of brand activity.

Overheads and other are up significantly on last year as a result of:

- Incentive plans, both short – and long-term expected to achieve payouts at a high level;
- Increased pension costs reflecting the accounting deficit in the plan;
- Increased investment in our group infrastructure to better facilitate growth through M&A; and
- Additional investment in capability to support the implementation of our "on the go" and Food Service growth strategy.

## EXCEPTIONAL ITEMS

During the period, Britvic incurred no pre-tax exceptional items. This measures against £12.8m in the comparable period last year.

## INTEREST

The net finance charge before exceptional items for the period for the group was £12.9m compared with £11.9m in the same period in the prior year. This was mainly driven by the impact of the refinancing of the syndicated bank facility in April 2009.

## TAXATION

The tax charge of £7.3m before exceptional items represents an effective tax charge of 26.3%, broadly in line with the effective tax rate as reported in the accounts for the same period last year of 26.0%.

## EARNINGS PER SHARE

Basic EPS for the period, excluding exceptional items, was 9.5p, up 37.7% on EPS for the same period last year of 6.9p.

## DIVIDENDS

The board is recommending an interim dividend for 2010 of 4.7p per share, an increase of 14.6% on the dividend paid last year with a total value of £10.2m. The interim dividend will be paid on 2 July 2010 to shareholders on record as at 28 May 2010.

## CASH FLOW AND NET DEBT

The adjusted net debt of £442.4m represents an annual net debt to EBITDA ratio of 2.8x. As we move through our working capital cycle we expect gearing to fall during the second half of the year. Free cash flow is down by 103% to a half-year cash outflow of £50m, due mainly to working capital movements. Working capital has seen a near 144% decline to a net outflow of £58.2m, the half year representing a working-capital high for Britvic as we enter the summer trading period. The main drivers of the working capital change are timing differences as well as the impact of the SAP implementation in Ireland.

In the period, Britvic also agreed with investors in the US private placement market to issue a further $250m as part of Britvic's ongoing focus on its optimal debt structure. The issue was completed in December 2009.

### SHARE PRICE AND MARKET CAPITALISATION

On 9 April 2010 the closing share price for Britvic plc was 467p. The group is a member of the FTSE 250 index with a market capitalisation of approximately £1,013m at the period end.

### TREASURY MANAGEMENT

The financial risks faced by the group are identified and managed by a central Treasury department. The activities of the Treasury department are carried out in accordance with board approved policies and are subject to regular audit and Treasury Committee scrutiny. The department does not operate as a profit centre.

Key financial risks faced by the group include exposures to movement in:

- Interest rates
- Foreign exchange
- Commodity prices

The Treasury department is also responsible for the management of the group's debt liquidity, currency requirements and cash.

At 11 April 2010, the group's adjusted net debt of £442.4m consisted of £69.8m drawn under the group's committed bank facility, £3.4m of drawings under uncommitted bank facilities and £378.3m of hedged private placement notes and accrued interest of £4.0m. This was netted off with £9.0m of surplus cash and £4.1m of issue costs of loans.

### PENSIONS

The GB business operates a pension scheme, the Britvic Pension Plan (BPP), which has both a defined benefit and a defined contribution section. The defined benefit section of the BPP was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the BPP.

A formal actuarial valuation is currently being undertaken by the Plan Actuary as at 31 March 2010 under the Scheme Specific Requirements; the results of the valuation will be discussed with the Trustee Board in due course. From the results of the previous tri-annual valuation, annual contributions of £10m in respect of the funding shortfall outlined in the Recovery Plan will continue to be made by 31 December in each of the years until 2010 in order to eliminate the funding deficit in the Plan.

The IAS 19 valuation of the GB pension scheme as at 11 April 2010 shows a deficit of £60.9m, an increase in the liability from the year end deficit of £59.1m. This is driven by the underlying market conditions on which the valuation assumptions are based, including an increase in the inflation assumption used, leading to an increase in the present value of the benefit obligation which was largely offset by an increase in the GB Plan asset values.

The business also operates pension arrangements in both Northern Ireland and the Republic of Ireland. In Northern Ireland the Britvic Northern Ireland Pension Plan (BNIPP) concluded its Actuarial Valuation as at 31 December 2008 under the Scheme Specific Requirements. The Trustee Board and the company have agreed a Schedule of Contributions which includes additional contributions of £90,000 per month to the BNIPP until 31 December 2010, and £1.5m per year from 1 January 2011 until 31 December 2019, in order to meet the deficit. In the Republic of Ireland, the Britvic Ireland Defined Benefit Pension Plan (BIPP) is undertaking an Actuarial Valuation as at 31 December 2009, and until the valuation is concluded, additional contributions of €200,000 per month will continue to be made to the BIPP.

## OPERATING AND FINANCIAL REVIEW

# BUSINESS RESOURCES

**Britvic is one of the two leading branded soft drinks businesses in GB and Ireland. It is one of the top two branded soft drinks businesses in the GB take-home channel, is the leading branded soft drinks supplier to the GB licensed on-premise channel and is a significant player with a growing presence in the leisure and catering channel.**

The main resources the group uses to achieve its results are:

- An extensive and balanced portfolio of stills and carbonates brands in GB, including Robinsons, Pepsi, 7UP, Tango, J2O, drench, Britvic, Fruit Shoot, Gatorade, R Whites and V Water. The breadth and depth of Britvic's portfolio enables it to target consumer demand across a wide range of consumption occasions, in all the major soft drinks categories and across all relevant routes to market. The strength of Britvic's brand portfolio is underpinned by its consumer insight and product development capability which has consistently enabled it to produce innovative products, packaging formats and promotional activity designed to meet evolving consumer tastes and preferences. Britvic Ireland owns a number of leading brands in the Republic of Ireland and Northern Ireland, including Club, Ballygowan water, Britvic, Cidona, MiWadi, and Energise Sport, as well as the rights to the Pepsi and 7UP brands.
- A successful long-standing relationship with PepsiCo that resulted in the Exclusive Bottling Agreement (EBA) being renewed in Great Britain in 2004 to 2018, with an extension to 2023 on Admission to the London Stock Exchange. The acquisition of Britvic Ireland further strengthened this relationship with the EBA for Ireland lasting until 2015. This relationship gives Britvic the exclusive right to distribute the Pepsi and 7UP brands in Great Britain and Ireland, access to all new carbonated drinks developed by PepsiCo for distribution in GB and Ireland and, to support the development of its carbonates offering, access to PepsiCo's consumer and customer insight, competitor intelligence, marketing best practice, brand and product development expertise and technological know-how. 2010 has seen the addition of PepsiCo's Mountain Dew Energy to the portfolio.
- A strong customer base. In Take Home, Britvic's customers include the "Big 4" supermarkets (Tesco, J Sainsbury, Asda and WM Morrison) together with a number of other important grocery retailers. The group has significant supply arrangements with a number of key players in the GB pub sector and leisure and catering channels. Through Britvic International, the group has built on the success of the Robinsons and Fruit Shoot brands by introducing these products into markets outside GB.

# RISKS AND UNCERTAINTIES

The group's results of operations could be materially adversely affected by:

### RISKS RELATING TO THE GROUP

- failure to drive pricing ahead of input costs;
- a termination or variation of its bottling and distribution arrangements with PepsiCo or an adverse development in the PepsiCo relationship;
- any inability to protect the intellectual property rights associated with its current and future brands;
- any increase in the group's funding needs or obligations in respect of its pension scheme;
- any failure or unavailability of the group's operational infrastructure.

### RISKS RELATING TO THE MARKET

- a change in consumer preferences, perception and/or spending;
- actions by the group's competitors.

### RISKS RELATING TO THE ORDINARY SHARES

There are risks arising out of an investment in Ordinary Shares because of:

- sterling dividend payments giving rise to currency exposure for investors whose principal currency is not sterling; and
- PepsiCo's right to terminate the EBAs on a change of control which may affect the ability of a third party to make a general offer for the Ordinary Shares.

## OPERATING AND FINANCIAL REVIEW

# RESPONSIBILITY AND CAUTIONARY STATEMENTS

### RESPONSIBILITY STATEMENTS

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

### CAUTIONARY STATEMENT

This report is addressed to the shareholders of Britvic plc and has been prepared solely to provide information to them.

This report is intended to inform the shareholders of the group's performance during the 28 weeks to 11 April 2010. This report contains forward looking statements based on knowledge and information available to the directors at the date the report was prepared. These statements should be treated with caution due to the inherent uncertainties underlying any such forward looking information and any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

The directors of Britvic plc are listed in the group's Annual Report for the year ended 27 September 2009 on pages 32 and 33.

By order of the board

**PAUL MOODY**
Chief Executive

**JOHN GIBNEY**
Finance Director


11AM
TIME FOR AN ENERGY BOOST

**After an early start, by mid morning you're flagging. Mountain Dew Energy will kick start you back into action!**

# INDEPENDENT REVIEW REPORT TO BRITVIC PLC

## INTRODUCTION

We have been engaged by the company to review the condensed set of financial statements in the 2010 Interim Report for the 28 weeks ended 11 April 2010 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity and the related notes 1 to 17. We have read the other information contained in the 2010 Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

## DIRECTORS' RESPONSIBILITIES

The 2010 Interim Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the 2010 Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this 2010 Interim Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

## OUR RESPONSIBILITY

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the 2010 Interim Report based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the 2010 Interim Report for the 28 weeks ended 11 April 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

**ERNST & YOUNG LLP**
Birmingham
17 May 2010

# CONSOLIDATED INCOME STATEMENT

**For the 28 weeks ended 11 April 2010**

| | | (Unaudited) 28 weeks ended 11 April 2010 | | | (Unaudited) 28 weeks ended 12 April 2009 | | | (Audited) 52 weeks ended 27 September 2009 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Before exceptional items £m | Exceptional items* £m | Total £m | Before exceptional items £m | Exceptional items* £m | Total £m | Before exceptional items £m | Exceptional items* £m | Total £m |
| **Revenue** | | 505.3 | – | 505.3 | 483.2 | – | 483.2 | 978.8 | – | 978.8 |
| Cost of sales | | (217.3) | – | (217.3) | (229.2) | – | (229.2) | (450.9) | – | (450.9) |
| **Gross profit** | | **288.0** | **–** | **288.0** | **254.0** | **–** | **254.0** | **527.9** | **–** | **527.9** |
| Selling and distribution costs | | (163.0) | – | (163.0) | (156.4) | – | (156.4) | (294.3) | – | (294.3) |
| Administration expenses | | (84.3) | – | (84.3) | (65.7) | (12.8) | (78.5) | (123.5) | (20.3) | (143.8) |
| **Operating profit/(loss)** | | **40.7** | **–** | **40.7** | **31.9** | **(12.8)** | **19.1** | **110.1** | **(20.3)** | **89.8** |
| Finance costs | | (12.9) | – | (12.9) | (11.9) | – | (11.9) | (23.6) | – | (23.6) |
| **Profit/(loss) before tax** | | **27.8** | **–** | **27.8** | **20.0** | **(12.8)** | **7.2** | **86.5** | **(20.3)** | **66.2** |
| Taxation | 7 | (7.3) | 0.6 | (6.7) | (5.2) | 2.9 | (2.3) | (22.3) | 2.9 | (19.4) |
| **Profit/(loss) for the period attributable to the equity shareholders** | | **20.5** | **0.6** | **21.1** | **14.8** | **(9.9)** | **4.9** | **64.2** | **(17.4)** | **46.8** |

* Exceptional items are explained and analysed in note 6.

All activities relate to continuing operations.

| **Earnings per share** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Basic earnings per share | 8 | 9.5p | 0.3p | 9.8p | 6.9p | (4.6p) | 2.3p | 29.9p | (8.1p) | 21.8p |
| Diluted earnings per share | 8 | 9.2p | 0.3p | 9.5p | 6.7p | (4.5p) | 2.2p | 29.1p | (7.9p) | 21.2p |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For the 28 weeks ended 11 April 2010**

| | (Unaudited) 28 weeks ended 11 April 2010 £m | (Unaudited) 28 weeks ended 12 April 2009 £m | (Audited) 52 weeks ended 27 September 2009 £m |
|---|---|---|---|
| Profit for the period attributable to the equity shareholders | 21.1 | 4.9 | 46.8 |
| Actuarial losses on defined benefit pension scheme | (15.8) | (27.7) | (72.0) |
| Current tax on additional pension contributions | 2.8 | 2.8 | 2.8 |
| Deferred tax on movement in pension liabilities | 0.7 | 4.6 | 16.9 |
| Amounts reclassified to the income statement in respect of cash flow hedges | (9.1) | (53.9) | (34.6) |
| Gains in the period in respect of cash flow hedges | 3.6 | 64.4 | 33.8 |
| Deferred tax in respect of cash flow hedges | 1.5 | (2.5) | – |
| Exchange differences on translation of foreign operations | (10.1) | 14.6 | 17.1 |
| Other comprehensive income for the period net of tax | (26.4) | 2.3 | (36.0) |
| **Total comprehensive income for the period attributable to the equity shareholders** | **(5.3)** | **7.2** | **10.8** |

# CONSOLIDATED BALANCE SHEET

**At 11 April 2010**

| | Note | (Unaudited) 11 April 2010 £m | (Unaudited) 12 April 2009 £m | (Audited) 27 September 2009 £m |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 9 | 227.3 | 231.5 | 226.1 |
| Intangible assets | | 282.7 | 287.8 | 293.1 |
| Trade and other receivables | | 2.4 | 2.4 | 2.4 |
| Other financial assets | 13 | 69.8 | 82.7 | 51.9 |
| Deferred tax assets | | 1.9 | 2.3 | 2.6 |
| | | **584.1** | **606.7** | **576.1** |
| **Current assets** | | | | |
| Trade and other receivables | | 204.4 | 164.7 | 177.9 |
| Inventories | | 50.4 | 52.3 | 52.9 |
| Other financial assets | 13 | 0.5 | 2.6 | 1.8 |
| Cash and cash equivalents | | 9.0 | 3.0 | 39.7 |
| | | **264.3** | **222.6** | **272.3** |
| Non-current assets held for sale | | 4.9 | 6.7 | 5.1 |
| **Total assets** | | **853.3** | **836.0** | **853.5** |
| **Current liabilities** | | | | |
| Trade and other payables | | (251.6) | (243.0) | (291.6) |
| Other financial liabilities | 13 | (0.8) | (17.2) | (0.4) |
| Current income tax payable | | (9.0) | (4.3) | (11.3) |
| | | **(261.4)** | **(264.5)** | **(303.3)** |
| **Non-current liabilities** | | | | |
| Interest bearing loans and borrowings | 10 | (512.5) | (493.9) | (450.7) |
| Deferred tax liabilities | | (10.2) | (35.2) | (16.9) |
| Pension liability | 14 | (85.1) | (42.3) | (85.1) |
| Other non-current liabilities | | (5.1) | (0.6) | – |
| Other financial liabilities | 13 | (1.5) | – | – |
| | | **(614.4)** | **(572.0)** | **(552.7)** |
| **Total liabilities** | | **(875.8)** | **(836.5)** | **(856.0)** |
| **Net liabilities** | | **(22.5)** | **(0.5)** | **(2.5)** |
| **Capital and reserves** | | | | |
| Issued share capital | 11 | 43.6 | 43.2 | 43.4 |
| Share premium account | | 9.2 | 2.5 | 5.0 |
| Own shares | | (1.2) | (4.0) | (4.6) |
| Share scheme reserve | | 7.1 | 7.2 | 7.3 |
| Hedging reserve | | 2.2 | 15.0 | 6.2 |
| Translation reserve | | 24.2 | 31.8 | 34.3 |
| Retained losses | | (107.6) | (96.2) | (94.1) |
| **Total equity** | | **(22.5)** | **(0.5)** | **(2.5)** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

**For the 28 weeks ended 11 April 2010**

| | (Unaudited) 28 weeks ended 11 April 2010 £m | (Unaudited) 28 weeks ended 12 April 2009 £m | (Audited) 52 weeks ended 27 September 2009 £m |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | 27.8 | 7.2 | 66.2 |
| Net finance costs | 12.9 | 11.9 | 23.6 |
| Impairment of property, plant and equipment | – | – | 4.2 |
| Depreciation | 16.0 | 16.8 | 30.1 |
| Amortisation | 4.7 | 3.9 | 8.6 |
| Share-based payments | 4.5 | 4.5 | 6.9 |
| Net pension charge less contributions | (14.9) | (11.3) | (13.4) |
| Decrease/(increase) in inventory | 1.7 | (0.8) | (1.0) |
| Increase in trade and other receivables | (28.7) | (11.6) | (18.9) |
| (Decrease)/increase in trade and other payables | (36.1) | (1.8) | 41.8 |
| Loss on disposal of tangible assets | 0.6 | 0.9 | 1.7 |
| Income tax paid | (6.4) | (5.6) | (18.9) |
| **Net cash flows from operating activities** | **(17.9)** | **14.1** | **130.9** |
| | | | |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of property, plant and equipment | 4.6 | 0.1 | 9.5 |
| Purchase of property, plant and equipment | (22.6) | (21.0) | (38.3) |
| Purchase of intangible assets | (6.7) | (6.3) | (11.9) |
| **Net cash flows used in investing activities** | **(24.7)** | **(27.2)** | **(40.7)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Finance costs | (0.8) | (0.6) | (4.3) |
| Interest paid | (11.9) | (11.0) | (20.9) |
| Issue of US$ notes | 149.8 | – | – |
| Repayment of €100.0m loan | (90.1) | – | – |
| Net interest bearing loans (repaid)/received | (11.9) | 19.7 | (7.3) |
| Issue of shares | 1.5 | – | – |
| Purchase of own shares | (0.9) | (2.1) | (3.3) |
| Dividends paid to equity shareholders | (23.6) | (19.0) | (27.8) |
| **Net cash flows used in financing activities** | **12.1** | **(13.0)** | **(63.6)** |
| Net (decrease)/increase in cash and cash equivalents | (30.5) | (26.1) | 26.6 |
| Cash and cash equivalents at beginning of period | 39.7 | 12.9 | 12.9 |
| Exchange rate differences | (0.2) | (0.7) | 0.2 |
| **Cash and cash equivalents at the end of the period** | **9.0** | **(13.9)** | **39.7** |
| | | | |
| **By balance sheet category:** | | | |
| Cash and cash equivalents | 9.0 | 3.0 | 39.7 |
| Bank overdraft included in other financial liabilities | – | (16.9) | – |
| | **9.0** | **(13.9)** | **39.7** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**For the 28 weeks ended 11 April 2010**

| | Issued share capital £m | Share premium account £m | Own shares £m | Share scheme reserve £m | Hedging reserve £m | Translation reserve £m | Retained (losses)/ earnings £m | Total £m |
|---|---|---|---|---|---|---|---|---|
| **At 28 September 2009 (audited)** | 43.4 | 5.0 | (4.6) | 7.3 | 6.2 | 34.3 | (94.1) | (2.5) |
| Total comprehensive income for the period | – | – | – | – | (4.0) | (10.1) | 8.8 | (5.3) |
| Issue of shares | 0.2 | 4.2 | (1.9) | – | – | – | (1.0) | 1.5 |
| Own shares purchased for share schemes | – | – | (0.9) | – | – | – | – | (0.9) |
| Own shares utilised for share schemes | – | – | 6.2 | (4.7) | – | – | (1.5) | – |
| Movement in share-based schemes | – | – | – | 4.5 | – | – | – | 4.5 |
| Deferred tax on share-based payments | – | – | – | – | – | – | 2.8 | 2.8 |
| Current tax on share-based payments | – | – | – | – | – | – | 1.0 | 1.0 |
| Payment of dividend | – | – | – | – | – | – | (23.6) | (23.6) |
| **At 11 April 2010 (unaudited)** | **43.6** | **9.2** | **(1.2)** | **7.1** | **2.2** | **24.2** | **(107.6)** | **(22.5)** |

| | Issued share capital £m | Share premium account £m | Own Shares £m | Share scheme reserve £m | Hedging reserve £m | Translation reserve £m | Retained (losses)/ earnings £m | Total £m |
|---|---|---|---|---|---|---|---|---|
| **At 29 September 2008 (audited)** | 43.2 | 2.5 | (7.9) | 7.3 | 7.0 | 17.2 | (60.0) | 9.3 |
| Total comprehensive income for the period | – | – | – | – | 8.0 | 14.6 | (15.4) | 7.2 |
| Own shares purchased for share schemes | – | – | (2.7) | – | – | – | – | (2.7) |
| Own shares utilised for share schemes | – | – | 6.6 | (4.5) | – | – | (2.1) | – |
| Movement in share-based schemes | – | – | – | 4.4 | – | – | – | 4.4 |
| Deferred tax on share-based payments | – | – | – | – | – | – | 0.2 | 0.2 |
| Current tax on share-based payments | – | – | – | – | – | – | 0.1 | 0.1 |
| Payment of dividend | – | – | – | – | – | – | (19.0) | (19.0) |
| **At 12 April 2009 (unaudited)** | **43.2** | **2.5** | **(4.0)** | **7.2** | **15.0** | **31.8** | **(96.2)** | **(0.5)** |

The movement in the translation reserve arises on the translation of the Irish business from euro into sterling on consolidation. The movement in the euro/sterling exchange rate in the period has particularly impacted the translation of the intangible assets recognised as part of the fair value adjustments on acquisition of Britvic Ireland.

# NOTES TO THE FINANCIAL INFORMATION

**For the 28 weeks ended 11 April 2010**

## 1. GENERAL INFORMATION

Britvic plc (the 'company', the 'group') is a public limited company, incorporated and domiciled in the United Kingdom. The address of the registered office is: Britvic plc, Britvic House, Broomfield Road, Chelmsford, Essex CM1 1TU.

The company is listed on the London Stock Exchange.

These interim financial statements do not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. They have been reviewed but not audited by the group's auditors. The statutory accounts for Britvic plc for the 52 weeks ended 27 September 2009, which were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union, have been delivered to the Registrar of Companies. The auditors' opinion on those accounts was unqualified and did not contain a statement made under section 498 (2) or (3) of the Companies Act 2006.

The interim financial statements were authorised for issue on 17 May 2010.

## 2. BASIS OF PREPARATION

These interim financial statements comprise the consolidated balance sheet as at 11 April 2010 and related consolidated income statement, consolidated statement of cash flows, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes 1 to 17 for the 28 weeks then ended of Britvic plc ('financial information'). This financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union.

## 3. ACCOUNTING POLICIES

This financial information has been prepared using the accounting policies as set out in pages 55-61 of the group's annual financial statements for the 52 weeks ended 27 September 2009, except for the adoption of new standards and interpretations as noted below.

IAS 1 (Revised) 'Presentation of financial statements' on 28 September 2009, effective for financial years beginning on or after 1 January 2009. The group has elected to present two performance statements: an income statement and a statement of comprehensive income. The consolidated interim financial information has been prepared under the revised disclosure requirements. There was no impact on the results or net assets of the group.

IFRS 8 'Operating Segments', effective for annual periods beginning on or after 1 January 2009, replaced IAS 14 'Segment Reporting'. IFRS 8 requires operating segments to be reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for resource allocation and assessing performance of the operating segments. Refer to note 5 for information regarding the determination of the group's operating segments.

IFRS 7 (Amended) 'Financial instruments: Disclosure' on 28 September 2009, effective for financial years beginning on or after 1 January 2009, requires enhanced disclosures about fair value measurements and liquidity risk. Adoption of the amendment does not require the restatement of comparative information and the enhanced disclosure will be presented in the annual financial statements for the 53 weeks ended 3 October 2010.

The following new standards, interpretations and amendments to standards are mandatory for the first time for the 53 weeks ended 3 October 2010 but have had no effect on the interim financial statements:

IFRS 3 'Business Combinations (revised)' applies prospectively to all business combinations on or after 28 September 2009. The key features of the revised IFRS 3 include a requirement for acquisition-related costs to be expensed and not included in the purchase price; and for contingent consideration to be recognised at fair value on the acquisition date (with subsequent changes recognised in the income statement and not as a change to goodwill). The standard also changes the treatment of non-controlling interests (formerly minority interests) with an option to recognise these at full fair value as at the acquisition date and a requirement for previously held non-controlling interests to be fair valued as at the date control is obtained, with gains and losses recognised in the income statement.

IAS 27 'Consolidated and Separate Financial Statements (revised)'.

## 4. SEASONALITY OF OPERATIONS

Due to the seasonal nature of the business, higher revenues and operating profits are usually expected in the second half of the year than in the first 28 weeks.

## 5. SEGMENTAL REPORTING

For management purposes, the group is organised into business units based on their products and has four reportable operating segments as follows:

- GB Stills – United Kingdom excluding Northern Ireland;
- GB Carbs – United Kingdom excluding Northern Ireland;
- Ireland; and
- International.

The Ireland business is disclosed as one amalgamated reporting segment in accordance with IFRS 8.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on brand contribution. This is defined as revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials and marginal production and distribution costs. However, group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments. Management also monitor operating profit on the basis of total GB plus International and Ireland. However this split is not the primary split and performance measure used to manage the performance of the business.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

| 28 weeks ended 11 April 2010 | GB Stills £m | GB Carbs £m | International £m | Total GB & International £m | Ireland £m | Adjustments £m | Total £m |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| – External | 178.0 | 226.8 | 10.8 | 415.6 | 89.7 | – | 505.3 |
| – Inter-segment*** | 1.6 | 0.3 | – | 1.9 | 2.0 | (3.9) | – |
| | **179.6** | **227.1** | **10.8** | **417.5** | **91.7** | **(3.9)** | **505.3** |
| **Brand contribution** | **77.8** | **86.6** | **4.1** | **168.5** | **35.5** | **–** | **204.0** |
| Non-brand advertising and promotion* | | | | | | | (4.8) |
| Fixed supply chain** | | | | | | | (48.9) |
| Selling costs** | | | | | | | (57.1) |
| Overheads and other costs* | | | | | | | (52.5) |
| **Operating profit before exceptional items** | | | | **39.4** | **1.3** | | **40.7** |
| Finance costs | | | | | | | (12.9) |
| Exceptional items | | | | | | | – |
| **Profit before tax** | | | | | | | **27.8** |

| 28 weeks ended 12 April 2009 | GB Stills £m | GB Carbs £m | International £m | Total GB & International £m | Ireland £m | Adjustments £m | Total £m |
|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | |
| – External | 168.7 | 204.4 | 9.0 | 382.1 | 101.1 | – | 483.2 |
| – Inter-segment*** | 1.9 | 0.3 | – | 2.2 | 0.2 | (2.4) | – |
| | **170.6** | **204.7** | **9.0** | **384.3** | **101.3** | **(2.4)** | **483.2** |
| **Brand contribution** | **69.8** | **73.6** | **3.0** | **146.4** | **34.3** | **–** | **180.7** |
| Non-brand advertising and promotion* | | | | | | | (4.1) |
| Fixed supply chain** | | | | | | | (49.0) |
| Selling costs** | | | | | | | (54.2) |
| Overheads and other costs* | | | | | | | (41.5) |
| **Operating profit before exceptional items** | | | | **31.9** | **–** | | **31.9** |
| Finance costs | | | | | | | (11.9) |
| Exceptional items | | | | | | | (12.8) |
| **Profit before tax** | | | | | | | **7.2** |

### 5. SEGMENTAL REPORTING continued

| 52 weeks ended 27 September 2009 | GB Stills £m | GB Carbs £m | International £m | Total GB & International £m | Ireland £m | Adjustments £m | Total £m |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| – External | 350.2 | 416.7 | 22.4 | 789.3 | 189.5 | – | 978.8 |
| – Inter-segment*** | 3.7 | 0.5 | – | 4.2 | 1.1 | (5.3) | – |
| | **353.9** | **417.2** | **22.4** | **793.5** | **190.6** | **(5.3)** | **978.8** |
| **Brand contribution** | **156.5** | **151.2** | **7.6** | **315.3** | **70.8** | **–** | **386.1** |
| Non-brand advertising and promotion * | | | | | | | (8.1) |
| Fixed supply chain** | | | | | | | (87.1) |
| Selling costs** | | | | | | | (102.5) |
| Overheads and other costs* | | | | | | | (78.3) |
| **Operating profit before exceptional items** | | | | **97.9** | **12.2** | | **110.1** |
| Finance costs | | | | | | | (23.6) |
| Exceptional items | | | | | | | (20.3) |
| **Profit before tax** | | | | | | | **66.2** |

* Included within 'Administration expenses' in the consolidated income statement. Costs included within 'Overheads and other' relate to central costs including salaries, IT maintenance and depreciation.

** Included within 'Selling and distribution costs' in the consolidated income statement.

*** Inter-segment revenues are eliminated on consolidation.

### 6. EXCEPTIONAL ITEMS

Exceptional items are those items of financial performance that management believe should be separately disclosed by virtue of the nature and infrequency of the events giving rise to them to allow shareholders to understand better the elements of financial performance in the period so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

There were no pre-tax exceptional items in the 28 weeks ended 11 April 2010.

| | Note | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | 52 weeks ended 27 September 2009 £m |
|---|---|---|---|---|
| Cost of incentive schemes directly associated with the flotation | (a) | – | (0.8) | (0.8) |
| Restructuring costs | (b) | – | (12.0) | (16.6) |
| Onerous leases | (c) | – | – | (2.4) |
| Costs in relation to the purchase of Britvic Ireland | (d) | – | – | (0.5) |
| **Total exceptional items before tax** | | – | (12.8) | (20.3) |

Exceptional items in the prior financial periods are detailed below.

(a) Cost of incentive schemes directly associated with the flotation include all-employee share schemes and management incentives. The cost relates to a transitional award granted to members of both the senior leadership team and senior management team shortly after flotation, the purpose of which was to compensate these individuals for the loss of existing long-term incentive bonuses which were discontinued upon flotation.

(b) Restructuring costs include the costs of major restructuring programmes undertaken.

These numbers principally include:

- Redundancy costs;
- Other costs associated with delivering the synergies within the Britvic Ireland segment; and
- Impairments of property, plant and equipment relating to the closure of three sites in the Britvic Ireland business (52 weeks ended 27 September 2009 only).

(c) The onerous leases relate to two sites within the business where future lease commitments have been accrued for. These are the closure of depot space as a result of the project to deliver the synergies in the Ireland segment and the rationalisation of head office space.

(d) Costs in relation to the purchase of Britvic Ireland relate to the costs incurred in acquiring the business which cannot be included in the cost of the business combination and therefore cannot be capitalised. The 2009 number relates to professional fees incurred in respect of establishing new pension schemes in the Britvic Ireland segment.

## 7. TAXATION

The tax charge on profit before tax, excluding the impact of exceptional items has been calculated using an estimated effective annual rate of 26.3% (28 weeks ended 12 April 2009: 26.0%).

### Tax charge by region

| | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | 52 weeks ended 27 September 2009 £m |
|---|---|---|---|
| UK | 4.9 | 4.9 | 14.3 |
| Foreign | 1.8 | (2.6) | 5.1 |
| **Total** | **6.7** | **2.3** | **19.4** |

### Split of tax charge

| | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | 52 weeks ended 27 September 2009 £m |
|---|---|---|---|
| Current tax | 7.1 | 3.9 | 22.9 |
| Deferred tax | (0.4) | (1.6) | (3.5) |
| **Total** | **6.7** | **2.3** | **19.4** |

Included in the above tax charge for the 28 weeks ended 11 April 2010 is a tax credit on exceptional items of £0.6m (credit of £2.9m for the 28 weeks ended 12 April 2009).

The exceptional tax credit of £0.6m has arisen following an agreement being reached with the UK tax authorities that the tax arising on the GB historical exceptional profits had previously been over charged. The historical overpayment has been repaid in the interim period and has therefore been recognised as an exceptional tax credit in this period.

## 8. EARNINGS PER SHARE

| | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | 52 weeks ended 27 September 2009 £m |
|---|---|---|---|
| **Basic earnings per share** | | | |
| Profit for the period attributable to the equity shareholders | 21.1 | 4.9 | 46.8 |
| Weighted average number of ordinary shares in issue for basic earnings per share (millions of shares) | 216.4 | 214.5 | 214.9 |
| Basic earnings per share | 9.8p | 2.3p | 21.8p |
| **Diluted earnings per share** | | | |
| Profit for the period attributable to the equity shareholders | 21.1 | 4.9 | 46.8 |
| Weighted average number of ordinary shares in issue for diluted earnings per share (millions of shares) | 222.7 | 220.3 | 220.9 |
| Diluted earnings per share | 9.5p | 2.2p | 21.2p |
| **Basic earnings per share before exceptional items** | | | |
| Profit for the period attributable to the equity shareholders | 21.1 | 4.9 | 46.8 |
| Net impact of exceptional items | (0.6) | 9.9 | 17.4 |
| Profit for the period attributable to the equity shareholders before exceptional items | 20.5 | 14.8 | 64.2 |
| Weighted average number of ordinary shares in issue for basic earnings per share (millions of shares) | 216.4 | 214.5 | 214.9 |
| Basic earnings per share before exceptional items | 9.5p | 6.9p | 29.9p |
| **Diluted earnings per share before exceptional items** | | | |
| Profit for the period attributable to the equity shareholders before exceptional items | 20.5 | 14.8 | 64.2 |
| Weighted average number of ordinary shares in issue for diluted earnings per share (millions of shares) | 222.7 | 220.3 | 220.9 |
| Diluted earnings per share before exceptional items | 9.2p | 6.7p | 29.1p |

## 9. PROPERTY, PLANT AND EQUIPMENT

**Acquisitions and disposals**

During the 28 weeks ended 11 April 2010, the group acquired assets with a cost of £24.9m (52 weeks ended 27 September 2009: £35.2m).

Assets with a net book value of £5.2m were disposed of by the group during the 28 weeks ended 11 April 2010 (52 weeks ended 27 September 2009: £11.4m) resulting in a net loss on disposal of £0.6m (52 weeks ended 27 September 2009: loss on disposal of £1.7m).

## 10. ANALYSIS OF CHANGES IN INTEREST-BEARING LOANS AND BORROWINGS

| | 28 weeks ended 11 April 2010 £m | 52 weeks ended 27 September 2009 £m |
|---|---|---|
| Current liabilities | – | (11.6) |
| Non-current liabilities | (450.7) | (402.7) |
| At the beginning of the period | (450.7) | (414.3) |
| Issue of 2009 Notes | (149.8) | – |
| Issue costs | 0.8 | 4.1 |
| Amortisation of issue costs | (0.8) | (1.0) |
| Unsecured loans | 102.0 | 7.3 |
| Net translation loss | (13.0) | (45.4) |
| Accrued interest | (1.0) | (1.4) |
| **At the end of the period (non-current liabilities)** | **(512.5)** | **(450.7)** |
| Derivatives hedging balance sheet debt* | 61.1 | 44.6 |
| **Debt translated at contracted rate** | **(451.4)** | **(406.1)** |

* Represents the fair value of cross currency interest rate swaps hedging the balance sheet value of the 2007 and 2009 United States Private Placement Notes. Further detail is provided in note 13.

The table below provides an analysis of amounts included within interest bearing loans and borrowings:

| | 11 April 2010 £m | 27 September 2009 £m |
|---|---|---|
| 2007 Notes | (282.0) | (273.1) |
| 2009 Notes | (157.4) | – |
| Amounts drawn on the revolving credit facility/uncommitted drawings | (73.2) | (178.7) |
| Accrued interest | (4.0) | (3.0) |
| Capitalised issue costs | 4.1 | 4.1 |
| | **(512.5)** | **(450.7)** |

On 17 December 2009, Britvic plc issued US$250m of Senior Notes in the United States Private Placement market ('the 2009 Notes'). The 2009 Notes are additional borrowings to the 2007 US$375m and £38m United States Private Placement Notes ('the 2007 Notes'), details of which were disclosed in the 2009 Annual Report. The proceeds from the 2009 Notes were principally used to repay amounts drawn on the group's existing borrowings, including the repayment of €100m of the revolving credit facility. Issue costs incurred in the period relate to the issue of the 2009 Notes.

Britvic plc will make semi-annual interest payments in US dollars with the first payment being on 17 June 2010. The 2009 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the group.

In order to manage foreign exchange risk, interest rate risk and to ensure an appropriate mix of sterling and euro funding, the group has entered into a number of new cross currency interest rate swaps. The 2009 Notes were swapped into floating rate sterling and euro liabilities through a series of US dollar to sterling and sterling to euro swap instruments. These new cross currency swap contracts have the same duration and other critical terms as the relevant borrowings they hedge and are designated as part of effective hedge relationships (see note 13).

The amount, maturity and interest terms of the 2009 Notes are shown in the table below:

| Series | Tranche | Maturity date | Amount | Interest terms | Swap terms |
|---|---|---|---|---|---|
| A | 5 year | 17 December 2014 | US$30m | Fixed | UK£ LIBOR + 1.44% |
| B | 7 year | 17 December 2016 | US$75m | Fixed | EURIBOR + 1.69% |
| C | 8 year | 17 December 2017 | US$25m | Fixed | EURIBOR + 1.70% |
| D | 10 year | 17 December 2019 | US$120m | Fixed | EURIBOR + 1.75% |

## 11. ISSUED SHARE CAPITAL

The issued share capital as at 11 April 2010 comprised 217,801,537 ordinary shares of £0.20 each (27 September 2009: 216,779,996 ordinary shares), totalling £43,560,307 (27 September 2009: £43,355,999).

The ordinary shares carry voting rights of one vote per share. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

| | 28 weeks ended 11 April 2010 £m | 52 weeks ended 27 September 2009 £m |
|---|---|---|
| **Authorised** | | |
| 327,500,000 ordinary shares of £0.20 each | 65.5 | 65.5 |
| **Called up, issued and fully paid ordinary shares** | | |
| 217,801,537 (27 September 2009: 216,779,996) ordinary shares of £0.20 each | 43.6 | 43.4 |

There have been several share issues during the period relating to incentive schemes for employees. These are detailed below:

| | No of shares issued | Value £ |
|---|---|---|
| 25 November 2009 | 103,102 | 20,620 |
| 30 November 2009 | 134,684 | 26,937 |
| 7 December 2009 | 34,837 | 6,967 |
| 14 January 2010 | 57,749 | 11,550 |
| 28 January 2010 | 131,140 | 26,228 |
| 22 February 2010 | 57,789 | 11,558 |
| 5 March 2010 | 50,039 | 10,008 |
| 29 March 2010 | 46,118 | 9,224 |
| 9 April 2010 | 406,083 | 81,217 |
| | 1,021,541 | 204,309 |

Of the issued and fully paid ordinary shares, 344,936 shares (27 September 2009: 1,410,338 shares) are treasury shares. This equates to £68,987 (27 September 2009: £282,068) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes.

## 12. DIVIDENDS

| | 28 weeks ended 11 April 2010 | 28 weeks ended 12 April 2009 | 52 weeks ended 27 September 2009 |
|---|---|---|---|
| **Paid in the period** | | | |
| Dividends per share (pence) | 10.9 | 8.8 | 12.9 |
| Total dividend (£m) | 23.6 | 19.0 | 27.8 |
| **Proposed after the balance sheet date** | | | |
| Dividend per share (pence) | 4.7 | 4.1 | 10.9 |
| Total dividend (£m) | 10.2 | 8.8 | 23.5 |

## 13. DERIVATIVES AND HEDGE RELATIONSHIPS

The group has a number of derivative contracts which are designated as part of effective hedge relationships. These are included in other financial assets and liabilities as follows:

| | 11 April 2010 £m | 12 April 2009 £m | 27 September 2009 £m |
|---|---|---|---|
| **Consolidated balance sheet** | | | |
| Non-current assets: Other financial assets | | | |
| Fair value of the 2007 cross currency interest rate swaps[1] | 57.0 | 82.7 | 51.9 |
| Fair value of the 2009 USD GBP cross currency interest rate swaps[3] | 12.8 | – | – |
| | 69.8 | 82.7 | 51.9 |
| Current assets: Other financial assets | | | |
| Fair value of forward currency contracts[1] | 0.5 | 2.6 | 1.8 |
| Current liabilities: Other financial liabilities | | | |
| Fair value of forward currency contracts[1] | (0.8) | (0.3) | (0.4) |
| Bank overdraft | – | (16.9) | – |
| | (0.8) | (17.2) | (0.4) |
| Non-current liabilities: Other financial liabilities | | | |
| Fair value of the 2009 GBP euro cross currency interest rate swaps[2] | (1.5) | – | – |

[1] Instruments designated as part of a cash flow hedge relationship

[2] Instruments designated as part of a net investment hedge relationship

[3] Instruments designated as part of a fair value hedge relationship

As at the 11 April 2010 these hedging relationships are categorised as follows:

### Cash flow hedges

#### Forward currency contracts

At 11 April 2010, the group held 30 (27 September 2009: 44) US dollar and 50 (27 September 2009: 67) euro forward exchange contracts (the 'forward currency contracts') designated as hedges of expected future purchases from suppliers in US dollars and euros for which the group believe to be highly probable transactions. The forward currency contracts are being used to hedge the foreign currency risk of these highly probable transactions.

The forward currency contracts hedge the expected future purchases in the period to 3 October 2010 and have been assessed as part of effective cash flow hedge relationships. At the period end there is a net unrealised loss of £0.3m (27 September 2009: net unrealised gain of £1.4m), with a related deferred tax asset of £0.1m (27 September 2009: related deferred tax liability of £0.4m), which has been included in equity in respect of these contacts.

#### Cross currency interest rate swaps

The group continues to have a number of cross currency interest rate swaps relating to the 2007 Notes. These cross currency interest rate swaps (the '2007 cross currency interest rate swaps') have the effect of fixing the borrowings and interest payable on the 2007 Notes into sterling. The 2007 cross currency interest rate swap instruments have the same duration and other critical terms as the 2007 Notes and continue to be designated as part of a cash flow hedge relationship with the 2007 Notes. This has been assessed to be a highly effective relationship as at 11 April 2010. The fair value of the 2007 cross currency interest rate swap instruments at 11 April 2010, included within 'Non-current assets: Other financial assets' on the balance sheet, was £57.0m (27 September 2009: £51.9m). The movement in the fair value has been taken to equity. A total of £8.9m (27 September 2009: £31.6m) has been reclassified to the income statement to match the foreign exchange movement on the 2007 Notes. Within equity there is a net unrealised gain of £3.6m (27 September 2009: net unrealised gain of £7.3m) with a related deferred tax liability of £1.0m (27 September 2009: deferred tax liability of £2.1m) in respect of the 2007 cross currency interest rate swap instruments.

#### Fair value hedges

Further to the detail provided in note 10, the group has entered into new cross currency interest rate swaps. These instruments swap the principal and interest from fixed US dollar into floating sterling (the '2009 USD GBP cross currency interest rate swaps'). The 2009 USD GBP cross currency interest rate swaps are designated as part of a fair value hedge relationship with the 2009 Notes. The fair value movements on the 2009 USD GBP cross currency interest rate instruments are recorded in the income statement, as is the fair value movement in the 2009 Notes. The 2009 USD GBP cross currency interest rate swap contracts have the same duration and other critical terms as the 2009 Notes they hedge and have been assessed as highly effective as at 11 April 2010. The fair value of the swap instruments at 11 April 2010, included within 'Non-current assets: Other financial assets' on the balance sheet, was £12.8m.

## 13. DERIVATIVES AND HEDGE RELATIONSHIPS continued

### Net investment hedges

The group has entered into new cross currency interest rate swaps in the period. These new instruments swap floating sterling liabilities into floating euro liabilities (the '2009 GBP euro cross currency interest rate swaps') and have been designated as part of an effective hedge of the net investment in Britvic Ireland. The 2009 GBP euro cross currency interest rate swaps, along with the underlying loan instruments, are being used to hedge the group's exposure to foreign exchange risk on this euro investment. Movements in the fair value of the 2009 GBP euro cross currency interest rate swaps are taken to equity where they offset foreign exchange movements on the translation of the net investment in Britvic Ireland. The fair value of the 2009 GBP euro cross currency interest rate swaps at 11 April 2010, is a liability of £1.5m included within 'Non-current liabilities: Other financial liabilities' on the balance sheet.

As at 27 September 2009, unsecured bank loans included an amount of €100.0m which was designated as an effective hedge of the net investment in Britvic Ireland. This loan was repaid during the 28 weeks ended 11 April 2010 (see note 10).

The impact on the consolidated balance sheet and consolidated statement of comprehensive income of the derivatives and hedge relationships described above is summarised in the tables below.

| | 28 weeks ended 11 April 2010 £m | 28 weeks ended 12 April 2009 £m | 52 weeks ended 27 September 2009 £m |
|---|---|---|---|
| **Consolidated statement of comprehensive income** | | | |
| Amounts reclassified to the income statement in respect of cash flow hedges | | | |
| Forward currency contracts | (0.2) | (1.8) | (3.0) |
| 2007 cross currency interest rate swaps | (8.9) | (52.1) | (31.6) |
| | **(9.1)** | **(53.9)** | **(34.6)** |
| Gains/(losses) in the period in respect of cash flow hedges | | | |
| Forward currency contracts | (1.5) | 3.9 | 4.1 |
| 2007 cross currency interest rate swaps | 5.1 | 60.5 | 29.7 |
| | **3.6** | **64.4** | **33.8** |
| Exchange differences on translation of foreign operations | | | |
| Movement on 2009 GBP euro cross currency interest rate swaps | (1.5) | – | – |
| Exchange movements on translation of the euro net investment | (8.6) | 14.6 | 17.1 |
| | **(10.1)** | **14.6** | **17.1** |

The fair value movements on the 2009 USD GBP cross currency interest rate swaps of £12.8m is recorded in the income statement, as it is designated as part of a fair value hedge. The movement is matched by the fair value movement on the 2009 Notes of £12.8m.

## 14. PENSIONS

At 11 April 2010 the IAS 19 pension deficit in respect of the group defined benefit pension schemes was £85.1m (27 September 2009: deficit of £85.1m). Changes in actuarial assumptions, primarily an increase in inflation rate, have meant that an actuarial loss of £15.8m has been recorded in the consolidated statement of comprehensive income.

## 15. COMMITMENTS AND CONTINGENCIES

As reported in the 2008 Annual Report, Britvic plc received and subsequently responded to a request for information from the Office of Fair Trading in April 2008 in connection with its grocery investigation. No assumption should be made that there has been a breach of law. Britvic's policy is to comply with all laws and regulations including competition law.

## 16. GOING CONCERN

The directors are confident that it is appropriate for the going concern basis to be adopted in preparing the interim report and accounts despite the fact that, as at 11 April 2010, the consolidated balance sheet is showing a net liabilities position of £22.5m (27 September 2009: net liabilities of £2.5m).

Group reserves are low due to the capital restructuring undertaken at the time of flotation. This does not impact on Britvic plc's ability to make dividend payments.

The liquidity of the group remains strong in particular in light of the December 2009 issue of US$250m Senior Notes in the United States Private Placement market. Details are provided in note 10.

As part of ongoing processes, goodwill and intangible assets with indefinite lives have been reviewed for indications of impairment. This review has taken into consideration the current economic climate.

## 17. POST BALANCE SHEET EVENT

The board of Britvic plc has submitted a binding offer for the acquisition of Fruité Entreprises SA. The proposed acquisition is subject to the completion of the consultation process with employee representatives which is expected to commence immediately. On completion Britvic would pay €237.0m in cash. This will be funded from existing bank facilities and the net proceeds of a Placing of up to 21.7 million ordinary shares.

# SHAREHOLDER INFORMATION

**Dividend**
The directors have declared an interim dividend for 2010 of 4.7p per share, payable on 2 July 2010 to shareholders on the register on 28 May 2010.

**Dividend mandate**
Shareholders who wish dividends to be paid directly into a bank or building society account should contact the Registrar for a dividend mandate form or the form can be downloaded from the company's website http://ir.britvic.com/shareholder-centre/dividends.aspx This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

**Dividend reinvestment plan (DRIP)**
Shareholders can choose to reinvest dividends received to purchase further shares in the company through a DRIP. A DRIP application form is available via the Registrar or for download from the company's website http://ir.britvic.com/shareholder-centre/dividends.aspx

**Share dealing services**
The company's registrar offers a telephone and internet dealing service, Shareview Dealing, which provides a simple and convenient way of buying and selling shares. For telephone dealing call 08456 037 037 between 8.00am and 4.30pm, Monday to Friday, and for internet dealing log on to www.shareview.co.uk/dealing

**Individual savings accounts (ISAs)**
ISAs in Britvic plc ordinary shares are available through Equiniti Financial Services Limited. Further information may be obtained through their ISA Helpline, telephone 0845 300 0430 or online at www.shareview.co.uk/isa

**American Depositary Receipts (ADRs)**
To find out more about Britvic's ADR Programme visit http://ir.britvic.com/shareholder-centre/adr-programme.aspx or contact the Investor Helpline + 1-888-BNY-ADRs (USA caller, toll free) or +1 201 680 6825 (non-USA caller) or email shrrelations@bnymellon.com

**Corporate responsibility report**
The company's online Corporate Responsibility Report is available on the company's website and can be downloaded directly by visiting http://britvic.com/CorpResponsibility.aspx

**Contacts**
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This report is available to download via the company's website http://ir.britvic.com/results-presentations/results-presentations/2010.aspx

If you do not have access to the internet and would like a printed copy of any of our reports, please call our consumer care team on 0800 0321 767 or write to consumer care department, Drayton House, Drayton Road, Shirley, Solihull B90 4NA.

The company's registrar is Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone 0871 384 2550* (UK callers) +44 121 415 7019 (non-UK callers).

*For those with hearing difficulties, a textphone is available on 0871 384 2255 for UK callers with compatible equipment. Calls to 0871 numbers are charged at 8p per minute from a BT landline. Other telephony provider costs may vary. Lines are open 8.30am to 5.30pm, Monday to Friday.

**Forward looking statement**
The interim report includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules and applicable law, Britvic undertakes no obligation to update or change any forward-looking statements to reflect events occurring after the date of this interim report.

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throughout this report.

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