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OPERATOR: Hello, and welcome to the Britvic 53 week trading update call. Today I'm pleased to present Paul Moody, Group Chief Executive, who will give you an overview of the results. Also on the call today is John Gibney, Group Finance Director. For the first part of this call all participants will be in listen-only mode, and afterwards there will be an opportunity for questions.

Paul, please begin.

PAUL MOODY: Thank you. Good morning, everybody. As is customary on these occasions I'll say a few words of introduction and then hand over to Q&A. So let me first start with the headlines.

So Britvic has delivered another strong revenue performance in 2010 which is maintaining our track record of consistent growth. We've outperformed key markets which themselves continue to prove resilient despite the uncertain consumer environment.

We are delighted with both the trading performance and the progress on integration of Britvic France and our action in Ireland will put our business model in optimal shape ahead of eventual market recovery.

A point of clarification around the 53rd week, this is a 53-week year for accounting purposes, which adds about £18 million in revenue to the top line. However to make comparisons with last year meaningful the percentages I'll discuss today have been based on what it would have looked like had it been the normal 52-week year.

Turning to the group, at group level our 52-week revenue is up 14.6%. This is boosted by the acquisition of our French business at the start of the summer.

Excluding France, our normalised revenue growth for the year was 5.9%, which was driven by our GB and International businesses where it was up by 8.6%.

Moving now to GB Carbonate the full year revenue is up by 12.4% with both volume and average realised price growth.

By comparison the take home market for carbonates was up by just over 2%. Our 2010 carbonates innovation such as the move for no added sugar from 500 ml to 600 ml packaging and the launch of Mountain Dew Energy were especially successful.

Now turning to GB Stills, the Q4 revenue is up by 5.2% with volumes returning to strong growth, driving full year revenues up 3.6%. Headline average realised price appears flat versus last year but this primarily reflects on less favourable product and channel mix.

In our International business there was more strong growth in the year, up 15.2% with core markets performing well. Fruit Shoot has again achieved a record market share in the Netherlands and we expanded the breadth of our portfolio in the Nordic countries.

Turning now to Ireland, trading conditions remain extremely difficult with no signs of recovery in the soft drinks market and revenue down by 5.2% this year on a constant currency basis. Our businesses have performed relatively well but they are still being hit hard due to the economic conditions. Reflecting the substantial market changes in Ireland we are reviewing the carrying value of Irish goodwill and other intangible assets. We expect this to result in an impairment and will report the details with our results in December. We are also taking action to ensure that Britvic Ireland is poised to benefit from a future return to favourable market conditions and are currently working this through.

Now speaking about France, clearly very early days, although the integration has gone, so far, very well and good weather drove a strong summer trading performance with each of our core brands gaining market share since the point of acquisition. In terms of costs our guidance for 2011 input cost inflation remains at 4% to 5% and with regard to margins, the strong performance of our GB and international business has outweighed the declining margin in Ireland resulting in the excluding France EBIT margin growing in line with our stated guidance.

Finally, with regard to outlook, the combination of revenue growth and a tight management of costs mean that we expect to meet market expectations for the group in 2010. Additionally, despite our caution on a weak consumer environment, we are confident at this early stage that we have the focus strategy to deliver another robust set of results for the year ahead.

That concludes the opening words and I am now very happy to hand it over to questions.

OPERATOR: Thank you very much for that. If you are on the phones and you have any questions at all could I please ask you to press 01 on your phone keypad now in order to ask a question. Once you have been asked just announce your question. If you find your question has been answered before it's your turn to speak simply press 02 to cancel. So once again if you have any questions please press 01 on your phone keypad now.

Okay, we go over to our first question which is from Andrew Holland of Evolution. Andrew, over to you.

ANDREW HOLLAND: Yes, good morning, gentlemen. Two or three questions if I may. Firstly on France, I'm just wondering whether, although it's early days, you're still happy with your synergy guidance there or whether you think there may be anything more either in cost or revenue synergies to be had out of that. Secondly, are you able to quantify how much of this year's growth has come from prior year innovation and prior year new distribution gains? Thirdly, you talk about input cost inflation. Can you talk about which inputs are particularly going up in price and does your guidance include concentrate that you buy from PepsiCo?

PAUL MOODY: Thanks, Andrew. I'll pick up the first question with regards to France. As you'll appreciate we've really only been involved in the business over the last four or five months. At this early stage we're confident that the synergy case that we talked about at the time of the acquisition is very robust. I think inevitably as we do more work maybe the shape of that will move around slightly, but at the moment we're confident about that. I think in terms of further opportunity as we do more work over the next six to nine months that may well be the case, at which time clearly we would advise the market, but at the moment we're very pleased with what we've seen and certainly reassured by the shape of the synergy delivery that we've talked about.

With regard to the other two questions, I'll hand over to John and he can give you the answer to those.

JOHN GIBNEY: Good morning, Andrew. Your first question regarding the current year growth, how much of that is from prior year innovation etc, I think what you've seen this time around again is a very strong outperformance from our carbonates business in GB with our volume up by 10% versus the market which is somewhere closer to 2%. I think the contribution that we have from our carbonates innovation, primarily Mountain Dew and also the move from 500 ml to 600 ml has no doubt had quite a material impact on that. Overall we've always guided to our innovation adding something like 2% to our top line in a full year. I think this year the contribution from innovation has probably proven to be in excess of that.

In terms of input costs, your question, the guidance we've given between 4% and 5%, that includes the increase in concentrate price from Pepsi, so as you know that's in the main linked to a fraction of our PI. The major areas which are driving that would be around juice, where we're seeing a number of our major juice ingredients increasing from a cyclical low and then the other main driver of that would be PT where we've seen significant increases in PT costs over the last few months. There has been a slight easing in that over the last few weeks but that's still within our guidance of 4% to 5%.

ANDREW HOLLAND: Okay, and it's reasonably easy for us to track the juice price, I see orange juice has more than doubled in the last year. Can you give us an idea of what PET has done? Is it a similar order of magnitude?

JOHN GIBNEY: PET is pretty volatile in the market place, to be honest, and it's quite a commercially sensitive number for us to give, so I wouldn't give you any more detail than that, I'm afraid, at the moment, Andrew.

ANDREW HOLLAND: Okay, thank you.

OPERATOR: The next question is from Andrea Pistacchi from Citi Group. Go ahead, Andrea.

ANDREA PISTACCHI: Hi, good morning, Paul and John. I have two questions please. The first one on the strong performance in carbs and your outperformance versus the market which obviously implies some market share gain. I was wondering where you think that share is coming from mainly? Is it the gains in the convenience channel? Are you taking share from Coke or Glaxo or both of them? The second question please on France. You kindly gave us a number 4.2% for the year on year growth. Could you give us a sense of the split between volume and price for that? Thank you.

PAUL MOODY: Okay, Andrea, I'll take the first one. The growth in our carbonates performance, there's probably two or three drivers of that over the second half of the year in particular. One is, as you rightly identify, we talked about driving our single serve penetration which we've done very successfully over the last 12 months and that was particularly accelerated by the move from 500ml to 600ml bottle size on no added sugar, so that's about new distribution gains and within that a pack format that's delivering a very strong rate of sale. We've taken material share in that single serve on-the-go market. Secondly we've also innovated in deferred pack structure, so a good example to cite would be the introduction of 8 x 330 ml can units from what had been historically 6 x 330 ml, so increasing by a third the volume per pack and we've seen that work very well in offering consumers value. The third strand will be around the success of our equity programmes, in particular during the World Cup where despite the fact that the competitor cola brand was a headline sponsor, Pepsi took material market share during the period of the World Cup which it has maintained through into the autumn and now the early winter.

So a combination of those three have seen us take share pretty much across every route to market and every pack type.

Moving on to the second question, I'll hand over to John.

JOHN GIBNEY: Good morning, Andrea. So your question on France, just some indication around what's driving that 4.2% revenue growth. I think you'll have heard from our earlier commentary as well that we've been gaining share with all of our brands since acquisition. We had a very strong July which particularly benefits the syrup market as well. So both ARP and volume have contributed to that 4.2% growth, marginally more I would suggest has come from volume rather than price.

ANDREA PISTACCHI: Thank you.

OPERATOR: Okay. Before we go on to the next question, if anybody else has any further questions at this stage could you please use this opportunity to press 01 on your phone keypad.

We go on to the next question which is from Jason DeRise of UBS. Jason, over to you.

JASON DERISE: Hi, thanks. A couple of questions. First on Ireland can you give some sort of sense of how challenged the EBIT is that it's causing you to consider the impairment? Are we talking about below £10 million in EBIT or is it kind of low teens for this year? The next question, I just wanted to talk a bit more about some of the innovation. Can you maybe give a sense of how big Mountain Dew is so far just after the launch, in half a year, and then could you also talk about what's happening with Drench in the half year and Gatorade as well?

JOHN GIBNEY: Okay, Jason, it's John and I'll take the first question and then I'll hand over to Paul for your second question. I think in terms of Ireland, rather than obviously not being able to give you a specific number but directionally I think if you look at what's happened in the Irish market over the last quarter then the level of deflation in the market has actually accelerated quite significantly, which we've warned about difficulty around visibility but I think that was probably a more aggressive decline than most people would have expected. I'd be pretty sure that wouldn't be reflected in most people's numbers, therefore. With ARP declining at that level that does have quite an impact on the EBIT obviously because it works its way down the P&L account pretty aggressively. So I think our guidance would be that we would be much more towards the bottom level of the range of outcomes that we'd expect to see for the year-end in Ireland at the moment. I'll hand over to Paul for the second question.

PAUL MOODY: Thanks, Jason. I'll take the innovation as you flagged it. Inevitably certainly for current year around brands like Mountain Dew and Robinsons Select it's difficult to give a definitive number because clearly we're seeing the effects of launch. I think however to give you some sense of comfort around the performance Mountain Dew Energy has performed extraordinarily well and if I give you an anecdote, we have Mountain Dew Energy listed in all of the major retailers both across take home and deferred, but in one particular major retailer, one of the top four, Mountain Dew Energy has the highest rate of sale of any energy brand that is currently stocked, including what is currently the market leader. In on-the-go, particularly the convenience and gas channel, the rate of sale that we've seen on Mountain Dew Energy is in most instances equal to and in a fewer number of instances greater than the existing market leader. So the early indications are that Dew has struck a real chord with the energy market and as you'll probably know it has a massively high latent awareness from its US origins, so we're very, very pleased with Dew.

In terms of Drench, if I answer in two halves. Juicy Drench continues to grow very strongly, particularly in the on-the-go and convenience and impulse market and continues to perform at the top end and indeed for the second year is now the best performing innovation in that convenience and impulse market and I'm sure when we do the full results at the beginning of December we'll give a bit more detail. The other part of Drench clearly is plain water. There's no surprise that the water market has been under some pressure, although showing some mild recovery in the last couple or three quarters. Deferred Drench has been under real pressure so the multi-serve packaging we've seen some de-listings across the market. By contrast the single serve performance remains very strong and is benefiting from both the strength of our vending operation but also the growing presence that we have within on-the-go, combined with, for example, the contract win with Compass where we're driving a very broad portfolio, of which Drench single serve water is part.

Finally, Gatorade. Gatorade has had a tough year in a tough market for sports drinks, we've seen some pressure on the category as a result of its premium pricing relative to other beverages. Gatorade has not quite delivered in the current year the level of performance that we would have anticipated. We still see Gatorade as an integral part of our portfolio and indeed we're in the process of working with Pepsi to understand what elements of the Gatorade programme that's been very successful in the US may well be translated into a GB programme. So still very committed to

Gatorade, not performed this year as we would have wanted to, but then nor has the overall sports drinks market, but we'll be looking to a significant programme of activity around Gatorade in the coming year.

JASON DERISE: Thank you for those answers. Can I just ask a follow-up on Ireland. Obviously there's a deflationary environment, but you're getting to a point where you're selling your volumes at a pretty unfavourable margin. When does it get to the point where you just draw a line in the sand and say, "These are our prices and we'll accept the share loss if nobody else follows us" or do you think that isn't a possible thing based on your market share position?

JOHN GIBNEY: I think we're not on our own in facing that dilemma and I think clearly we're looking at the returns on a lot of the investments, so the promotions that we're making in that market place at the moment, and I think it's an area which we have to be very focused on and make sure that we're doing the right things commercially and economically in that market place. I don't think we're on our own on that and I think we would hope that more normality will return to the market place before too long.

JASON DERISE: Okay, thanks. I'll get back in the queue just in case there's a few questions left.

JOHN GIBNEY: Thanks, Jason.

OPERATOR: Okay. If there are any further questions please do use this opportunity to press 01 on your phone keypad again. So once again if you haven't already, please press 01 and while we're waiting we'll go back to Jason DeRise of UBS. Jason, back to you.

JASON DERISE: Hi. Okay, it kind of sounded like I might be able to get back in. Can I also ask about the pricing outlook for GB next year obviously with the input costs coming up, you said that maybe by February you'll have to put in your usual price increase and it may be a bit more to cover as much of the input cost inflation as you can. What do you think happens to your market share? Obviously some of this innovation has been giving better value to consumers. Do you think that that's a potential issue for next year?

PAUL MOODY: Jason, it's Paul. I think the plan is clearly focused on recovering as much, if not all, of the input price pressure that we're taking. I think by contrast to last year where there was relatively low input price pressure we've seen significant pressure and John has already touched on that, on the call. We clearly have on 4 January the VAT movement, clearly that will impact on the retail price of soft drinks. I think it's worth noting though that last time round when VAT dropped and then subsequently went back up there was no material impact on the soft drinks market and I think that was just evidence of the relatively low unit price of soft drinks and the movement of VAT probably in terms of consumer pricing didn't really translate, because as you know certainly in a take home situation there's a high proportion of volume sold on promotion so the absolute shelf price is never or rarely paid.

I think in terms of the impact of moving price on our brands, we will still be offering relatively to other categories strong value, and as you look at our innovation, and indeed this year, in 2010, and in 2011, our ambition is always to develop innovation that really is margin accretive, relative to the category or sub-category within which it operates. So we would still see that as an ambition and when we talk in the first quarter of next calendar about our innovation programme for 2011 you'll be able to see that that shape is still maintained.

So I think assuming that there is a relative equilibrium maintained and that we aren't the only soft drink manufacturer that moves price, then our relative competitive position should be unchanged. I think that from a consumer perspective even with price increases designed to recover some, if not all, of the input price pressures you will still see soft drinks as good value relative to other categories.

JASON DERISE: Are you confident that you'll be able to meet the medium term guidance of the 5% to 6% sales growth in GB and International next year or does the weaker consumer make you think that might not be achievable for the year?

PAUL MOODY: No, we would still be confident based on the programmes that we know we're going to be executing based on our innovation, and whilst we still have that cautious outlook about consumer confidence, I think our confidence is reinforced by the last couple of years where arguably the pressure on the consumer has been as acute as any they've experienced in the last 10 to 20 years and yet the category itself performed relatively well and we performed very well within it. So we have no reason to come off that guidance as we speak today.

JASON DERISE: Okay, thank you very much.

OPERATOR: Okay, we go over to Jonathan Cook of RBS. Jonathan, over to you.

JONATHAN COOK: Thanks very much. I just had a couple of quick questions. The first one was can you quantify your market share position now in the food service and impulse channels, because I know that was a big focus. Secondly, in terms of your guidance for raw material cost inflation, can you just say how much you are hedged for 2011? So are you 100% hedged so you are confident on the 4% to 5% or is there still room for flex in there? The last one is just a more general question. In terms of managing ARP, you've spoken in the past about managing ARP through lower promotional activity, but I was just wondering what was the impact of that on the A&P spend, or will you be making up the difference elsewhere to get to your usual 6% or 7% of sales on A&P? Thanks very much.

PAUL MOODY: I'll take the first question around market share. At this stage it's notoriously difficult to track share within food services. I think we've mentioned before, and we'll give more clarity around this at the time of the December results, because we'll have a better track. You might argue I would say this, wouldn't I, but on the basis of both the development of our penetration into the Compass business and also some further business development in that space we are confident that we are materially changing our share of that market. When we present in December we'll give a much better indication of that.

With regard to convenience and impulse, because the market itself has been pretty challenged, given the economic pressure, again it's difficult to read in detail but we're confident and have some evidence that supports our view that, particularly in the area of on-the-go single serve, we've materially changed the shape of our share within that area as well. But we'll give more detail on that when we talk at the beginning of December on the preliminaries.

The other two questions I'll hand over to John to cover.

JOHN GIBNEY: Good morning, Jonathan. In terms of the raw materials and the amount of coverage there, you'll probably recall that there's a number of major contracts that we currently negotiate around this time of year, so they will still be in play at the moment, so the answer is we're not massively hedged at the moment. Certainly in terms of concentrate we obviously are. Other areas are probably just below half I would suggest. The one area that we will probably see most volatility in and which is the most difficult one to actually secure at the moment would be around PET, so I think there is still some potential for that number to move around, but obviously as we go through the year then we hope to get more certainty around that.

In terms of your question around ARP, I think the question was depending on what promotions we run does that mean that we'll take a different approach on advertising promotion and for example if we run fewer promotions within ARP. Was that the question?

JONATHAN COOK: Yes, basically.

JOHN GIBNEY: Yes, the way we look at it would be probably separately, to be frank, Jonathan. So A&P the programme that we lay out for the whole year there is predicated on what we would expect to spend. As you know we've been driving better value for that because we've been focused a lot more on digital and value marketing over the last two or three years. In terms of promotions it really depends on the programmes that we agree with the retailers, where we see the consumer going and how they're reacting to various promotions as to what we will actually run. So that will be refreshed much more on a quarter-by-quarter basis. But the two we wouldn't necessarily link so we wouldn't compensate with more promotions, for example, if we want to spend A&P and vice versa.

JONATHAN COOK: Okay, that's good. Thanks very much, John

OPERATOR: Okay, we go over to Olivier Nicolai of Bank of America Merrill Lynch. Please go ahead with your question now.

OLIVER NICOLAI: Sorry, this is Nicolai, I'm on Olivier's line. I joined the call a little bit late. I just want to confirm in the previous question relating to your medium term guidance should we take the £18 million impact due to the 52 weeks out of the 5% to 6% for next year?

JOHN GIBNEY: Good morning, Nico, it's John. The 5% to 6% guidance we would give would be on very much a like-for-like basis. So yes, if you were taking this year as a start point then I'd be suggesting that you take the 53rd week out, which is around £18 million of revenue and then use the 52 week numbers as a basis for growth on top of that.

NICO LAMBRECHTS: Excellent, so the underlying growth next year on a forecast basis is closer to 4% to 5%?

JOHN GIBNEY: It would be less on a headline basis, yes.

NICO: Excellent, thank you for clarifying that.

OPERATOR: Okay. As there are no further questions in the queue at this stage, Paul, can I please pass it back to you for any closing comments.

PAUL MOODY: Yes, thanks very much. Thanks everybody for joining the call. Clearly there'll be a fuller presentation of our results on 2 December which I guess will be certainly the next time that we'll be speaking in detail with all of you. So thanks for your attendance on the call, thanks for the questions and enjoy the rest of your day. Bye.

OPERATOR: This now concludes our call. Thank you all very much for attending.