



# Interim Results

2009



# Gerald Corbett

Chairman



# **John Gibney**

## **Group Finance Director**

## Financial performance

- A strong and resilient GB/International performance
- Ireland continues to suffer from macro economic challenges

John Gibney

## Britvic and the market review

- Consumer dynamics in a recession
- Britvic brands ahead of the market

Paul Moody

Q&A



# Financial Headlines



	<i>H109</i> <i>£'m</i>	<i>H108</i> <i>£'m</i>	<i>%</i> <i>change</i>
Revenue	483.2	454.7	6.3
EBIT	31.9	31.4	1.6
EBIT Margin	6.6%	6.9%	(30)bps
Profit After Tax	14.8	13.0	13.8
Free Cashflow	(24.6)	(10.5)	(134.3)
Adjusted Net Debt	(442.7)	(454.1)	2.5
Basic Earnings Per Share	6.9p	6.1p	13.1
Interim Dividend Per Share	4.1p	3.8p	7.9

**A Strong GB & International Performance Underpins The Group**

# Group EBIT Analysis



	H109 £'m	H108 £'m	% change
<b>Branded Volume (million litres)</b>	<b>876.6</b>	<b>834.4</b>	<b>5.1</b>
<b>Branded ARP</b>	<b>52.0p</b>	<b>51.0p</b>	<b>2.0</b>
<b>Total Revenue*</b>	<b>483.2</b>	<b>454.7</b>	<b>6.3</b>
<b>Brand Contribution*</b>	<b>180.7</b>	<b>176.1</b>	<b>2.6</b>
<b>Non-brand A&amp;P</b>	<b>(4.1)</b>	<b>(4.5)</b>	<b>8.9</b>
<b>Fixed Supply Chain</b>	<b>(49.0)</b>	<b>(46.9)</b>	<b>(4.5)</b>
<b>Selling Costs</b>	<b>(54.2)</b>	<b>(53.1)</b>	<b>(2.1)</b>
<b>Overhead and Other Costs</b>	<b>(41.5)</b>	<b>(40.2)</b>	<b>(3.2)</b>
<b>Total Fixed Costs</b>	<b>(148.8)</b>	<b>(144.7)</b>	<b>(2.8)</b>
<b>EBIT</b>	<b>31.9</b>	<b>31.4</b>	<b>1.6</b>
<b>EBIT Margin</b>	<b>6.6%</b>	<b>6.9%</b>	<b>(30)bps</b>

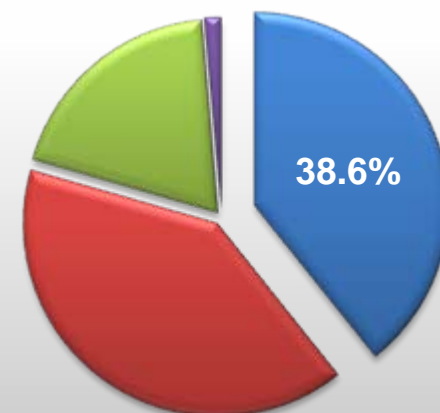
## Strong Volume and ARP Growth

\*Includes revenue/brand contribution from factored brands distributed by Britvic's Ireland wholesale division



	H109 £'m	H108 £'m	% Change
Volume (million litres)	246.0	232.0	6.0
ARP per litre (pence)	68.6	69.7	(1.6)
Revenue	168.7	161.8	4.3
Brand Contribution	69.8	70.2	(0.6)
Brand Contribution Margin	41.4%	43.4%	(2.0)pts

Group Brand Contribution



***Strong volume and revenue performance driven by:***

- Robinsons squash and Fruit Shoot H<sub>2</sub>O volume growth with ARP holding up
- Recent innovation, including Gatorade and Drench

***Brand contribution margin pressure due to:***

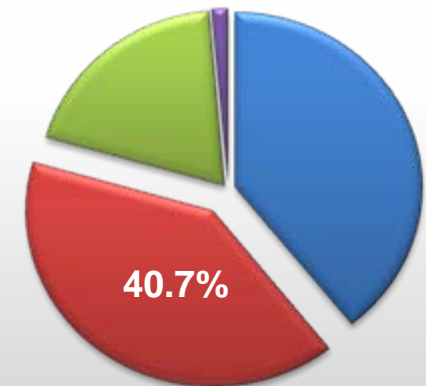
- Direct product cost inflation of 3.5%
- Product and channel mix

**Market Outperformance Of 12%**



	H109 £'m	H108 £'m	% Change
Volume (million litres)	495.6	461.0	7.5
ARP per litre (pence)	41.2	40.2	2.5
Revenue	204.4	185.4	10.2
Brand Contribution	73.6	70.1	5.0
Brand Contribution Margin	36.0%	37.8%	(1.8)pts

Group Brand Contribution



***Strong volume and revenue performance driven by:***

- Pepsi and 7Up, with double digit revenue growth
- Tango improving in response to brand equity programme

***Brand contribution margin pressure due to:***

- Direct product cost inflation of 4.7%
- Increased proportional spend on A&P

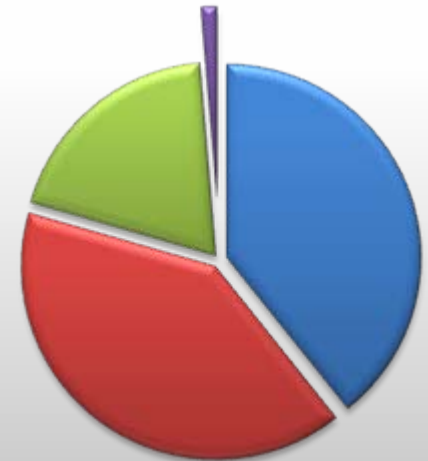
**Double-digit Revenue Growth Driven By Both Volume And ARP**





	H109 £'m	H108 £'m	% Change
Volume (million litres)	11.4	11.6	(1.7)
ARP per litre (pence)	78.9	69.0	14.3
Revenue	9.0	8.0	12.5
Brand Contribution	3.0	2.5	20.0
Brand Contribution Margin	33.3%	31.3%	2.0pts

Group Brand Contribution  
International 1.7%



### **Revenue in double-digit growth due to:**

- Growth in Robinsons squash (Sweden) and Fruit Shoot (Holland)
- New export opportunities in Turkey and Bulgaria

### **Challenges now:**

- Airline volumes under pressure as passenger numbers continue to decline
- Euro-zone holiday destinations anticipating a reduction in UK tourists this summer

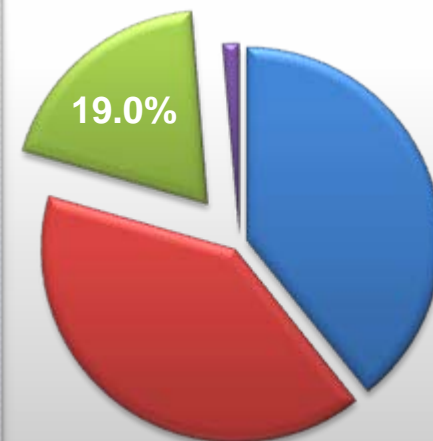
**Continues Double-digit Top-line Growth**

# Ireland (euro-based)



	H109 €'m	H108 €'m	% Change
Volume (million litres)	123.6	129.8	(4.8)
ARP per litre (cents)	69.3	73.7	(6.0)
Revenue	116.7	135.4	(13.8)
Brand Contribution	39.6	45.3	(12.6)
Brand Contribution Margin	33.9%	33.5%	40bps
EBITA	1.0	6.8	(85.3)
EBIT	0.0	5.8	(100.0)

Group Brand Contribution



## *Volume and Euro pricing declines due to:*

- On-going market declines driven by the economy
- Product and channel mix as consumers focus on value

## *In H2:*

- Incremental 2009 synergies come through
- Ireland will lap the tough conditions that began in Spring 2008

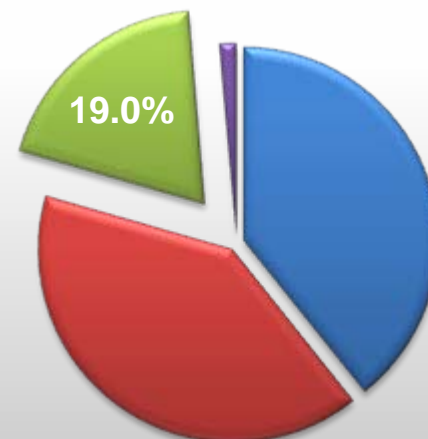
**A Challenging H1, But Synergies In H2 Will Underpin Performance**

# Ireland (sterling-based)



	<i>H109</i> £'m	<i>H108</i> £'m	% Change
Volume (million litres)	123.6	129.8	(4.8)
ARP per litre (pence)	60.1	54.1	11.1
Revenue	101.1	99.5	1.6
Brand Contribution	34.3	33.3	3.0
Brand Contribution Margin	33.9%	33.5%	40bps
EBITA	0.9	5.0	(82.0)
EBIT	0.0	4.3	(100.00)

Group Brand Contribution



**Significant Impact From Currency Movements**


# Fixed Costs

	<i>H109 £'m</i>	<i>H108 £'m</i>	<i>% Change</i>
<b>Non-brand A&amp;P</b>	<b>(4.1)</b>	<b>(4.5)</b>	<b>8.9</b>
<b>Total A&amp;P spend</b>	<b>(28.9)</b>	<b>(29.1)</b>	<b>0.7</b>
<b><i>A&amp;P as a % of net branded revenue</i></b>	<b><i>6.3%</i></b>	<b><i>6.8%</i></b>	<b><i>50bps</i></b>
<b>Fixed Supply Chain</b>	<b>(49.0)</b>	<b>(46.9)</b>	<b>(4.5)</b>
<b>Selling Costs</b>	<b>(54.2)</b>	<b>(53.1)</b>	<b>(2.1)</b>
<b>Overheads &amp; Other</b>	<b>(41.5)</b>	<b>(40.2)</b>	<b>(3.2)</b>

**Operational Efficiency Delivers Volume Growth Ahead Of Fixed Costs**

*Note: All numbers are before exceptional costs*

# EBIT to Earnings

A vertical image on the left side of the slide showing a glass filled with ice, cucumber slices, and lime wedges, likely representing a beverage.

	<i>H109</i> £'m	<i>H108</i> £'m	<i>% Change</i>
<b>EBIT</b>	<b>31.9</b>	<b>31.4</b>	<b>1.6</b>
<b>Interest</b>	<b>(11.9)</b>	<b>(14.2)</b>	<b>16.2</b>
<b>Profit before tax</b>	<b>20.0</b>	<b>17.2</b>	<b>16.3</b>
<b>Tax</b>	<b>(5.2)</b>	<b>(4.2)</b>	<b>(23.8)</b>
<b>Tax rate</b>	<b>26.0%</b>	<b>24.1%</b>	<b>(1.9)pts</b>
<b>Profit after tax</b>	<b>14.8</b>	<b>13.0</b>	<b>13.8</b>

**A Continued Strong Earnings Performance**

*Note: All numbers are before exceptional costs*

# Exceptional Items

	<i>H109</i> <i>£'m</i>
<b>Ireland Restructuring</b>	<b>10.0</b>
<b>Implementation of Group structure</b>	<b>2.0</b>
<b>Transitional Share Awards</b>	<b>0.8</b>
<b>Total exceptional items</b>	<b>12.8</b>
<b>Total exceptional items after tax</b>	<b>9.9</b>

**Restructuring Costs Weighted Towards H1**

# Cashflow

	<i>H109</i> <i>£m</i>	<i>H108</i> <i>£m</i>	<i>%</i> <i>change</i>
<b>Operating profit pre-exceptionals</b>	<b>31.9</b>	<b>31.4</b>	<b>1.6</b>
<b>Depreciation &amp; amortisation</b>	<b>21.6</b>	<b>23.8</b>	<b>(9.2)</b>
<b>EBITDA</b>	<b>53.5</b>	<b>55.2</b>	<b>(3.1)</b>
<b>Working capital</b>	<b>(23.9)</b>	<b>(31.4)</b>	<b>23.9</b>
<b>Capital expenditure</b>	<b>(26.5)</b>	<b>(12.1)</b>	<b>(119.0)</b>
<b>Pension contribution</b>	<b>(10.0)</b>	<b>(10.0)</b>	<b>0.0</b>
<b>Other</b>	<b>(17.7)</b>	<b>(12.2)</b>	<b>(45.1)</b>
<b>Free cashflow</b>	<b>(24.6)</b>	<b>(10.5)</b>	<b>(134.3)</b>
<b>Dividends</b>	<b>(19.0)</b>	<b>(16.6)</b>	<b>14.5</b>
<b>Adjusted net debt</b>	<b>(442.7)</b>	<b>(454.1)</b>	<b>2.5</b>

## Continuing To Pay Down Debt

*Note: All numbers are before exceptional costs*

*Adjusted net debt is defined as net debt, adding back the net benefit of debt hedging instruments that pass through Reserves*

# A Strong Refinancing Result

- **New £283M bank facility in place**

- Forward start facility agreed April 2009
- 5 out of 6 banks retained
- Abbey Santander joins our banking group
- Facility in place to May 2012
- A competitive deal in a tough market

- **US private placement debt of £229M**

- Fully hedged and swapped into sterling in February 2007
- All-in swapped fixed coupon rate of 6%
- Maturities of:
  - £77m 2014
  - £74m 2017
  - £77m 2019



## Additional revenue:

- Total innovation this year to add 1% to the GB top line

## Costs:

- Raw materials inflation guidance remains unchanged at 4.0 to 4.5%
- Interest similar to 2008. 2009 sees lower LIBOR but higher pricing
- Tax rate similar to H1

## Savings:

- GB £1.0-1.5m in 2009, £2.0-3.0m from 2010
- Ireland €1.0-1.5m in 2009, €7.0m from 2010
- €6.0m incremental synergy benefit next year
- c.£1.5m in H2 savings from the 2007 outsourcing of secondary distribution
- Product Value Optimisation to deliver a further £1m in H2

**GB/International EBIT margin growth this year of 10-15 bps**



**Guidance Maintained**

*Track record of **growth** continues*

*A more **secure** balance sheet*

**Outperformance** across GB/Intl

**Revenue** growth from ARP

*Irish trading remains **challenging***

*Growth in **earnings** and dividends*

**Continued Delivery Of Shareholder  
Value**



# Paul Moody

Chief Executive

## Financial performance

- A strong and resilient GB/International performance
- Ireland continues to suffer from macro economic challenges

John Gibney

## Britvic and the market review

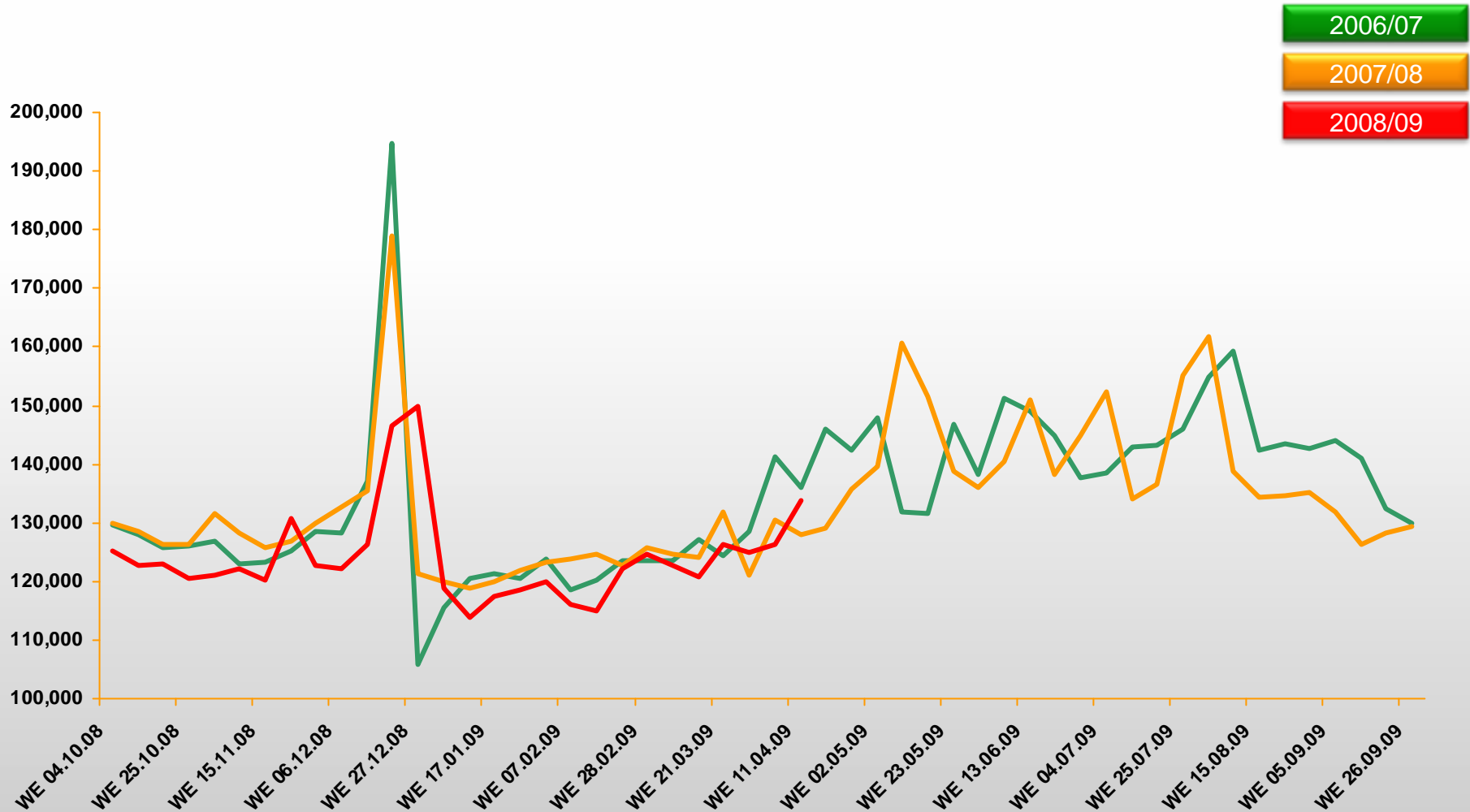
- **Consumer dynamics in a recession**
- **Britvic brands ahead of the market**

Paul Moody

Q&A



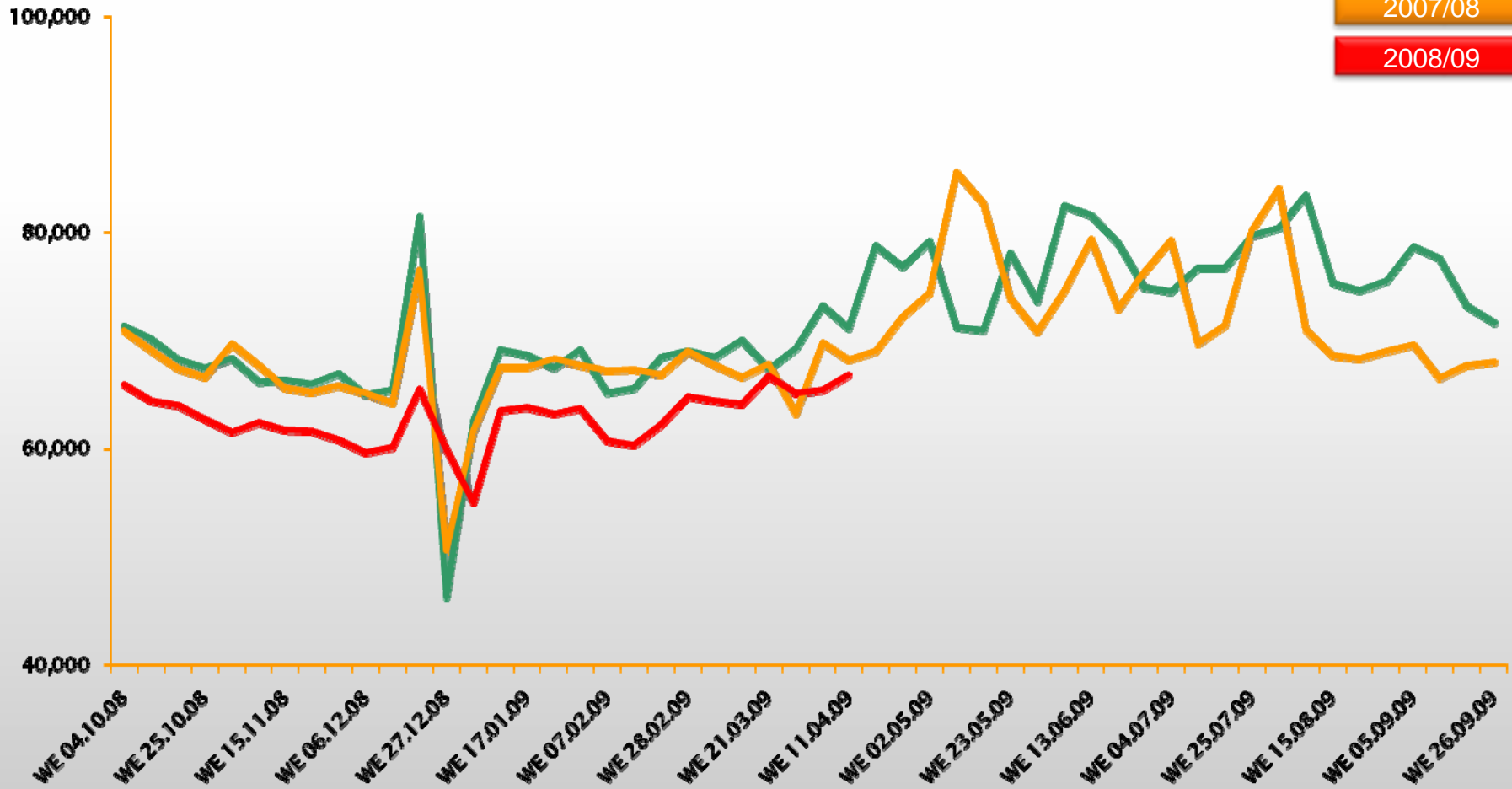
# GB Soft Drinks Market Volume



**A Resilient Category Despite The Recession**

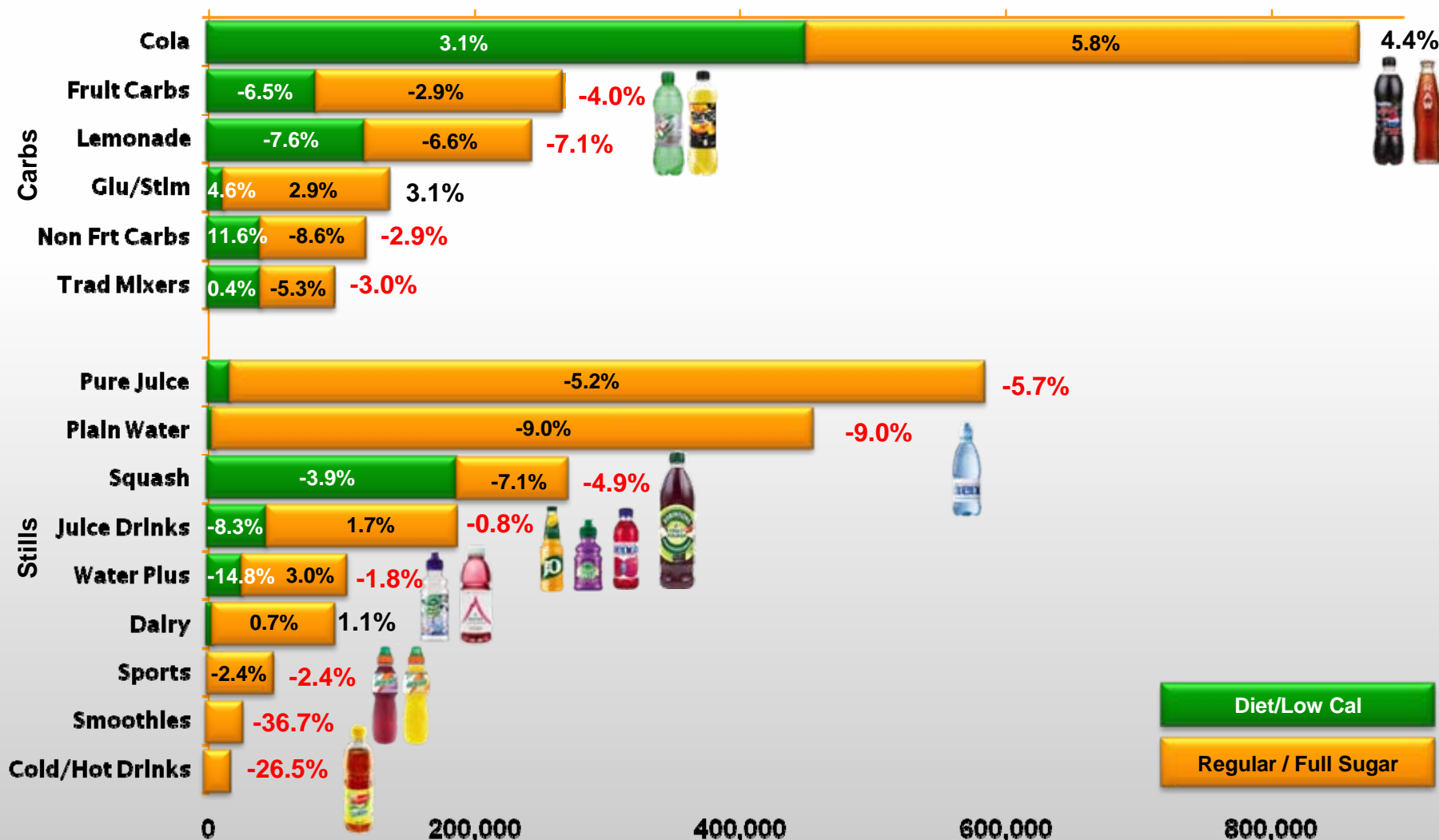
# GB Stills Market Volumes

000's Litres



**Stills Driving The Decline But Showing Early Signs Of Improvement**

# GB Market Volumes And Growth Rates



**Everyday-To-Premium Brands In The Winning Categories**

# GB Channel Dynamics

## TAKE HOME

**Market:** decline in H1 but latest data shows an improving performance with volumes flat and value in growth

**Britvic:** Volume & value growth with key brands extending share

## CONVENIENCE & IMPULSE

**Market:** in decline with both convenience and impulse under pressure

**Britvic:** In significant growth year on year. Loss of Woolworths business absorbed

## LICENSED ON-PREMISE

**Market:** still declining although rate of decline has stabilised

**Britvic:** Growing volume and value share. Strong presence in family & food-led outlets has benefited performance

## FOODSERVICE & LEISURE

**Market:** conditions remain difficult. Fast food outlets performing well

**Britvic:** Winning new business and growing distribution

**Market Outperformance Driven By Great Brands**



# Core Brands Review



- 4.4% category volume growth
- +7.9% outperformance of the category
- Volume share gain of 1.7%
- Attracted 1M new consumers in the last 12 months



- 4.0% fruit carbonates category volume decline, lemon & lime in growth
- +21.5% outperformance of the category
- Volume share gain of +1.5%
- The fastest growing lemon & lime in the UK



- 4.0% category volume decline
- 6.3% out performance in the last 12 weeks
- Volume share of 0.4% since brand relaunch
- Volume in growth post Christmas



# Core Brands Review



- Remaining in growth Grocery
- Still the number 1 packaged drink in Licensed On-Premise
- Licensed performance naturally under pressure



- Category in 4.9% volume decline
- Robinsons outperforming the category by +8.2%
- Last 12 weeks out performance +13.2%
- Robinsons “Be Natural” - revenue and margin- enhancing



- Category in 3.6% volume decline
- Value share up 0.9%
- Reformulation and repackaging to engage consumers and gatekeepers
- H<sub>2</sub>O driving the brand performance





- Plain-water category down 9%
- Drench outperforming category by 225%
- Juicy Drench launched Spring 2009
- 12 weeks after launch has the 2<sup>nd</sup> highest ROS in the adult juice- drinks category



- Category in value growth of 1.8% (MAT)
- Volume share of 5.0% in last 12 weeks
- Ambition to be the number 2 sports drink by summer 2011



# Seed Brands Review



- **New pack formats to drive in-home availability**
- **Listing confirmed in major multiples**
- **In Boots it achieved 40% rate of sale of Max within weeks**
- **Also available in Waitrose front of store and WH Smith travel**



- **Broadening the footprint beyond London**
- **Production brought in-house January 2009**
- **Now listed in the major multiples**
- **New packaging and brand equity programme from 2009**



- **A year of consolidation to bring the brand in-house**
- **Production in-house early 2010**
- **A focus on convenience and grocery**
- **Another extension of the PepsiCo relationship**



# 2009 Innovation & Product Launches

H1



H2



Great Innovation Delivery Through The Year



## Heavyweight TV campaign

- Back on TV across the summer
- New packs and flavour
- Great in-store feature and display



## 2 major campaigns

- Twenty/20 Cricket in market now
- Tie-in with Nokia still to come
- Major on-pack activities to engage consumers



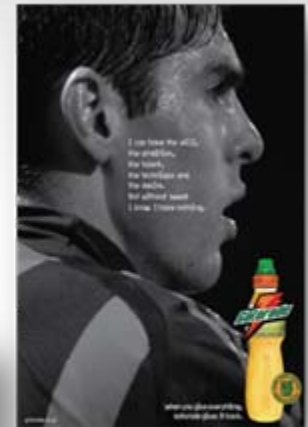
## Wimbledon

- An on-pack to win tickets to the championships
- Laura Robson signed as a brand ambassador on a 2-year deal



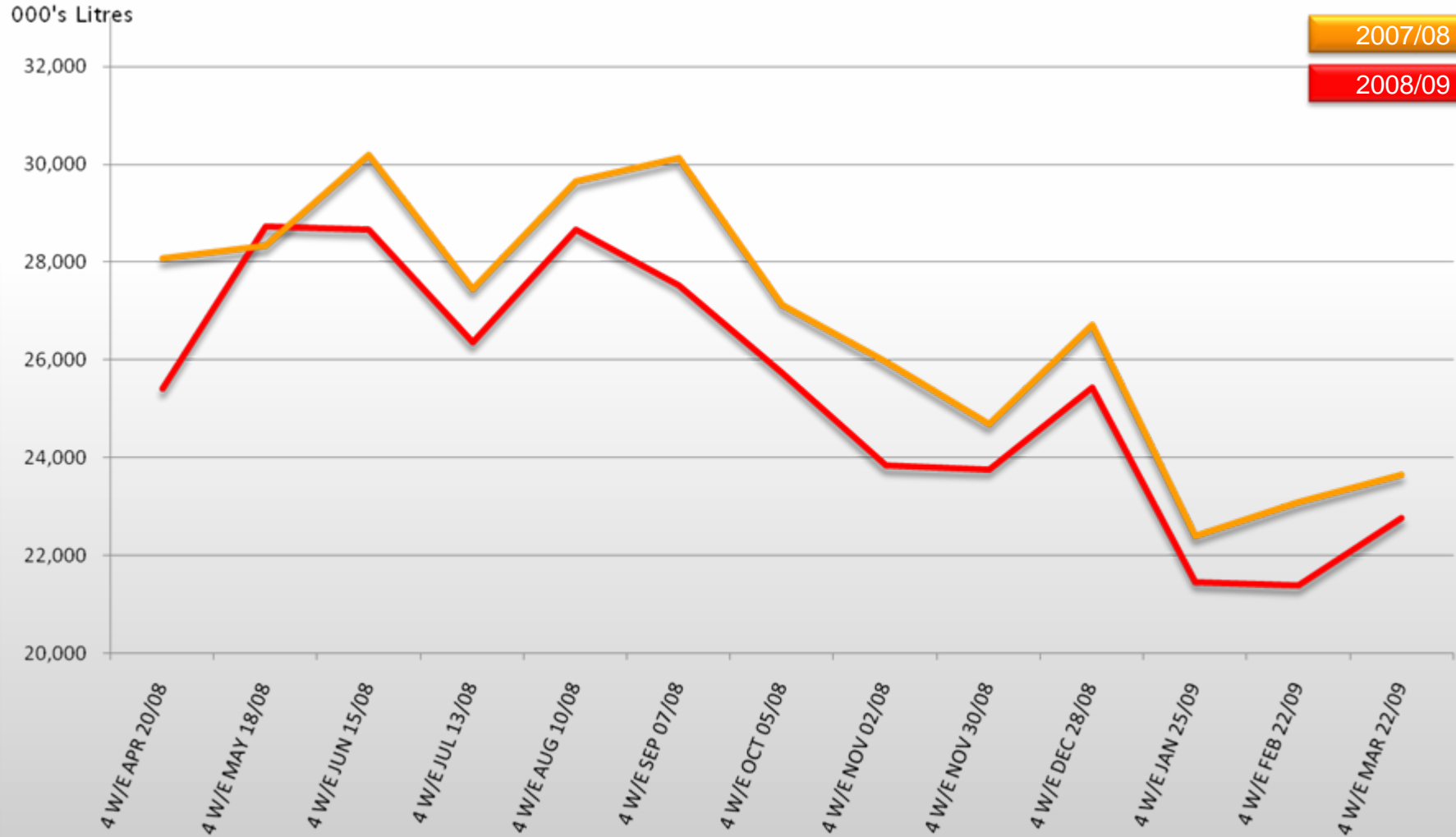
## On TV for the first time

- Olympic gold medallist Tim Brabant signed as a brand ambassador
- Key sporting events sponsorship
- Cinema and poster campaign



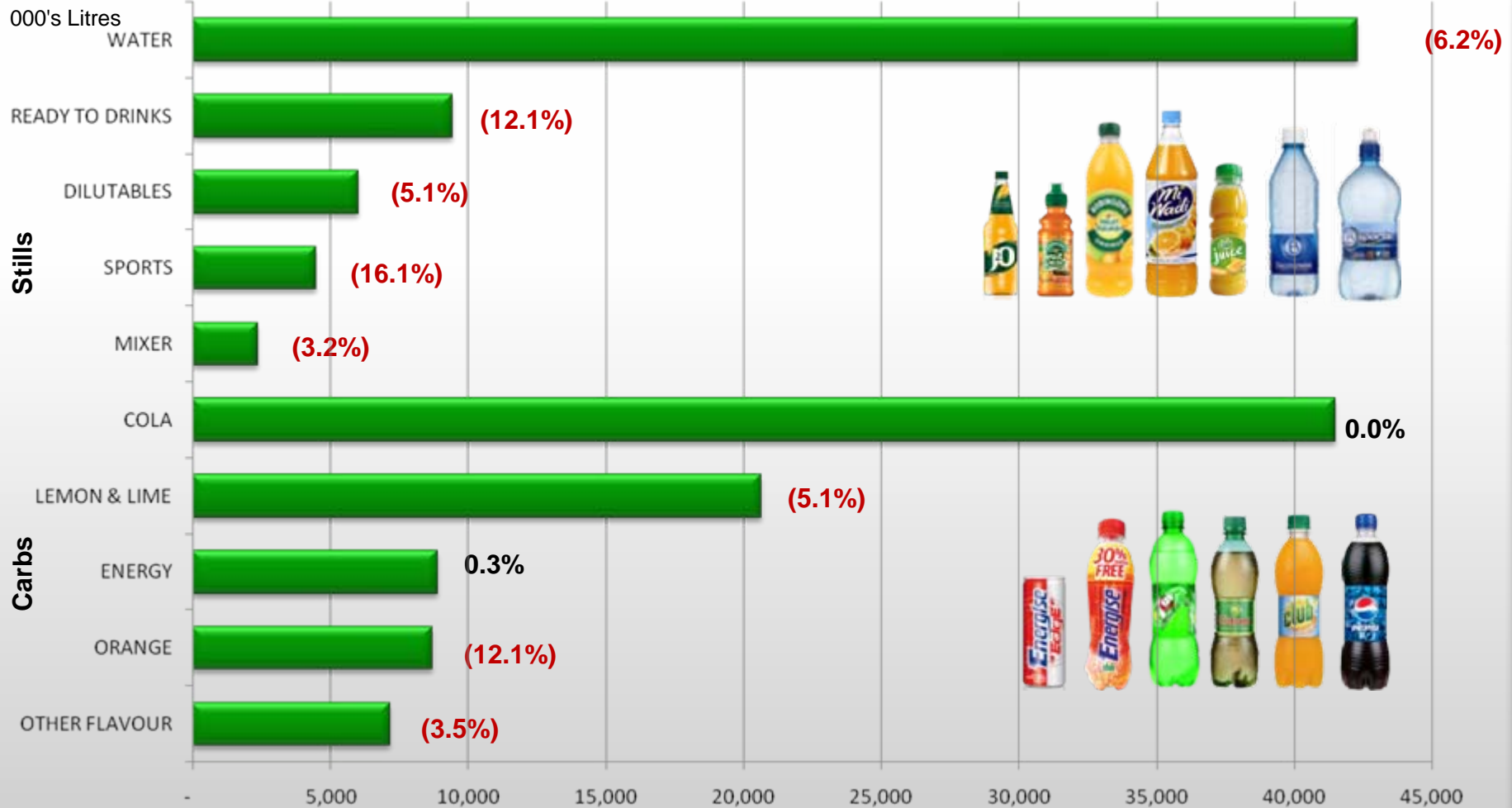
## Major Campaigns Across The Summer

# Irish Soft Drinks Market Volume



**Macro Conditions Impacting The Soft Drinks Category**

# Irish Market Volume And Growth Rates



**All Categories Suffering From The Downturn**





## *Faster, Simpler, Winning*

- Investing in our production facilities
- SAP implementation underway
- Business restructured
- Synergies on track
- Investing for the future



## *The number 1 water*

- “Bodies never lie” TV campaign
- New packs and flavours
- Munster Rugby sponsorship
- Proven purity focus



## *The number 1 orange carbonate*

- Nee TV campaign
- Delivering its message through humour
- Major in-store execution programme



**Big & Trusted Brands To Drive Future Growth**

*Core & Seed Brands that are getting stronger*

*Channel growth across the board*

*Innovation continues to deliver and succeed*

*A Stabilising market in GB*

*Ireland in shape for future growth*

*An Everyday-To-Premium brand portfolio*

**Delivering On A Clear Strategy**



# Q & A

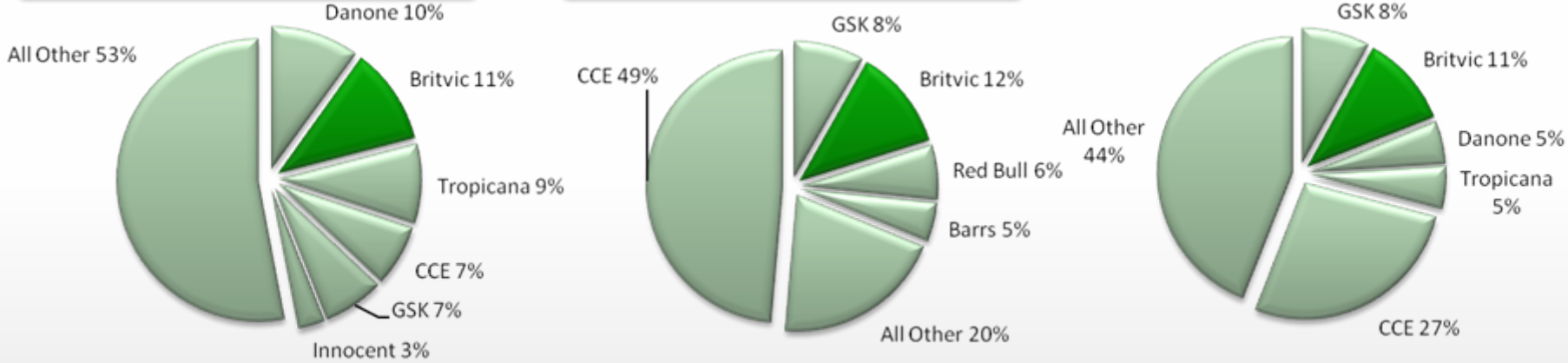


# Interim Results

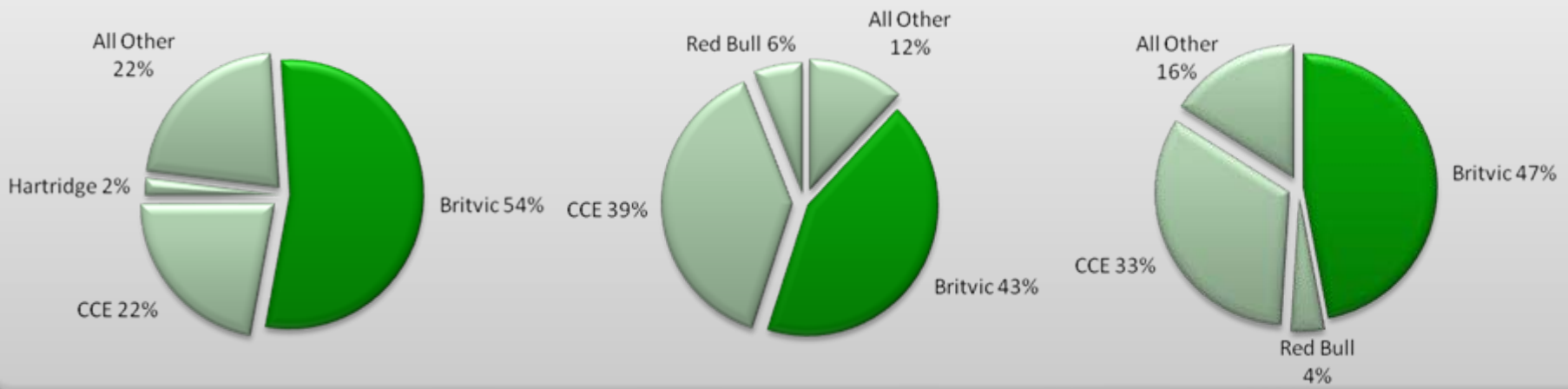
## Supplemental Information

# Strong And Growing Market Positions

**Stills (£3.5bn)** + **Carbonates (£2.6bn)** = **Take-Home (£6.1bn)**



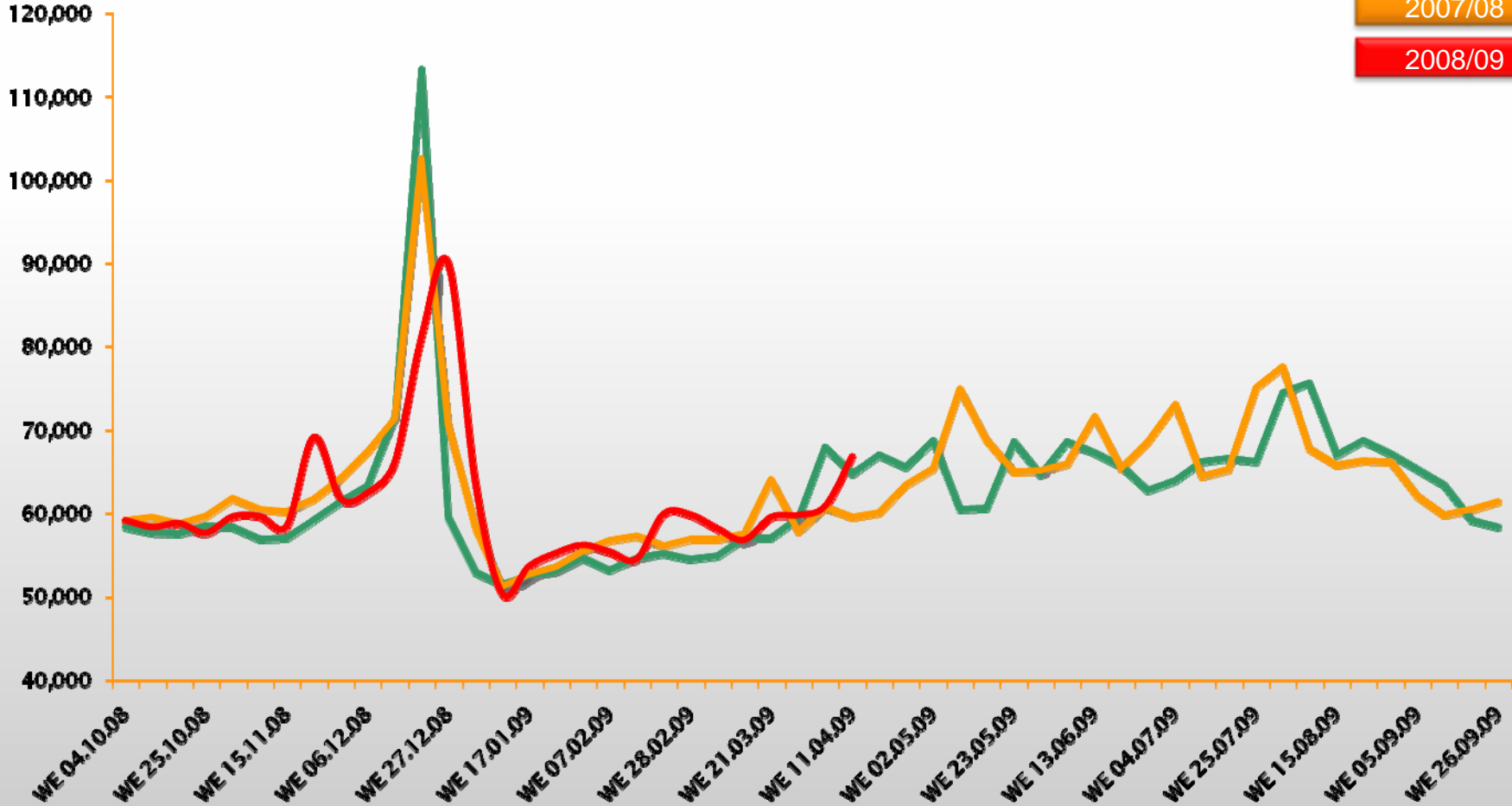
**Stills (£0.8bn)** + **Carbonates (£1.5bn)** = **Licensed On-Trade (£2.3bn)**



Source: AC Nielsen Scantrack data to 11 April 2009 & Licensed On Trade data to January 2009 Total Coverage MAT

# Carbonates Market Volume

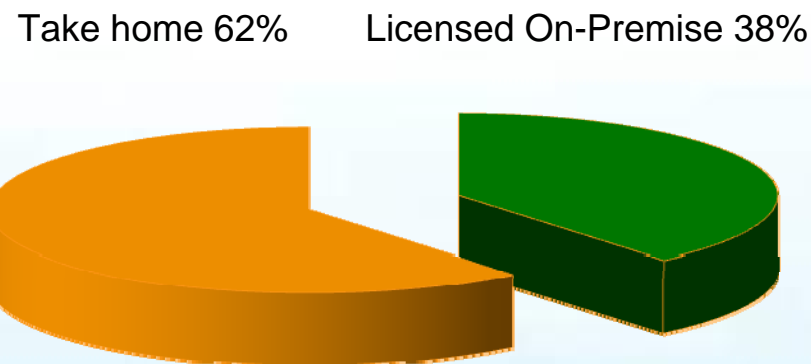
000's Litres



Source: ACNielsen Scantrack Apr 2009: Take Home

# The GB Carbonates Market

- ◆ **Sub-sectors include cola, flavoured carbonates, lemonade, mixers and glucose/stimulant drinks**
- ◆ **Over 60% channelled through Take-Home market**
- ◆ **Take-Home market dominated by CCE (53%)**
  - ◆ Britvic #2 (12.5%)
  - ◆ GSK #3 (8%) – Lucozade GB's leading functional drink
- ◆ **43% of Licensed On-Trade market (#1)**
  - ◆ CCE (39%)
- ◆ **UK market has seen a marginal increase in volumes during the first half of 2009**
- ◆ **Carbonates will continue to provide scale to operations and entry point to customers in Licensed On-Trade and leisure and catering channels**

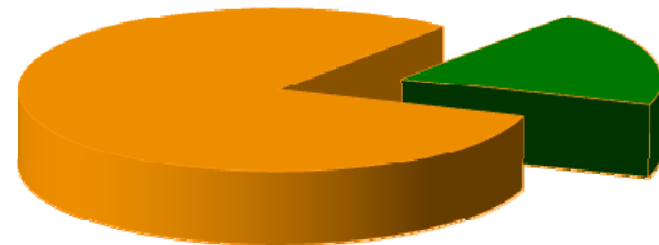


Source: AC Nielsen Scantrack MAT to 11 April 2009 & Licensed On Trade data MAT to March 2009 (value)

# The Stills Market in GB

- 🍊 Sub-sectors include squash, water, fruit drinks, pure juice and sports drinks
- 🍊 Number 1 in stills in UK
- 🍊 Over 80% channelled through Take-Home market
- 🍊 Take-Home market fragmented
  - Britvic #1 (10.7%)
  - Danone #2 (9.5%) – (Evian, Volvic, Badoit bottled waters)
  - Tropicana #3 (9.3%)
  - GSK #4 (7.1%)
- 🍊 54% share of Licensed On-Trade market
  - next nearest CCE 22%
- 🍊 Growth driven by:
  - “Better for you”
  - “Added value”
- 🍊 Stills will be key driver of revenue growth in the longer term

Take home 82%    Licensed On-Premise 18%



Source: AC Nielsen Scantrack MAT to 11 April 2009 & Licensed On Trade data MAT to March 2009 (value)



## 3 main channels to market:

### Take Home (£6.1bn) <sup>(1)</sup>

- Customers include large grocery retailers, (primarily Tesco, J Sainsbury, Asda, Wm Morrison), high street stores (for example, WHSmith), “impulse” channel retailers (convenience stores, garage forecourt sales and off-licences) and cash & carry wholesalers.
- c70% of market by volume

### Licensed On-Trade (£2.3bn) <sup>(2)</sup>

- Customers include Licensed pubs, clubs and bars
- Typically 3-5 year supply contracts
- c6% of market by volume

### Leisure and Catering

- Highly fragmented (>100,000 outlets, plus vending machines)
- Channel includes restaurants, fast-food outlets, hotels, entertainment venues, contract caterers, canteens, schools and vending machines
- Estimate c24% of market by volume

(1) AC Nielsen Scantrack data to 11 April 2009 Total Coverage MAT

(2) AC Nielsen Licensed On Trade data to March 2009 Total Coverage MAT

# Flawlessly-Executed Brand Equity Programmes...



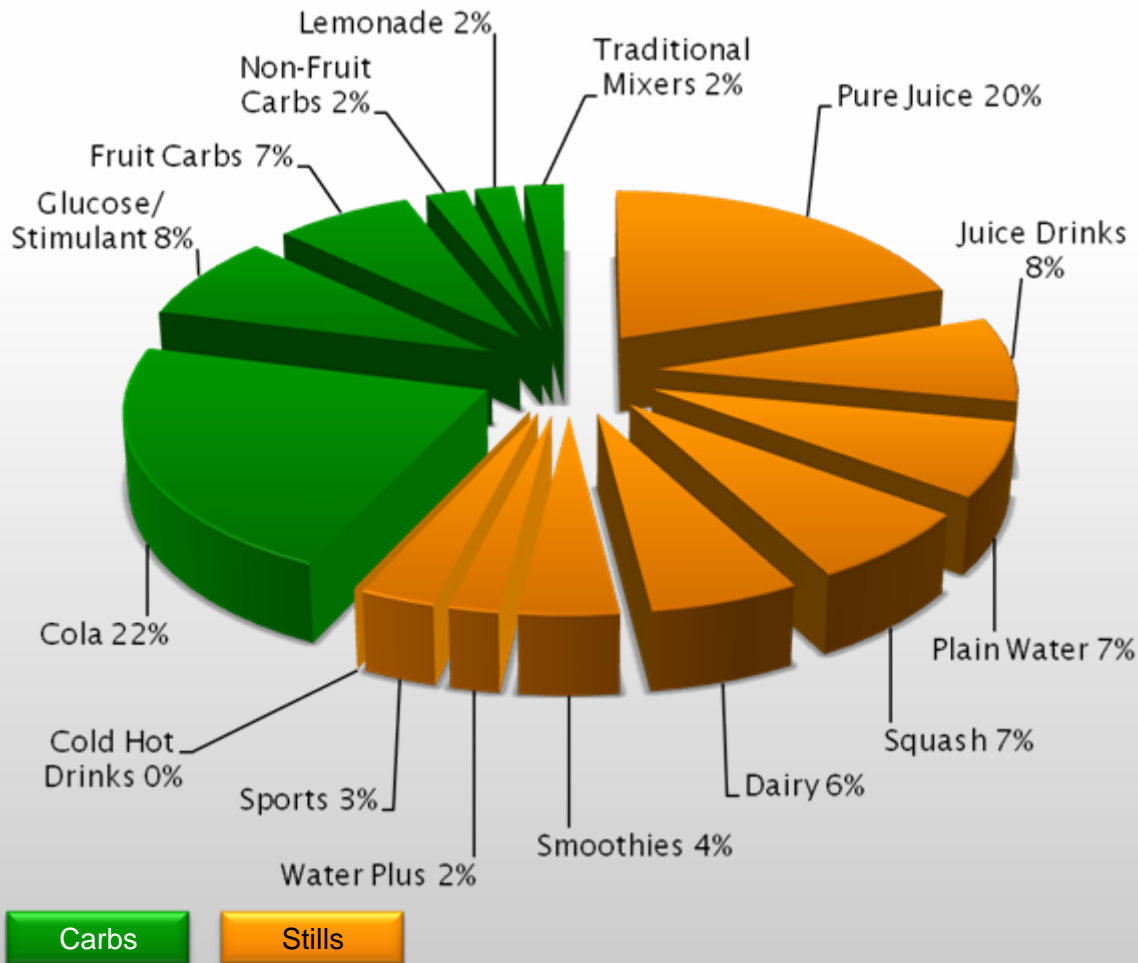
**BRITVIC** 

# ...Coupled With Winning In-Store Execution



# The GB Take-Home Market

Take-Home by Retail Value Sales (£6.1 billion)

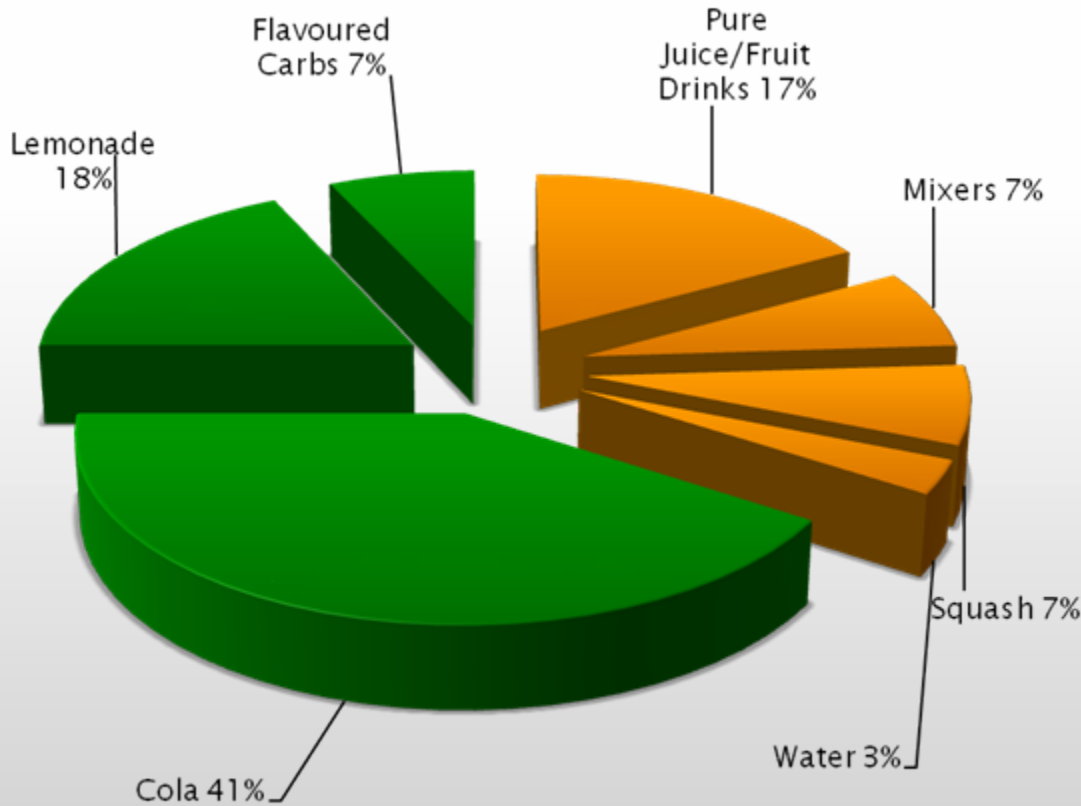


	07-09 CAGR	YOY
<b>Stills</b>	<b>(2.4)%</b>	<b>(4.6)%</b>
Pure Juice	0.6 %	(4.0)%
Juice Drinks	(1.1)%	(2.2)%
Plain Water	(8.7)%	(10.5)%
Squash	(1.6)%	3.6 %
Dairy	(0.6)%	1.6 %
Smoothies	(10.2)%	(30.0)%
Water Plus	(8.4)%	(7.6)%
Sports Drinks	9.1 %	1.0 %
Cold Hot Drinks	(15.5)%	(15.9)%
<b>Carbonates</b>	<b>3.7 %</b>	<b>4.6 %</b>
Cola	2.8 %	4.5 %
Glucose/Stimulant	13.5 %	8.7 %
Fruit Carbs	(1.9)%	(0.2)%
Non Fruit Carbs	3.3 %	4.5 %
Lemonade	0.7 %	6.4 %
Traditional Mixers	3.5 %	4.8 %
<b>Total</b>	<b>0.2 %</b>	<b>(0.7)%</b>

Source: AC Nielsen Scantrack data to 11 April 2009 Total Coverage MAT

# The GB Licensed On-Premise Market

Licensed On-Trade by Retail Value Sales (£2.3 billion)



Carbs      Stills

	07-09 CAGR	YOY
<b>Stills</b>	(2.2)%	(2.0)%
Pure Juice / Fruit Drinks	(2.0)%	(1.2)%
Mixers	(2.3)%	(2.7)%
Squash	(1.1)%	(0.7)%
Water	(7.4)%	(6.4)%
<b>Carbonates</b>	<b>(3.1)%</b>	<b>(2.8)%</b>
Cola	(2.0)%	(1.6)%
Lemonade	(3.7)%	(4.1)%
Flavoured Carbs	(5.9)%	(3.9)%
<b>Total</b>	<b>(2.8)%</b>	<b>(2.5)%</b>

Source: AC Nielsen Licensed On Trade data to April 2009 Total Coverage MAT