**Britvic plc Interim Results Presentation**
**May 25, 2011**

Gerald Corbett: John is going to go through the financials first and then Paul will give you the business review. The Q&A Session will be a bit more demanding than usual because everyone has a microphone. Now in order to stop everyone asking a question at the same time, the microphones are in front of you, what's going to happen is John will chair the Q&A because he knows you all. So please don't start to ask your question into your microphone until John points to you. That's when we get to the Q&A, which will be after the presentations.

So with no more ado, I'll hand over to John to take you through the numbers.

John Gibney: Thank you, Gerald; and good morning, everybody. I'm going to start by taking you through the usual presentation of the numbers and then I'll hand over to Paul, who will take you the market performance and our plans for the balance of the year. Just so you're aware, please make note that we will be making a copy of the transcript and the webcast available on the Investor Relations' website on britvic.com later today, and the slides from this presentation are available to download as from now.

So today we're reporting our results for the 28 weeks ended the 17th of April 2011, and these results include Britvic France for the first time.

Against the backdrop of continued challenging economic conditions and high raw material inflation, we've delivered a solid set of results. Our GB business, which still accounts for the significant majority of our profits, has delivered a strong underlying performance in the first half with revenue growth of 4%, and this reflects an acceleration of that grown up to 6.8% in the second quarter. Britvic International has delivered another strong set of results with its revenue by 20.4%, driven by both the core business but also the growth of our franchise and U.S. distribution activities. Importantly, given the raw material inflation we are facing, we have delivered material headline pricing growth in each of our segments. Despite that strong raw material inflation, our Group EBITA is up by 7.9%, having been redefined this year to only include the amortisation directly attributable to intangibles acquired on acquisition. The full year amortisation for intangibles is therefore expected to be £3 million this year, with a half year add back being 1.4 million. The EBITA margin decline of 120 basis points is entirely due to the first time inclusion of France. Excluding that, we've actually managed to maintain our margins despite that raw material pressure. Our Group EBITA of 43.6 million is up by 7.1%. Adjusted EPS of 9.3 pence is down 9.6p versus last year, due mainly to the increase share -- shares that issued following the (inaudible) funding

last year of the French acquisition; and the Broad is proposing an interim dividend per share of 5.1p, which is an increase on last year of 8.5%.

Turning now to the financial headlines. I've previously communicated from 2011, we're now focused on EBITA as the key operating measure for the Group. Group Revenue is up by 25.3% to 633.1 million. Underlying revenues, which exclude the contribution from France this year, are up 2.1%, or on an constant currency basis up by 2.7%. The challenging market in Ireland continues obviously to act as a break on our top line revenue growth. As highlighted, Group EBITA margin is down 120 basis points. That does not change our future guidance from 2012 onwards of an average of 50 basis points increase per year. Group profit after tax of 20.8 million is an increase of 1.5% on last year. Underlying free cash flow reflects the usual seasonality, so it always have an outflow in the first half. This year is no different, but there is the added issue this year, the first time inclusion of France extenuates that issue as well.

Moving on to the segmental performance, now starting with GB stills. One thing to bear in mind here is the launch of Robinson's in a double concentrate format is going to impact on the comparison for both volume and average realised price. If we exclude the impact of that double concentrate move, then our true like-for-like volume decline is 3.9%, likewise the true ARP increase would be 2.3%. Then that impact of this means that our stills' revenue is down by 1.6%, and the impact of high cost inflation, as you will be aware, especially in juice, sugar, and PT, means that our -- sorry, our margin is down by 180 basis points. That also reflects only limited impact so far this year from the price increase that we got away towards the backend of the first half. Bear in mind that part of this underperformance in stills will be a reflection of our strength in on-premise where we still see consumers chasing value and therefore the package products, such as $J_2O$ and Britvic stills, are seeing consumers move away from that more towards carbonate. So our carbonate's performance non-premise is very strong, but our stills' package performance is somewhat weaker. The Robinsons' brand with its transformation to double concentrate format also eased back on promotions as we underwent that transition, and that too is part of the reason for the underperformance year-on-year. The second half of course will see some margin improvement as we see the benefit of the price increase come through in the second half.

Turning to GB carbonates, which remains the biggest profit contributor for the Group, where we've seen another strong performance in the first half year. This had been across the entire portfolio, but particularly so in the scale cola category. Volume and price improvements have generated a first half year revenue improvement of 8.3%, and the segment continues to benefit from our growth into the on-the-go market driven by continued distribution gains and also successful innovation, such as 600 ml and Mountain Dew Energy.

Whilst also suffering the impact of raw material increases, it's particularly pleasing here to see that the margin erosion has only been 20 basis points year-on-year, with only limited benefits so far from the price increase achieved in January. Without doubt, our strategy of growing our on-the-go share with successful single-serve innovation has helped offset the input cost pressure in this area.

Turning now to International. As I said, Britvic International has delivered another strong set of results with both volumes and ARP in growth resulting in revenue up by 20.4% and brand contribution up by 17.1%. Fruit Shoot in the Netherlands has seen significant growth and will also benefit from a recent change in its distribution model, which will allow us to access previously untapped convenience and impulse outlets. Our U.S. business continues to deliver strong growth as we build our presence and scale, and Paul will speak later regarding the most recent developments in this area. In addition, the recent fully operational Fruit Shoot business on a franchise model in November is now up and running and running in line with our expectations. The first half numbers in International do reflect the increased investment we've made behind the launch of Fruit Shoot in Australia and further increased investment in the U.S. operations. This investment ahead of the curve has impacted the bank contribution margin with the underlying margin of the business being up year-on-year. As a franchise business is still fairly immaterial to the scale of the Group at this stage, then any impact on ARP will be fairly minimum.

Ireland of course remains challenging as a marketplace with the channels where we have a strong representation, such as convenience and license, continuing to bear the brunt of the economic downturn. The delivery of our second half profitability is underpinned by three key initiatives. First, the achievement of a price increase, which you can start to see reflected in the numbers here, with second half euro ARP being up by 8.4%, bringing the growth to 0.3 percentage reported, with importantly 3.9% growth on a constant currency basis. Secondly is the restructuring that we've undertaken in Ireland where the benefits of that will be predominately delivered in the second half and also the launch of innovation which is now in market and performing well. Those three key elements will serve to underpin the business well, not only in the second half but obviously into the future. The key risk as we would see it being any further volatility within the Irish marketplace.

Report a first half of Britvic France for the first time since acquisition in May last year. Unaudited revenue numbers would show that we've delivered low double digit growth year-on-year in this marketplace. That's a really pleasing performance for the French business, particularly since our price increase did not get delivered here until very late into the second quarter. You'll recall that the brand contribution margin reported in the four months of last financial year was just over 28%. One thing to be aware of is that this is very much

a seasonal business. We would expect the brand contribution margin to be significantly higher in half two than half one. Half one also suffering obviously from the impact of double digit -- low double digit raw material price increases in this segment without the benefit of an average realised price increase. We obviously expect, therefore, the second half performance on margin to be somewhat stronger.

Turning now to A&P and for the fixed costs. A&P as a percentage of revenue in the first is down by 30 basis points. That does not single any change in direction. The full year number we still expect to be broadly in line with last year. Obviously you do get phase in differences in terms of when we run the campaigns year-on-year. As you would've seen at the Investor Seminar back in March, we continue to invest heavily in our brands, and we are currently back on TV with brands such as Robinsons, Juicy Drench and $J_20$. The 12.6% increase in fixed costs that you see is entirely down to the first time inclusion of fixed cost from France. Excluding those, our fixed costs are actually down year-on-year, and part of this is a direct response to the raw material increases that we spoke about earlier where we've been taken proactive action to address our discretionary spend on the cost base.

Moving down to earnings, I'm sure you're aware that the first half is a 28-week period versus the second half at 24 weeks. The majority of our profitability obviously comes in that second half. Interest has increased by €3 million year-on-year, which is entirely due to the funding requirement as a result of the French acquisition we made last year. Moving down to taxation, the first half effective tax rate has fallen by 140 basis points to 24.9%, although the full year is now estimated to be in the range of 26-to-26.5%, and that reduction in full year guidance from what was previously 27 to 28 is driven by the reduction in U.K. corporation tax. Profit after tax of 20.8 million represents growth of 1.5% on last year.

Turning now to cash flow, the underlying free cash flow pre exceptional is an outflow of 64.2 million, higher than last year by 14.2 million. This is entirely due to two issues. The first, again, is the first time inclusion of the working capital outflow that we'd expect to see in the first half from France and also the fact that our half year is a week later than it was last year, which means that we've actually captured a further tax payment of £8 million this year.

In terms of exceptional and other items, this is a net charge of 7.6 million at the half year post tax. That's a 5 million net charge. The restructuring cost of Ireland in the first half of being 7.5 million likely to be closer to 10 million as we spoke about in the Investor Seminar. As a reminder, the Ireland restructuring benefit will drive synergies of around €4.7 million this year, the full year impact of that on an annualised basis increase in €6.9 million. We have now completed the outsourcing of both our IT data center and also the vending operation. The... This supports our on-the-go strategy by improving our market

share and simplifying our operation of vending. Refinancing fees of 1.5 million represent the write-off of the balance of the fees on the refinancing, which you'll recall was a much shorter-term. The new term is a much more -- much more in line with the usual five-year funding basis. The fair value movement of financial instruments represents a movement on financial instruments where hedge accounting cannot be applied. This is made up of share swaps to satisfy employee incentive themes as well as interest rate hedges. This will be a recurring item each year and could be either a credit or a charge to exceptional costs. It would depend on the mark-to-market rate, and this is entirely consistent with how other companies would also treat this issue. The pension curtailment gain that we spoke about at the Investor Seminar is being finalised at a net £13.8 million. This is slightly lower than the guidance which we gave, which was really driven by the final assumptions that we now have access to.

Moving on to guidance. Overall guidance remains unchanged for top line growth, with price increases haven't been agreed and our new innovation now in marketplace. Cost guidance remains unchanged, between 9 and 11% for GB and Ireland, with France at low double digit. Our PVO programs, which peaks next year, with 8 million of cost savings remain in line with the guidance given at the recent Investor Seminar. We've also maintained the investment in Group infrastructure of £2 million, which includes the investment behind exploit in the franchise potential of our brands. Group EBITA margin improvement of 50 basis points from 2012 remains unchanged, whilst the effective tax rate is highlighted to reflect the reduction in guidance as a result of U.K. corporation tax changes. France synergies also remain unchanged. In FY10, we reported a 53-week EBITA of 144.1 million. Under the new definition, which adds back the amortisation related to intangibles acquired only the FY 53-week EBITA, would've be 136.8 million. Capex guidance also remains unchanged, reflecting the likelihood of fewer lease opportunities this year and also the accelerated investment associated with the PVO programme for FY12.

So in summary, against a very challenging consumer environment and commodity market, Britvic has delivered a robust set of results. Faced with increasing raw materials, our ability to raise prices to offset this is key, and we have delivered to date strong ARP growth in every segment, with the exception of France where the price increase was only agreed late in the quarter. Again in the face of significant raw material inflation, we've also been able to maintain our underlying EBITA margin due to the benefit of ARP increases and rapid action on overhead costs. The continued robust performance of the business is also given the Board confidence to increase the interim dividend by 8.5%, maintaining our strong dividend yield for shareholders.

And I'll now hand over to Paul to take you through the remainder of our presentation. Thank you.

Paul Moody: Thank you, John. Good morning, everyone. This morning I will give an overview of the three soft drink markets in which we operate and, in particular, comment upon the key categories where we have leading brand positions. In addition, I'll also give some commentary on our International business, as you will have seen, which is performing particularly strongly. In view of the extensive detail that we shared at our recent Investor Seminar, I will bring a lighter touch to innovation and brand activity plans. Clearly, should you have specific questions that remain unanswered by the John's or my presentation, we will be happy to address in the Q&A session that will follow at the end of this formal presentation.

Before discussing the market and brand review of the first half, it's important I think to remind you of our strategy for growth. By focusing on creating and developing scale brands that are consistently relevant for our consumers, we have absolute confidence in the long-term sustainability of the growth levers that have delivered a successful track record over the past six years. They comprise and remain the correct strategy for the future. Across each of our operating territories, we will continue to deliver revenue growth through robust innovation programs based on category and consumer insight. Likewise, we would deliver ARP growth through effective revenue management. This will be achieved by a combination of headline price increase, promotional management as well as brand and channel mix.

Our international ambition is to build a European infrastructure through acquisition as well as developing the licensing and franchising opportunities of the Britvic-owned brands. France of course represented our first acquisition in Mainland Europe and offers an infrastructure from which to develop our brands, and that would previously not been available to us. We are extremely pleased with the progress that we've made in France and believe that we can accelerate the growth of our branded presence across juice, syrup, and juice drinks. With regard to the development of our franchising model, Fruit Shoot continues to perform very well in both Australia and the U.S. and we continue to realise our ambition to expand our operations in those and other markets, and I'll touch more on that towards the end.

Turning now to the GB market, this chart shows both the volume and value performance this year as measured by Nielsen, and it relates specifically to the take-home market. Year-to-date volumes are up by 3.3% by value, but value is up by an impressive 7.8%. In the more recent 12 weeks, volumes are up 4.1%, with value up 8.8% reflecting the impact of both the VAT increase in January and retail price increases post Christmas. The key driver of the value growth to date is again carbonates, with cola value up 10% and with fruit flavour carbonates and glucose/stimulant category in double digit value growth. Stills have liked carbonates with volume growth of only 0.8%. All stills subcategories, except for dairy, have seen value growth. The last 12 weeks have seen an improved stills' volume growth of 1.8%.

Touching on the impulse market, value there grew by 3.9%, with growth in the last 12 weeks of 4.8%. The GB pub and club soft drinks market dated to February delivered a 1.1% volume and value decline in the latest quarter, performing better than other drinks categories in this channel but still a year-on-year decline.

Let me focus on some of the GB highlights. Within the market, Britvic has continued to perform ahead of the market by growing value share 0.1%. Within carbonates, Britvic continues to outperform with value up 16% versus last year and taking a further share gain of 60 basis points. Cola, the largest carbonates category, continues to grow significantly with value up 10% in the first half. Britvic have taken a share gain in this important category of 40 basis points against a backdrop of materially up weighted competitor activity. Our on-the-go strategy, which is clearly margin enhancing, has seen further growth in single-serve as evidenced by Britvic share of the total impulse market growing value by a further 60 basis points. Stills' volume remains relatively flat, but value growth in half one of 5.1%. This performance was driven by strong performances in the last quarter for two of the biggest stills' categories, pure juice and water, which grew value by 6.3 and 8.9 percent respectively in the last 12 weeks. As you'll be very aware, Britvic has limited presence in both of those categories. They represent 46% of all stills' categories and are indeed in themselves three times bigger than squash. Within squash, Robinsons' value growth of 3.3% means that we continue to outperform the key competitor, which of course is private label.

In the Ireland soft drinks market, year-to-date total take-home volumes are up 0.3%, with value up at 1.3%. Similar to what we've seen in GB, it is carbonates that are the engine of growth, with volume up 3% and value up 4.3%, with cola in particular performing exceptionally well. Stills' volume is down 3.2%, with value down 3.4%. The drivers of this decline were juice, mineral water, and juice drinks. Only dilutes saw growth with volumes up 9.3% and value up 11.8%.

The soft drinks' market in France has seen both volume and value growth of over 3%. Key categories in growth have been cola, energy, and juice drinks. Pure juice and plain water, which are dominate categories in France, have also continued to grow. The key category where we operate is syrups. Volume and value growth here has been more limited, whilst their own performance has been exceptionally strong. In the last 12 weeks, our branded syrups, Teisseire and Moulin de Valdonne, have grown value share by a combined 160 basis points.

Turning now to the 2011 Innovation Program. This year GB has launched the SoBe brand, Robinsons' Double Concentrate, Fruit Shoot, Hydro, and has a number of supporting launches to come. For example, in the second half of the year, we will see Mountain Dew Energy build on its year one success of 4% value share in the glucose/stimulant category with the introduction of new packed

formats to grow both distribution and consumption occasions. This will include taking Mountain Dew Energy into grocery with a one litre and a multipack bottle as -- bottle pack as well as a new 440 ml can for the impulse channel. In Ireland, we have launched Double Concentrate Robinson Squash and Mi Wadi, which are the number one and number two squash brands. Alongside this, we've already launched Mountain Dew energy and Juicy Drench. These represent our first innovation launches in the Irish market since the acquisition in 2007. In France, we have a broad range of pack and flavour innovation for the local brands, alongside the first Group innovation launch of Fruit Shoot under the Teisseire brand. We have achieved listings in all of the target accounts and the initial response from both retailers and, most importantly, shoppers and consumers is very encouraging.

Delivering compelling brand marketing plans that engage retailers and excite consumers is at the core of what we do, and 2011 will be no exception. Both Pepsi and Robinsons have major on pack campaigns leveraging the brands' association with music and Wimbledon. The Pepsi campaign alone will see 250 million promotional packs available to consumers. The Reward Your Thirst campaign that runs across our portfolio is back for the summer and will drive growth across both stills and carbonates in our margin accretive single-serve packs. You may have seen, as John mentioned, Pepsi, $J_2O$, and Juicy Drench on television in recent weeks. Our programme of above the line marketing will continue throughout the summer months and into the autumn. Ireland will see major campaigns, including the 7Up Barbecue Session and Shockingly Drinkable campaign for Mountain Dew Energy. Club Orange will be a major focus with brand refresh and heavyweight marketing campaign this summer. And in France, as last year, Teisseire will be seen by millions of consumers as it sponsors the iconic Tour de France.

What I'd like to do now is give you some feel for the marketing programs and share with you a video which captures the essence of the brand activity. The franchise opportunities for the Britvic-owned brands have the potential to be material in the medium-term and represent a key element of our international growth strategy. In the last six months, we've made strong progress by expanding our scale and presence in the U.S. as well as launching in Australia. Whilst it's relatively modest at this time, we continue to build momentum and invest behind the opportunity, which we believe could be significant in the medium-term.

As part of the extending the distribution of Fruit Shoot in the USA, we've been working with Pepsi Bottling Ventures to rollout the brand in the Carolinas since January this year. This has proved successful with distribution, rate of sale, and pricing meeting the expectations of both companies. And as I'm sure you understand, Pepsi Bottling Ventures is a joint venture between Suntory and PepsiCo and is indeed the largest independent Pepsi bottler in the United States.

So in summary, we've demonstrated, I believe, that we're in a category where soft drinks is growing value over volume, but crucially both are in growth. We have a Group-wide innovation programme which is at the heart of our growth ambition. We've demonstrated that there is further evidence of franchise potential, and we see that being material in the medium-term, and we've also illustrated, I feel, a robust balance of year plan that as we move fully into the second half gives us confidence that we will deliver against the market and indeed more importantly our own expectations.

So on that note, I'll conclude the formal part of the presentation. I'll sit back down and then we'll be very happy to take questions.

John Gibney: Okay. Thank you, Paul. As we said earlier on, if you could raise your hands if you have a question. Because it is being webcast as well, if we could ask you to state your name and company before asking the question, that would be very helpful as well. Jonathan.

Jonathan Cook: Thank you. You have an impressive (inaudible). It's Jonathan Cook from RBS. **I wondered if you could just talk a little bit in more detail about the carbonates' category in GB, very strong growth again. And so, could you give us an idea of what you expect (inaudible) the medium-term run rates in that market? And also you talked about significant competitor activity in cola but yet there's still very strong pricing, so I just if you could give us a bit more detail on that dynamic. Thanks.**

John Gibney: Paul, do you want to take that one?

Paul Moody: I think what we see is evidence that we referred to over the last I think year and a half to two years, which is consumer movement away from stills into CSDs, or carbonates, continues. I think encouraging for the category we're now seeing stills' performance also building. In terms of the ambition over the medium-term, we would expect to see the carbs' performance to continue broadly at the current running rate. The one area that we haven't quite nailed would be the, as it were, the Olympic effect. We know from work that we've done with Pepsi that the Olympic event does drive the category and it drives CSD marginally more than it drives stills, so we'd expect to see that blip next year, But you have to recognise, the Olympics is a four-week window. You could argue there's kind of four weeks in advance, maybe two weeks afterwards, so you're actually only talking about a 10-week impact.

I think in terms of the performance, you're right. We've seen price progression. Some of that price progression would've been build on VAT movement at the beginning of January. Some of that price progression certainly in our own part is driven by the mix within our carbonate portfolio, so proportionately we're selling more single-serve

Pepsi than we were maybe at this time last year, and that reflects the success of the 600 ml introduction on no added sugar. I think we've also seen some success with driving multipack cans, which have a relatively high profitability than PT, which is kind of a the detail we've spoken about before. So I think they're the factors that are driving certainly our performance. And clearly as we go into the second half, we've got the marketing programs as well.

The comment that we make around competitor pressure is that we have seen certainly in the first quarter of the calendar a level of discount on the other brand that is unusual, not without precedent but not for some while. Now some of that we believe was built around the anniversary. They were celebrating the age of their brand, and that was inevitable. I think what we have a close eye on is whether that behaviour runs through the balance of the year. But what we've demonstrated is despite that level of activity in the above the line programme that we were competing with, we've been able to grow our share within cola. So it doesn't present us with any real concern, but it is one that we'll keep an eye on.

John Gibney: Andrea.

Andrea Pistacchi: Yes, hi. It's Andrea from Pistacchi from Citigroup. **A question on your margins, thinking about the second half. It's clear that in Ireland, you'll get the benefit of the cost savings, so you should see an improvement there, in France the full weighting of your price increases. Thinking about the margins in GB, how we should think about second half versus first half given that input cost pressures will be proportionately more severe in the second half, but you'll also have more price benefits, so how we should think of that? And then just a second question on stills, on the pricing in stills, which is clearly strong. You would've had some benefit from the reduced promotions you said you've done on Robinsons, so roughly what should we think about for an underlying pricing?**

John Gibney: Okay, Andrea, thank you. The first question on margins, you're right, we will get the full benefit of the price increase in the second half. The other thing to bear in mind is that, as you'll be aware, we increased the raw material guidance in, I guess, midway through the second quarter. So the first half hasn't actually borne the full brunt of that 9-to-11% raw material cost increase that we talked about for the full-year guidance, so proportionately that will be heavier in the second half. So I think it's still obviously going to be a challenging environment for margins. I think overall most people still expect to see our margin down at an EBITA level year-on-year because of that factor, but I think there will be areas where we will certainly see that rebuilt, stills would be one where we'd expect to see a better margin performance certainly in the second half. If we can keep anything close to that carbonates' performance in the second half that we've

seen in half-one, then I think that will be a pretty outstanding result as well.

In terms of stills, yes, it's true that we got some benefit from pricing through running less promotions on Robinsons towards the backend. The impact of that to be found would've been more around volumes. That's why we raised it in terms of performance against market rather than the material effect on pricing. So again, I think once you've equalised out the double concentrate effect, stills were up about 2.3%. We consistently said, I think, to offset what we've seen is a 5-to-6% raw material inflation environment, we needed something in the order of 2.5% price increase to cover that, and that's broadly what we delivered there.

Ian, at the front.

Ian Shackleton: Ian Shackleton from Nomura. **Two questions really. One, I think, Paul, you touched on the fact that you're having (inaudible) mixed growth with the smaller packs. I'm just wondering if you could give us a bit more granularity around where that impulse in food service market share might go to. I see where we're up to about 10% in both now and particularly the contract with Compass, how that's how progressing. The second question was looking longer-term, obviously that franchise potential is increasing all the time with the additional contract you talked about today. Can you give us any sort of clue of how big that could be over the next couple of years for the business?**

Paul Moody: Okay, thanks, Ian. I'll take both of those. As you know, we're always quite coy about where we think the share will get to. But if you remember when we first talked about the -- on-the-go strategy, which I think is probably about 18 months ago, we were very clear about how relative positions in food service and our relative position within on-the-go, and we said that we wanted to get to number two in both of those categories. If I look at certain segments of convenience and impulse, and you'll appreciate that it's segmented into sophisticated multiples, buying groups, and then independence. And anticipating your next question, I'm not going to disclose which is which, but we already have established a number two position in more than one of those segments within CNI. Within food service, the position is equally encouraging so far as clearly the Compass deal is now beginning to leverage through the organisation. I think we said it would take some while to access every one of the points of distribution, which we've now done. We believe that Compass will provide us with a domino effect with other food service customers, and that's proven to be the case, so I think we would still have the ambition of becoming number two, but we are still some way from that but making very good progress to close it. So we're very encouraged, particularly by the progress in CNI, which is, in certain aspects, quite an ill disciplined part of the market.

Moving onto franchise, we are being very clear that we are seeing good success on relatively small scale. I think that we haven't and deliberately haven't scaled what that might look like. I think probably we have a view that within the next nine to 12 months, we will have greater clarity and we'll be able to give some more certain guidance. But as I look at our experience in Buffalo Rock, which to remind you is the bottler in the South, based in Alabama, we've now been there with Fruit Shoot for three years, and we seen consistent year-on-year growth pretty much every level - distribution, rate of sale, and therefore share. The early signs in the Eastern seaboard business that we've been doing is equally encouraging. Australia is working very well. So I think as an organisation, we're confident that we have Fruit Shoot as a scalable internationalised brand. We now need to kind of consolidate that with certainty, and we'll talk more about that I'm sure in the next nine to 12 months. I should add, by the way, that in France, Teisseire Fruit Shoot for a British brand from a bunch of Brits is working extraordinarily well, so we're very pleased with that, although it's only been in market two months.

Ian Shackleton: Yep, good luck.

Adam Spielman: Hello, it's Adam Spearman here. **Can you explain in a little bit more detail why or how the French revenue is up double digits on a pro forma basis?** Thank you.

John Gibney: Good morning, Adam. Adam from CitiGroup. The double-digit revenue growth, the low double-digit revenue growth doesn't really reflect any significant increase from the benefit of the price increase, as I highlighted, that was delivered much later in the year, so there would've been a rollover to a degree from the previous year price increase, but that wouldn't necessarily been as significant, so a lot of this is actually about distribution gains and actually volume growth on the back of that. In the winter, I think it's fair to say an awful lot of that would've been driven more so by juice than by syrup because syrup tends to be much more of a summer drink, if you like, but equally syrup in France did benefit from some good weather in the same way as we did, so syrup has probably had an earlier start to its season as a result of that. The other thing to highlight, I guess, would be that you'll be aware around half the businesses own label, we didn't lose any contracts on our own label; and in some areas, we actually agreed increased programs, increased programs, increased SKUs, which has driven some more volume distribution for us there as well. So I think what it really reflects is a good solid performance from own label. Our brands actually increase in their share and distribution over that period of time as well.

Adam Spielman: And if I can ask a quick follow-up to that. **The increase in distribution, I mean how long can that go on for because**

**presumably as we get into the second-half and maybe even first-half next year, you'll still be widening distribution.**

John Gibney: In France, so a lot, in particular, the own label contracts are -- tend to be an annual contract, so that increase should stay with us unless the retailer doesn't perform as strongly as it is doing at the moment. Clearly we see other distribution opportunities in France as well, so as Paul's just described, Fruit Shoot is now in market, but it's only been there for a matter of a couple of months. That distribution benefit will roll on obviously into the second-half, and we are continuing to work with other retailers and indeed the other opportunity we would see longer-term would be moving into more of the convenience and impulse in marketplace in France, which is now that we don't really play proactively at the moment.

John.

Jon Fell: Good morning, it's John Feld from Deutsche Bank. **Could you talk a bit about what you've seen in terms of consumer reaction to the price increases that you've put through in GB? Have you noticed a volume impact from that? Is it altering purchasing behaviour or people switching into slightly different package formats?**

Paul Moody: I guess I'll take that. I guess the sell point, John, is if you look at the GB market, and if I kind of focus on that, the GB market is showing both volume and value growth, some of which I've explained with VAT movements. But certainly both CSDs and stills are showing good growth, so the evidence of market performance would suggest not. I think we always have to kind of remember that there is still between 60 and 70 percent of all soft drink sales that are on promotion, so the headline price that you might see at the edge -- shelf edge is not often what the consumer pays. But I think both ourselves and the other brand owners have had a focus on value. There have been some interesting architectural developments, certainly in our case, and there is a continued heavy support for the brands. I've spoken before about big brands supporting their brand and therefore the category. If you look over the last six months, in particular, both ourselves and the other large player have invested quite a lot above the lines. So from a consumer perspective, they're being influenced by strong brand equity, which they then seen in store delivered with a value proposition and increasingly in packages that are more appropriate to the occasion that they're working with. So if I give an example from our own perspective, we've launched very recently a ten-pack of $J_2O$, a party pack, with a smaller bottle, 2.50 ml bottle rather than 2.75 ml bottle, and what that's enabled us to do is get more units in the pack, a lower retail price that the consumer can then access. So I think all brand owners, but clearly particularly us, are being more creative in the way we bring solutions to consumers.

John Gibney: Nic (inaudible) back I think.

Nico Lambrechts: Thanks. It's Nico from Bank of America, Merrill Lynch. **Could you give us an indication of current trading, especially taking the very good weather in April and May into account, specifically for GB?** Thank you very much.

John Gibney: Okay. In terms of current trading, I think what we've underlined is that we see that as a positive contributor to our confidence for the balance of year. I think to take Paul's point, the attitude we're seeing with our competitors is having an interesting impact on the marketplace. We're actually seeing the market grow as a result of that. As (inaudible)..., I think is a result of that. They're also probably taking more of the growth in that -- more share of that growth, but we're still growing alongside that, so we're not overly concerned about that at the moment. I think where the weather has had more of a benefit is probably in the single-serve on-the-go and also in licensed, but it's been pretty short-lived in terms of that benefit. So the temperature's been good, but it's not the same as, for example, having really strong weather in June, July, August, which would have a much more marked impact on the marketplace. So it's been helpful around the edges, but it's not something which has made a material difference.

Jonathan, I think you had a follow-up?

Jonathan Cook: Thank you. Jonathan Cook from RBS. **Just on raw material costs, so you said you're 90% hedged for FY11 but that you expect volatility to continue for at least 12 to 18 months. So I just wondered if you could give us some more colour on the things you mentioned specifically before, so availability of supply of PT and hedging periods, colours on aluminium, and availability of supply of sugar in terms of EU and welled sources, markets?** Thanks.

John Gibney: Okay, so I'll take that one, Jonathan. I think, as you say, the area where we're not hedged is predominantly PT and other oil-related products, and there continues to be some volatility in that area. Even obviously with oil, there's some volatility in price as well. The situation in terms of coverage is not any different in that we're still seeing probably four to six weeks out as being the period of time when you can get coverage on that. The pricing that we're seeing within the marketplace is pretty much in line with what we described when we made the announcement of the increasing guidance of raw materials in February, so we're not seeing anything at all different to that that we anticipated. We would've seen, I think, also you're seeing from other soft drink companies as well that they've also recognised those pressures in the marketplace in the same way as we have. In terms of availability, I think we obviously work very hard on that to make sure that we're not caught out by that, so we don't have any concerns

about availability for ourselves at the moment, but we do recognise that that's not something that we should take for granted, and that's why we work very closely on the relationships with the suppliers.

I think in terms of the volatility over 12 to 18 months, that will, we think, continue to be there. Part of it is obviously predicated on the quality of crops, and we're just a little bit too early to get any real sense of how that's looking for next year. There is some suggestion that it's going to be better, which will clearly be helpful. But the other key driver, which we've spoken about before, will be the increasing demand from the BRIC economies. and clearly we don't see that changing anytime soon. So hence, the best view that we still have of next year is probably mid-single digit cost inflation. Obviously, we'll continue to update that. In terms of the colour that you refer to around that, I mean it's actually steel because we're predominately still in steel cans. That sticks for the year and, at the moment, the structure of that we don't believe will be any different, so we'll be to some degree dependent on the degree of change that we see on steel prices, but obviously that colour was only triggered because it was quite a material change that we'd seen in steel price. I think as referenced at the time is the first occasion on which that colour had actually been triggered, so not a huge update. I think in terms of the risk for this year, clearly it's materially diminished, from our point of view, because we're now up to 90% and the prices we're seeing in the marketplace are in line with what we guided, so we wouldn't anticipate seeing that change. And obviously, the view on next year will get further refined once we start to see the quality of the crops come through.

Any final questions? No? In that case, thank you very much, everybody, for attending today. And obviously, we'll talk to you at Q3, and then we'll see you in December for our prelims. Thank you very much.

*[sic]* Verbatim, might need confirmation.
- - Indicates hesitation, faltering speech, or stammering.