Investor Seminar 2011
Britvic plc
March 23, 2011

Paul Moody: Good afternoon, everybody. Thank you very much for joining us this afternoon. I do appreciate that there is - - there's another event that coincides with this. I'm pretty clear which is more important, but maybe one or two of you have a slightly different view. I know it's going to be terribly difficult to resist - but, if you can, switch off your mobile for sure and avoid looking at your Blackberry every 30 seconds to see what new pearl of wisdom George Osborne is sharing, that will be really helpful.

In terms of a couple bits of housekeeping, this afternoon there is not a planned fire alarm. So in the event that you hear a bell, then I would suggest you move swiftly but in an orderly fashion towards the exit just over to the right there. And then finally, clearly as you'll be aware, this is being webcast. That together with the videos that you'll be seeing this afternoon and the slides will all be online, so you'll be able to refer to those a bit later on.

If we could just move on to the agenda chart. What we'd like to do this afternoon to a large extent focus on the medium- and long-term ambition for the Group. As you will see, and I'll talk you through the agenda, it's a pretty packed agenda covering every one of the business units together with some update both on our international ambition, but also the financial update that John will cover. We are this afternoon going to share with you some brand, some channel, and indeed some market opportunities that we think are absolutely essential to the long-term continued growth of Britvic as a business, and we believe that they are fundamental to the longer-term view that we would hope and would encourage you to take, and I appreciate within the room there are many different constituences *[sic]*. But as we go through the course of this afternoon, I hope that my concluding comments, which support the argument that the investment case that many of you bought into back in 2005 and some of you bought into subsequently, still remains as vibrant and as critical as it was when we first started talking about it. We will talk about our international ambition. We've talked often about our international strategy. I think what we will do this afternoon is give you some evidence of the potential scale of that international opportunity, but to manage expectations and maybe to anticipate some of the questions. We will not be giving you quantum measures, we will just be sharing with you the opportunity. And no doubt in the Q&A you can probe, but what we will certainly do is give you evidence that the ambition for our international expansion is now being delivered in practical movement. You'll see that in the agenda we have a section fairly early on talking about input costs. It would be no great surprise to any of us in this room that that's been a focus of attention in the business over the last several weeks in particular, but in reality over the last several months, and no doubt there will be some questioning. What we'd like to do is give you a sense of how we see the landscape, the actions that we've taken, the actions that we plan to take, and Martin and maybe others will be happy to pick up questions afterwards. We'll also give you a perspective on the 2011 Innovation programme within GB. I should stress that within the presentations on both France, which certainly will be very new for everybody in the room, but also on the presentation on Ireland, we'll be giving within those presentations detail of the innovation that we'll be driving over the course of the next 12 months. But given the scale of the GB programme and its importance to the Group performance as we've done on every occasion, such as this, we will give you much more detail. And it's the moment when Jon and I no longer have to say, "You'll have to wait and see what it is because this afternoon we'll be able to present it to you, and I'm sure you'll find it particularly exciting and particularly driving of our agenda that we've talked over the last four to five years." As I've mentioned, we have with us today Jean-Luc Tivolle, who's the managing director of Britvic France, and Jean-Luc will present to you the ambitious plan that we have for our business there and many of you will have met and heard from Andrew Richards before and Andrew will give us an update and describe again the ambition that we have for our Irish business.

So as we go through this afternoon, I do believe that there will be some exciting new news that we can share with you. I do believe that we will be doing is reinforcing the strategy that we've talked about consistently and demonstrating to you that that strategy is as real and as vibrant and as deliverable today as it ever has been during the course of the last four or five years. But what we'll also do is give you the opportunity to understand the international opportunity as we scale it and finally there will be the opportunity to share with us that wonderful sampling experience where inevitably I will preface the sampling with probably most of you as the target audience, but there will be one or two of you that are target audience for one of two of the innovations that we'll be sharing with you.

Now during the course of the afternoon, you'll see that there are a couple of breaks, a brief Q&A and a break after the first few sessions, a more substantial break a bit later on, and then clearly Q&A at the end. What we would like to do is get best value from the Q&A and so I will chair the Q&A session and direct the questions as I think most appropriate. The one thing I would encourage you to do, if you would, is speak very clearly and state your name and your company so that people listening subsequently on the webcast can actually understand where the question is coming from. And I guess this may be a vain request, but it will be helpful if you could restrict yourself to just the question that you wanted to ask and not follow with four or five or I think the record is seven supplementary questions. Because if nothing else, it removes the opportunity for others in the room to ask their question.

So the running order is pretty clear. John's going to talk about a financial update and following that Martin will talk about the input cost. We deliberately created a short break there so there's a Q&A opportunity. We'll then move towards France and Ireland, which we follow by a further break, and then Simon will be talking about the global opportunity and then finally Jonathan Gatward will talk about GB innovation and our brand activity, and we'll close I hope around about 4:30. We need to have excited this particular space in the building by 5:00. So we will towards 5:00 be shepherding those that are still around out into the bar area and therefore the questioning and the discussions can continue there.

So I hope you will find this afternoon interesting. I hope you will find it informative. I hope you will find it fascinating, and I hope as ever that you take the opportunity to ask the questions and give us the opportunity to give you the clarity and the detail that maybe the presentation has not delivered. Although, I hope that you will find, as we now pride ourselves, that the presentation would be pretty comprehensive and whilst not anticipating in answering every question you may have, our ambition will be to substantially do so.

So on that point, let me now hand over to John who needs no further introduction.

John Gibney: Thank you, Paul. Good afternoon, everybody.

I'm going to start the proceedings by taking you through some important recent developments for the business. I'll give you some guidance on the impact of those developments. I'll then return to the guidance I gave you in December, and either confirm or update that guidance for you. And then finally, I'd like to also take you take through some recent news on our funding platform Britvic as well.

Okay, that's what I'm going to do. In terms of the first area, I'd like to talk a little bit about Britvic Ireland. Andrew's going to come on later and talk in more detail about this. You will recognise the Irish market as being quite a challenge. We talked about a significant restructure of our business first off to make sure that we had what we believe was an appropriate go-to-market model, and Andrew will talk about that. We've been going through a process over the last two or three months, which unfortunately has resorted in something like 110 people leaving the Irish business. So although fundamentally this was about our go-to-market position, it also does drive out some significant cost savings, as you can see there. They primarily come from logistics and people costs. For this year, the financial year, we will generate savings of close to 5 million. On a full year basis, that will be closer to 7 million. As we previously said given the current dynamics of the Irish marketplace, we fundamentally see this as underpinning the performance of the Britvic profitability this year rather than adding to it.

Secondarily, I'd like to talk to you about its pensions. We closed our defined benefit or DB scheme in GB to new entrance some years ago. We also took further action, which was to reduce the accrual rate from 160th to 190th awhile ago. We've now just completed a consultation with the trustees and members of the pension scheme with regard to closure of that pension scheme, and that will take effect from April of this year. The consequence of that is primarily around reducing any or eliminating any further increase in the volatility of that pension scheme. As a result of that, all current members will move into our defined contribution scheme. As you also know, we are currently negotiating or trying to come to an agreement with our trustees around the pension deficit payment profile over the next few years. You'll recall that the previous agreements, which was based on a 2007 valuation, was a three-year payment profile of 10 million pounds per annum. The last of those was made in December of 2010. We hope to be able to tell you the outcome of that agreement at our preliminary results on the 27th of May, but it is possible that that will take a little bit longer. What we would be comfortable in saying is that the forecast we've seen in the marketplace of ongoing pension contributions of between 15- and 20 million pounds we think are appropriate. That also does, just to make sure, also include contributions towards the Northern Ireland and Republic of Ireland deficits as well.

The last few weeks have also marked a significant review in how we provide our Group-wide IT support. As part of that strategic review, we've looked at our Data Centre in particular and concluded that outsourcing the provision of our Data Centre is the most appropriate model for Britvic going forward and we've now concluded that and outsourced this to Atos Origin. Atos have been a partner of Britvic for a number of years now. They have strong credentials to allow them to run the Data Centre for us. This agreement will strengthen our ability to support the systems expansion and upgrades which will be critical to underpinning our future growth. Whilst there's an added benefit of some marginal cost savings and modest capital savings in the future, the fundamental driver for Britvic here is access to scale and capability. Alongside this outsourcing, we've recently successfully fully operated our core process platforms, SAP and Siebel, which form the bedrock of our business transformation programme. And these programmes, as you'll be aware, are key to the delivery of synergies when (inaudible) acquiring new businesses. Whilst these changes have given us a… Sorry, what these changes have given us is a highly resilient secure IT infrastructure with the ability to rapidly flex in order to accommodate future growth. We can leverage the scale and technical expertise of Atos while the operator platform support the ambitions we have for international growth that Simon will talk about later on.

I'd also like to take you through today a further initiative, which is the outsourcing of our GB vending operation. This will mean that we are totally focused internally on now the make, market, sell aspect of vending. You'll be aware that vending is exclusively 100% single-serve, and that's an area that we talked through about this time last year in terms of our ambition to significantly grow within that area. What this still does is move our vending estate over to some strategic partners, one on a national basis and (inaudible) primarily a regional basis. In an instant, it takes our account coverage down from 7,000 accounts to only five accounts. It also means that we convert the majority, if not all, of the category of our partners into Britvic straightaway, which will give us an immediate increase in our market share of vending from 26% to 31%. So this is predominately about growing our market share in single-serve, as I say, which is an important area of expansion for Britvic in the future.

So I've talked through quickly all key initiatives for Britvic in a very short space of time. A massive restructuring of our operation in Ireland, the closure of our DB pension scheme, the outsourcing of our vending operation, and the outsourcing of our IT Data Centre. These are initiatives which will, we believe, deliver increased value to Britvic and our shareholders for many years to come, but of course they are exceptional in their nature. These are not the type of activities which we would undertake on a day-to-day basis. This slide therefore seeks to capture both the benefits and the one-off costs or benefits of these initiatives. On vending, we will incur a £3 million write-down of our vending assets at the year-end along with a similar cost associated with exit and redundancy costs. The benefits I described earlier are an immediate increase in our market share. As a result of the changes in the GB pension arrangement, we anticipate a gross pension curtailment credit of between £15- and 20-million, with a small cost offset for that. By wholly changing the way we interact with our Irish customers, the result of exceptional costs are like to be around £10 million this year, reflecting the high exit costs of staff within Ireland. As I said earlier, that will generate savings of almost €7 million on an ongoing basis. And finally there'll be exceptional charges due to the Group IT infrastructure changes at a cost of around £3 million where this will deliver some marginal cost savings as well as modest capital savings resorting in something like a two-year payback. There will be other exceptional costs, which we'll see each year, mainly reflective of changes around our share hedging and FX hedging forces.

I'm pleased to be able to share with you today also the announcement of a conclusion of the refinancing of our bank facilities. You'll be aware that our three -year 283 million revolver with six banks plus our 50 million bilateral facility all matures in May of next year. Yesterday, we signed a single £400 million five-year agreement with six or our existing banks; although, Bank of Ireland have unfortunately dropped out of the banking syndicate. We'd like to take the chance obviously to thank of Bank of Ireland for the support they've given to Britvic over the last six years. More importantly of course we'd like to thank the six banks you see listed here for the support they've given to Britvic in the past, and also the confidence they've demonstrated in the future of the business through this new facility. We've now secured a longer dated facility, maturing in March 2016, with an average margin reduction of around 70 basis points against the current facility; though this shouldn't impact the interest charge materially this year. We now have total committed facilities of £890 million equivalent. Bear in mind though, we have the first repayment of our private placement notes of 95 million coming up in only three years time. With regard to private placement market, you'll also recall that we extended the issuance of our PP notes in December of last year raising it further £113 million equivalent at very attractive rates.

As you can see, what that now means is we have a very extended debt repayment profile for this business with nothing maturing until 2014. The next renegotiation of the banking facility will likely occur in 2015 ahead of the maturity in 2016.

Okay, I'd now like to return to the 2011 and medium-term guidance that we talked about in December. As you'll probably be aware, we will not achieve our stated ambition of a 50 bps improvement in our operating margin in the current financial year as a result of the increased raw material costs that we talked about recently. However, we are very confident of resuming an average 50 bps improvement for next year and into the medium-term. We're still running off a relatively low base. And as you will see, we have the benefit of six key drivers of margin improvement that you see here. Crucially we'll also have to add to that a materially higher product value optimisation benefit next year, which I'll talk to you about in a moment.

As you'll be aware, our like-for-like revenue growth has been running at over 6% over the last five years, and we talked to you 18 months ago about the build-in bricks which support our view that we can continue to grow our business at top line into the future. Our markets are all either in growth, or in the case of Ireland we believe stabilising, and we continue to demonstrate our ability to either maintain or grow our market share. We have the further upside of brand mix, growth in franchising, plus our further success of penetration into the on-the-go-markets still to come. We've delivered price increases across all of our markets in the recent months and we'll see ARP benefit from that, particularly in the second half of the financial year. And you'll also hear later, both in terms of France and Ireland and from Jonathan around the GB market, the exciting innovation plans we have for this year which will further add to our revenue growth going forward. We'll resume growth of the EBITA margin for next year, as I said, for the reasons I've currently outlined. Also bear in mind of course in the current year, the first half will have carried the costs of that increased raw material pressure without being able to recover that through price increases. Those price increases will come through and benefit the second half. Historically bear in mind that the first half is only generated between 25 and 30% of our full year contribution. The French brand contribution margin we talked about last year at 28% was reflective of the four-year period - - sorry four-month period that we owned the business, which of course was primarily through the summer, so we wouldn't expect on an full year basis that that margin would be down for no other reason than the fact that it reflects the seasonality of that particular business. We are however still confident of delivering the €17 million we previously talked to you about; although, we have also flagged up that primarily due to the delay and implementation of our business transformation platform that that 17 million of phasing will be more back-loaded now.

Moving on to cost guidance, you'll be aware that we moved our GB and Ireland raw material inflation guidance up to between 9 and 11% for the current year with a higher number for France primarily due to their mix of products being more weighted towards juice and sugar. We talked to you in December about the investments behind further expertise and group functions, but also to explore (inaudible) international ambitions of around £2 million; that remains in place. We've consistently since 2006 delivered a minimum of £2 million around product value optimisation or the reengineer of our products and in 2011 we'll - - we will also deliver at least that number. It'll be no surprise to you however that the recent raw material inflation has focused our minds more on this area and today we are increasing our guidance for PVO savings next year for 2012 alone up to £8 million, so an increase of £6 million year-on-year. Martin will take you through those key drivers of that savings a little bit later. In December, I talked to you about the increase in our underlying guidance on capex around GB to 50-55 million, primarily driven by the increased investment we're making between - - behind commercial assets in the on-the-go area. There's also an element there where we believe there will be pure opportunities to lease assets that we have done in the past. For 2012 alone, that guidance will increase by 10 million as a consequence of the increased PVO guidance I've spoken about, much of which will be delivered through increased capital investment. 2013, we'll see a return back to these normal levels. There's no change in guidance to the capital numbers for France and Ireland that we've talked about in the past. The amortisation charge for the year will be around £13 million and depreciation is forecasted to be at around £36 million, including a further 1.2 million depreciation change relating to France as a result to the fair valuation of the tangible assets over there. That will result in a full-year depreciation amortisation charge of £49 million.

So to summarise, despite the short-term pressures for input costs, our performance has remained strong and we expect to continue delivering real shareholder value this year and through the medium- and long-term. This has already been a very busy year for Britvic with a number of initiatives, which I've described, designed to strengthen our business and facilitate our ongoing growth. We further secured the balance sheet by continuing the strong relationship with our key banking partners and by addressing one of the major variable elements of liabilities of defined benefit provision. We will continue to drive our top line performance with further benefit now from vending and we are moving quickly to mitigate the increased raw material pressure through additional PVO savings. Despite the short-term cost pressures we are facing, this is a business which we believe can continue to build on an already (inaudible) track record.

Than you for your time, and I'm now going to hand over to Martin, who will talk to you about our input costs.

Martin Rose: Thank you, John; and good afternoon, everybody. My name is Martin Rose. I'm the Group Supply Chain Director with accountability and responsibility for production, distribution, technical development, as well as procurement.

This afternoon, I want to share with you some insights into what has been happening with our major input commodities and the impact that this has had on Britvic and our raw material inflation for 2011. In addition, I will share with you the headlines of our procurement strategy and also some of our thinking for the future.

As a reminder, this slide shows our major raw materials for the GB and RH* business. Our biggest component is the PepsiCo Concentrate, the pricing for which is predetermined within the bottling agreement. The finer details remain commercially sensitive, but we can confirm that the annual price increase is subject to a fraction of the rate of U.K. inflation and applied on an annual basis. Our other major raw materials are shown on the chart, vary in size between 5 and 15% of the total raw materials. During a normal procurement cycle, by the end of the first quarter of our financial year, coinciding with the annual concentrate review and the visibility of key juice harvest, we would expect to have the majority of our raw materials fixed under contract. Within the packaging environment, the ability to fix material pricing has changed considerably in recent years, with the volatility now present within the energy and oil markets in particular leading to shorter-term arrangements becoming the norm. On the 24th of February, we upgraded raw material inflation guidance for GB and Ireland from 5-to-6% to 9-to-11%, following a series of unprecedented events in the first few weeks of February.

I'll now take you through the three key drivers of this increased guidance. Oil-based products accounts for broadly two-thirds of the 9-to-11% guidance given in February, following a number of independent events occurring. Three key factors have influence the price of PET. The severe floods in Pakistan decimated the recent cotton crop with a knock-on impact being that demand for manmade synthetics, such as polyester, has risen to compensate for the lack of cotton. Polyester is also an oil-based product and hence the increased demand for polyester has helped to drive up the price of PET resin. Secondly, force majeure incidents at two European plants at the start of February restricted the supply of PTA, a major component for the production of PET resin. This clearly by their very nature could not have been anticipated. Lastly, the ongoing issues in the Middle East so the price of crude oil rise significantly. As oil is also a key component of PET resin, there is a partial correlation in the price of oil and PET resin.

As you can see here, the top chart shows the price of brink crude oil from 2007 to 2011. The bottom chart shows the price of PET resin over the same timeframe. There is an obvious partial correlation in the pricing of the two. What is also worth noting is that the PET resin price today is significantly higher than the price in mid 2008 when oil topped $150 a barrel compared to around 115 today. As I mentioned on the previous slide, the increased demand for PET, the Pakistan floods, as well as the forced majeure incidents have also contributed to the rising price, making this a unique time for PET. I can confirm today that we now have fixed approximately 55% of our PET requirements for this financial year and are looking to increase that level in the next few weeks. We constantly review the commercial opportunities offered in the marketplace and with secure long-term fixes, if the commercial aspects of such a fix were deemed appropriate.

Turning now to sugar. Our primary sources of sugar are regulated by the E.U. Sugar Regime which is predetermined pricing for a number of years. The U.K. sugar-beet output has recently been downgraded following the poor weather this winter. This has had an effect on all companies that source sugar from U.K. suppliers. Historically, the E.U. price has always been access of the world market price. And with the E.U. previously being a net exporter of sugar, the world price was largely irrelevant. With the supply versus demand imbalance and the increased demand from the BRIC economies, we have seen the world price escalate to a level materially ahead of the E.U. price. The consequence of these factors is that to ensure our supply of sugar is maintained, we have had to source at sugar at a price more aligned to the world market price. We have been working hard with our suppliers to minimise the financial impact, but the dynamics are such that some incremental costs was unavoidable. Our priority continues to be the continuity of supply.

With steel, we have contracts in place with our canned supplies that ensure supply. Within these was a price trigger that would be activated if the world price of steel accelerated beyond a point and remained there. Again, in February, this (inaudible) was triggered for the first time and we've had to absorb incremental costs as a result. As I said earlier, oil-based products, such as PET resin were the key driver of the recent upgrade to a guidance, but both steel and sugar have also uniquely contributed.

Of our other major raw materials, we can look at glass and juice where we have contracts in place that give us visibility for 2011 and certainty on the price of these commodities. Our juice sources are primarily Brazil for orange and China and Eastern Europe for apples. Given the growth of the BRIC economies, we are now seeing a higher percentage of fruit crops being consumed as fresh fruit and a consequential reduction in the amount being processed into juice. Glass is primarily sourced in the U.K. and France and while subject to energy price fluctuation, we have secured on the contract for 2011. I hope I've given you an idea of the recent challenges we've faced in what I think are extraordinary times.

I would now like to move on and share with you our key procurement strategies, which have been proactively created for the business in recent years. Since coming to market over five years ago, we have developed our procurement strategy developing both sustainability and supporting the growth agenda whilst mitigating risk appropriately. Underpinning the strategy, we have the four pillars you can see - assurance of supply, using less, evolve, and sustain, and now I'll share with you some of the detail that underpins the strategic pillars.

The events in the last few weeks highlight the importance of the assurance of supply. We look to nurture and build relationships with our key suppliers, where appropriate developing a partnership approach to doing business. We're always conscious of the changing landscape and so look to develop new relationships as we look to maintain a broad base. We work with both our suppliers and independent organisations to understand and predict developing trends, thus allowing ourselves to mitigate risk wherever possible. We continue to look at any opportunity to buy at source and minimise the complexity of the supply chain. Likewise, we review the full supply chain of all our major suppliers with a view to understanding their areas of risk to work with them to minimise the impact on ourselves. Certainty of the global supply chain can no longer just simply be assumed.

Since coming to market in 2005, we have continued to deliver at least £2 million per annum in savings from our product value optimisation programme. This slide highlights just a small number of the initiatives we have delivered in the last 18 months. As John mentioned earlier just awhile ago, in 2011, we will again deliver another £2 million saving as previously guided. Two key initiatives that have driven this year's PVO programme are reduction in the PET content of the Robinsons branch. The light weighting this bottle has saved nearly 1,300 tonnes of PET in Robinsons' bottles.

To be really clear, there's plenty of scope to optimise our liquid and packaging through the medium-term and is one of the key drivers for our French synergy case that Jean-Luc will speak about later. The second example in the last 18 months is that around using less in glass where recently reduced the weight of the J2O bottle by 10%. Across the whole supply chain team, we constantly challenge the status quo with both our customer management and marketing colleagues. Protecting the value of our brand equity is always our priority, but there remains significant opportunities to drive PVO in the future. So to reiterate John's guidance that is part of our mitigation against the raw material increases, we will be increasing our savings within our PVO programme for next year to £8 million. This increase will be achieved through continued light weighting of primary packaging, optimising formulations, and reductions in secondary packaging. This forms 90% of the increase in the GB capex guidance for next year. In future years, we'll continue to investigate further PVO opportunities to mitigate against the effects of increased commodity costs. At this stage, we have focused our work on projects which can be delivered in 2012. We will update any further opportunities for subsequent years - but at present, it'd be prudent to expect our previous guidance of £2 million per annum to continue.

In March 2009, we introduced our ethical trading policy which sets the standards and ground rules we require suppliers to adhere to. In the last 12 months, we have seen good progress in driving this compliance. All our direct packaging and ingredient supplies adhere to this policy, and we expect full compliance by our indirect suppliers by December 2014. Waste management and the impact we can have the environment are front of mind for us at Britvic. In the last two years, our waste levels have fallen by 60% and six of our sites now send nothing at all to landfill. In 2010, we reduced carbon omissions by over 11% and produce less carbon now than in 1997 despite volume being up by 72%. We've cut our water consumption ratio by 20% since 2002 and have a target to cut it by a further 20% by 2020. We promote the Forest Stewardship Council and equivalent sustainable sourcing accreditations of wood as well as the inclusion of recycled materials wherever possible. If you require further details, please refer to the latest Britvic Corporate Responsibility Report.

We're looking for our procurement strategy to evolve in a number of ways. Firstly, we have and continue to explore opportunities to leverage purchasing power through consortium buying. Although a relatively new area of interest, we believe this will open up new opportunities to eliminate costs. We have secured vertical integration in the recent past when we brought PET bottle blowing in-house at our production sites. Again, there are other opportunities to vertically integrate that we are actively exploring in our supply chain. As we develop these, we will update you accordingly. Hedging is an area of interest that many companies explore. As you already know, we have a hedging policy in place for our currency requirements. Our current procurement strategy is focused on a combination of fixed contracts and purchasing on the spot market rather than hedging. In the past, we've explored these opportunities but found them to be commercially disadvantageous. However, we will continue to explore opportunities going forward, giving the growing uncertainty of some commodities.

So looking ahead to 2012, we feel that raw material inflation is still likely to be prevalent in the sector. Factors such as the continued growth in demand from the BRIC economies and other emerging markets is a longer-term factor that we need to deal with. Likewise, the uncertainty that surrounds oil pricing is likely to be here for a while and will have an impact in 2012 we believe. At this early stage of the year, the visibility of raw material pricing for 2011/12 is uncertain. However, if we assume pricing will at best remain at current levels, it would seem prudent to assume that raw material inflation will be mid-single digit for Britvic next year.

So in summary, we're dealing with some unprecedented short-term issues surrounding raw materials. More longer-term issues will remain as the world markets adapt to the new demands of emerging economies. We will need to deal with these challenges and opportunities proactively. Our procurement strategy is very much one of proactivity and engagement with suppliers. I'm confident that we have a robust credible strategy that will successfully see Britvic beyond the short-term challenges we currently face.

Thank you. I'll hand it back to Paul.

Paul Moody: Thank you, Martin. Good. And thank you, John. The agenda, as I identified at the outset, gave some space now for questions that you may have either for John or for Martin. So just to remind you, if you want to put your hand up, we'll grab a mike for you, your name and your company. And what I'll try and do is direct the questions in the most appropriate place. I can imagine (inaudible) the questions that you have, but if you can restrict yourself at the moment to the material that you've seen from John and from Martin, that will helpful. And then as we go through the rest of the afternoon, there'll be opportunity for other questions. So in the spirit of who would like to go first?

Yeah, we're going to give you a mike, Jason. Thank you.

Jason DeRise: It's Jason DeRise at UBS. **On the procurement side, do you think that maybe you have too few suppliers relative to your competitors, particularly on sugar? Just talking to with some of the other companies, it seems like they're not seeing the same type of issue you are; maybe it's a geographic thing in Europe. But that's the main question.**

Paul Moody: Fine. So the question is, which I'll ask Martin to answer is: Do we have too few suppliers in strategic commodities? And the answer, Martin, is...

Martin Rose: I think we're looking to explore other opportunities outside of existing suppliers, not only for sugar but also for all commodities, but in particular working now in France to see if that provides us any other opportunities.

Paul Moody: Thanks, Martin. Yeah, go on here, Jason.

Jason DeRise: **Yeah just… I mean then is the trade-off though then your less of a scale buyer and you have to trade off that you won't be able to be as important to that supplier and maybe the price point you get won't be as good, but you'll be more secure.**

Martin Rose: Exactly, the trade-offs that you play against as you spread your demand across a number of suppliers, so that's why we currently review that as well if that's appropriate.

Paul Moody: Okay, thanks, Jason. Next. Steve, up to the front, if you would. Steve, you have to move a bit faster.

Matthew Webb: It's Matthew Webb from JP Morgan. **I just wondered what pricing assumptions you have for 2012 behind the guidance of a return to 50 basis points of margin expansion. Obviously you've very helpfully given us the assumption on the raw material input cost, but I just wondered what your assuming on pricing.**

Paul Moody: Okay, John, would you take that one?

John Gibney: Yeah, hi, Matthew. The assumption you should think about I guess is consistent with what we said in the past, that our ambition is always to try and recover the cash impact margin of raw material. So as we talked about previously when the guidance was at 5-to-6%, which it was when we negotiated with the GB customers, then we needed something like a 2.5/3% price increase to actually cover off that margin impact, so it'll be a similar one for next period again.

Matthew Webb: Thanks very much.

Paul Moody: Thank you. Ian.

Ian Shackleton: Yes, hi. Ian Shackleton from Nomura. **When we look at 2012, the guidance of mid-single digit increase in raw materials, is that at gross level? Is that before taking count of any PVO savings?**

Paul Moody: Yeah, John, please take that.

John Gibney: Hi, Ian. Yeah, absolutely right, the PVO should be considered separately. So what we're talking about in mid-single digit is the actual raw material inflation itself and then obviously what we're seeking to do is mitigate that with the delivery of the PVO savings.

Ian Shackleton: **And just be clear, when we talk about raw materials there, that is all the booked costs. It's not just the - - what goes in the bottle; it includes the packaging as well.**

John Gibney: No, that's predominately what we're talking about is the raw material, so everything which makes up the bottle if you like. So if you like, for example, distribution costs and wage inflation, we would guide to separately. On wage inflation, we'd be pretty low-single digit.

Ian Shackleton: Thank you.

Paul Moody: Thanks, Ian. Another question. Okay, Nico*, right in the very back please.

Nico: **Could you maybe talk about your pricing each year? You clearly said that you do not have ability to increase the price in - - with the major retailers. Is that the same similar case for the pubs, et cetera? We see in the rest of the consumer goods (inaudible) that some suppliers do go back in the middle of (inaudible) the costs (inaudible) shift up significantly.**

Paul Moody: Yep. Okay, so the question is around the process by which we move our pricing with each of our trade channels. Certainly in the case of pubs and clubs, we define them as you'll be aware that many of those relationships are bound by contract and the price mechanism is reflected within the contract, so it's broadly RPI reflective. So clearly that runs through on an annual cycle and therefore clicks through. Not all of our contracts are in that way. So some of them are, if you will, free negotiation, and we've driven that harder this year as we've tried to reflect the increased costs. From a grocery retailer, but also a convenience and impulse, the cycle around pricing increasing is an annual cycle. I think we talked about this before that we begin broadly around the middle of December with an ambition to finish broadly certainly the negotiation around the negotiation around the end of January into February. Certainly that was a cycle that we went around this year and I think we've been very clear that the guidance that we gave initially around 5-to-6 was the basis upon which we then did the negotiation. I don't think that we definitively said that there would not be an opportunity - but in the context of suffering, there are number of factors which come into play, not least of which is the retailers' appetite to see what they would regard as a destination category continually see its retail price move forward. So in the normal cycle, we would expect to begin to see recovery of the - - as it were the current year raw material inflation as we start the negotiation in December then through to January and February. I think it's also important to recognise that as you look at our guidance on average realised price, what we talk about as it were based line costs. We also talk about promotional efficiency and the ability that we have to delever some of the promotional debt. Now clearly the impact that that has to a degree is kind of constrained by the competitive set that we work within. But then the third element we talk about is the impact of innovation where we consistently describe the accretive value at margin level of the innovation we put into market. And as you see later on from Jonathan, the innovation that we put into the market or will be putting into the market in the current year certainly fulfils that criterion of driving the margin simply on the basis of premiumisation. So while headline price will always be a significant driver of that cost recovery, our average realise price is influenced by both promotion and innovation impact as well as cost (inaudible).

Nico: **You talk about your pricing across the whole portfolio as if you negotiate the whole portfolio in one discussion.**

Paul Moody: Yeah.

Nico: **Do you actually have different pricing power for your colas where you are number two and much more pricing power for Robinsons and J2O where you possibly could move prices up?**

Paul Moody: Well I think if I stand back from the specific of our brands, yes of course. Depending on your position within the market and the strength of the brand, then your ability to both lever price but also the extent of the price is about market leadership that we've always described ourselves in the world of cola to (inaudible) that specific as an aggressive challenger brand and it wouldn't be difficult to conclude that it's unlikely that a challenger brand will lead the market on price.

Nico: Thanks.

Paul Moody: I think Andrew was next.

Andrew Holland: Yeah, Andrew Holland at Evolution. **Just looking at your PVO, can you talk a bit about how you go about reformulating the actual liquid? I would've thought there's a limit to what you can do other than just, for example, less fruit juice in a J2O. Is that what we should be expecting?**

Paul Moody: I'll give a crack at that; and then if I start struggling, I'll get Martin to answer the question. I think the start point around the PVO programme around liquid, and if I distinguish between liquid and packaging, (inaudible), what we said and consistently deliver is a focus on maintaining brand equity in consumer spirit. So as an illustration of that, if you look at the juice content of J2O, it is quite possible to reduce the juice content by an element without impairing the consumer experience, so the taste, the feel, the mouth feels, and so on, so that is possible. It clearly is impossible to maintain the integrity of the product if you half reduce content. That would be pretty self-evident. The other area that we're very focused on is sugar, and we've talked about this on numerous occasions. Clearly it's the consumer kind of pursuit for no added sugar or better for you that develops, then the consumer's expectations of low or no sugar is growing and certainly in the last couple of years we've materially reduced the sugar content on Pepsi Regular, which we've talked about, and indeed that's a programme, a long-term programme of reducing sugar. So I think the simple answer, Andrew, is to the degree to which you make a change, if you substantially change the formulation, half the juice, remove the sugar, and so on, that materially impacts on the product and consumers will recognise that. But it's not uncommon for consumer brands over a period of time, and that's probably another important aspect, this is not about step changes, this is about a gradual reformulation of the product because part of it is about educating the consumer. So if you take cola as an example, consumers are increasing the (inaudible) to take no added sugar cola. So figuratively our children are drinking way more no added sugar than we did at their same age, so it's about a transition rather than a big step change. But the absolute priority is that we don't impair the consumer experience of the brand.

All right, there's a question.

Andrea Pistacchi: Andrea Pistacchi from Citigroup. **Could you talk a bit on whether your exploring opportunities to procure more within the Pepsi system; and if**

this is a medium-term opportunity, what input cost would it be mainly about?

Paul Moody: I think as Martin's chart suggested, consortium buying is an area that we're focusing on. We already have experience of working with Pepsi on indirect materials. So as an example, better purchasing of pallets. The obvious potential wrinkle is that from an antitrust perspective, we would be regarded as competitors and therefore sharing that level of sense of information sometimes become quite challenging. But as a general direction, is there more opportunity for us to work closely with Pepsi? Almost certainly.

To go the second part of your question, certainly we're not in a place now where we've got the scope of what the value of that would be. But consortium buying and certainly doing more with Pepsi is part of the programme that Martin and his team are focused on.

Backwards and to your left.

Alan Beanie*: Alan Beanie, RC Brown. **Why is your retail pricing out of synch with your raw material pricing?**

Paul Moody: To the extent that it is, that's the question that you could ask better of the retailers because they determine the retail price not us.

Alan Beanie: **Can you bring forward your raw material price in negotiations?**

Paul Moody: Say again.

Alan Beanie: **Can you bring forward your raw material price in negotiations so they become in sync?**

Paul Moody: Well to the extent that the retailer determines his own retail price, but we have no control over that. What we have control over, at least influence over, is the promotional programme that he will run. But whether it's (inaudible) or Mitchells & Butler or KFC, they determine the price at which they retail our goods.

Jonathan Cook: Thank you. Jonathan Cook from RBS. **Just on the debt refinancing, was there any material change to the covenants of the terms, and if you could just remind us what those are?**

Paul Moody: Okay, the question, John, is any material change to the covenants?

John Gibney: Hi, Jonathan. No, no material changes. The debt covenant is 3.5 times debt to EBITDA and interest (inaudible) is six - - seven times.

Paul Moody: Okay. I think we've probably got time for one more question before we take a couple minute break, which I'd encouraged not to be out of the room because (inaudible) come back in. Jason's going to have another go.

Jason DeRise: **Just to clarify the mid-single digit guidance, that was based on spot prices. Is that for the entire business now? And then just following up on the first question that I asked, if you do spread out your suppliers, would that be**

factored into that that you're not going to be able to have as much weight and not get as good a price?

Paul Moody: John. Thanks.

John Gibney: The guidance that Martin talked about, mid-single digit, is really referencing where we believe the market is at the moment, so on a PT basis, and clearly that would be around spot prices. I think the evaluation of whether or not we would take a higher price and secure more on the spread of our risk, I think really comes down to commercial judgment, and that's something that would be quite difficult I think for us to give you a definitive answer on that one until we've actually gone through that process.

Jason DeRise: **And that's the entire - - it includes France, though, this guidance?**

John Gibney: Yeah, the guidance on France would be included in that mid-single digit range at the moment.

Paul Moody: Okay, there's going to be opportunity for more questions as we go through the afternoon. I think, Craig, the plan is that we take a five minute break, which feels like a bit of a leg stretch. I should've said at the outset, if anyone needs the restroom, you go through those double doors on the left there. And if you're not experienced (inaudible), you'll find a series of what appears to be huge (inaudible). Don't be daunted, open the door, go in, and you'll be fine. So can we be back set and ready to go if possible at five past 2:00? Thanks.

Ladies and gentlemen, hi. Could we gather so we can crack on? Kind of give it 30 seconds to get people settled.

So what we'd like to do now in the second part of this afternoon's programme is to bring some focus to Ireland where Andrew will give you more perspective and more detail on the programme that John talked about, but much, much more importantly give you some insight to our view on the Irish market, the economy, but more crucially what we believe still remains a big opportunity for us to leverage our scale and capability.

But before Andrew, what I'd like to do is introduce to you Jean-Luc Tivolle, who's the Managing Director of Britvic France. I'll allow Jean-Luc to introduce himself, and I hope that you find that presentation interesting and fascinating. I'm sure you'll find it insightful because the business is being fairly above the radar, certainly for the many, many years before we acquired it last year, so I hope that you get some real value.

So with that note, let me introduce Jean-Luc Tivolle.

Jean-Luc Tivolle: Good afternoon, ladies and gentlemen. My name is Jean-Luc Tivolle. I am the Managing Director for Britvic France. I am in the business for 14 years.

(Inaudible) speak in terms about the future of whole company, I would like to show you a video on the French company. So - - and I would like to speak about how vision of the growth, to clarify the drivers, and to speak about the synergy.

But before that, I would like to come back to the French presentation. Today in France, we have four factories, three in juice, one in Annecy in the east, another one in the west Nantes. It's the factories who are producing (inaudible), and one in the south. And in the south we produce bottles, glass bottles and since two months we are producing PET bottle. And the fourth factory is for dilutable market, Teisseire brand, near Grenoble in the southeast. If you look at our revenue, approximately we make 50% in juice and 50 for dilutable market. But the position of the brands are totally different. If you look at the dilutable market, we are the leader. We represent approximately 42% in the grocery channels with two brands: Teisseire and Moulin de Valdonne. If you look at the juice, it's a challenging market. We are challenging brands. We present only 5% in value and the brands are Pressade and Fruité.

Considering intuition, I know that you know that we work a lot on intuition and can tell you it's the real success. Now we are part of a group and the English people and the French people work together. It's really a team, and you know there is a big difference with the French (inaudible) and the English and I think it's a real success. We're beginning to work on the (inaudible) the next three years. We're going to prepare now the business transformations for the next years, and we're going to share some new ideas for the supply chain and for the commercial people. One thing which is very different, we've (inaudible) within (inaudible) is a channel.

If you look at this slide, you will understand easily that we are the specialist for hyper- and super-market. It calls for dilutable of more than 85% of the volume backed by hyper-end super-market and 70 for the juice. So you understand easily the opportunity that we have, thanks to the Group. To go into the impulse market, to go in person bar/restaurant, and to take the experience of the Group.

Now let's speak to the portfolio of our brand. We have two big brands in the dilutable markets. The biggest one is Teisseire. Teisseire represents approximately 36% in value in the grocery channels. Five years ago, there were only one category. If you look at this here, you see a lot of subcategories, and one of the biggest categories is the non-sugar. The non-sugar for us is very, very important because it perhaps the future of the brands in France. It's totally different, another time with Grand Britain*. We launched new drinks. We launched six - - we launched Fraicheur de Fruits, sports drinks, etcetera, etcetera. The other one is totally different. It's Moulin de Valdonne. As you see in the video, we are the leader in the south; and each time we win a new supermarket with this brand, it's a success. So the strategy is very simple. We have to push the brands up to the north. It's a traditional brand, but now it's more than that. It's the second brand on the market in France.

If you look at the juice, we have four subcategories and the biggest one is the breakfast because perhaps you know that 75% of orange juice are drank as breakfast for vitamins, for (inaudible). So for us, it's a very, very big segment. Another big segment for us is organic. We launched a new product two years ago, which Pressade, and now we are the leader on organic and we believe for the future for the organic. We have fashionable flavours, and we have small packs in drinks in juice in organic drink for the children.

Another difference with (inaudible) and (inaudible) is that the French we produce private label, so perhaps its new for you. There is one reason which is very easy to understand that more the private label in France represent more than 65% in juice and 50 in the dilutable market. We are a full factory, so it's a real opportunity to have the private label. And today for the juice, for example, we deliver all the customers (inaudible)... Every customers are delivered. So the private label are very interesting for the production because thanks to the private label, we optimise the production utilisation.

After that, I'm starting to speak about the Company, where we play the market. The shot is very, very interesting. You see that there are three big markets in France - cola, the juice, and the water. So you understand that today we are only on the juice market with (inaudible) challenging brands and with a private label. And you have other markets and you (inaudible) that dilutable market I would say it's a medium sized market. The other big information that there is on this chart is if you look at the (inaudible) of our brand - plus 7.5 Fruité, 50 for Pressade, thanks to the organic French. Teisseire approximately be four and eight for Moulin de Valdonne.

How do we do that? By innovation. Here you have the figures of the values - - the market share value of (inaudible) since the last three years, and you see that innovation for Teisseire and Moulin de Valdonne represents 5% in value of the market.

It's exactly the same with BRIC Fruité and Pressade. When you are challenger, when you are small brands on the market, you have to innovate each year.

So what we are today. We're very dynamic. I speak a lot of innovations. We are the (inaudible) brand. We understand that Teisseire is a fantastic brand in France, very well known by everybody, and we are very near our customer, near your consumer. But if you remember the market, I can say one thing: We are very small in a big market with the juice. We present only 5% of the value, and we're very big in a small one - Teisseire 42%.

Tomorrow we want to be big in a big market. What does it mean? We want to continue to be a disruptor in this market. What does it mean? We're going to continue to innovate in this market, but we are going to have more brand. We are going to have more (inaudible) and I think for example for the small PET bottle 32 centilitres or 25 centilitres that we don't have (inaudible) market. We want to be a major player thanks to the local brands and thanks to the international brands and we want always to bring fresh ideas and excitement to customers and to the shoppers.

So the brand strategy are simple. For the dilutable market, we want to drive and to continue to (inaudible) a growth value for Teisseire brand and for Moulin de Valdonne brand. For the juice, we have to build a diverse and profitable portfolio for the future and especially for the Fruité brand. And you understand easily that if you want to be big (inaudible), we have to continue to innovate into a new category, and I will come back to explain what the new category is, and we have to go into new channels (inaudible) market, which is totally new for us, for example, for Teisseire brand.

Where are the drivers? The drivers are very simple. We are to build for the dilutable a connectivity consumer. What does it mean? If you look at all brands (inaudible) market, we deliver lots between apple in September, and I would say consumer forget the syrup in winter. So we have to build a new connectivity. We have to organise new promotions. We are perhaps to find another big events. We are the Tour de France you know, which is very, very famous in France and is fantastic for us. For us, we're going to have another one in winter and my dream and I won't let the consumer drink Teisseire in the first of January to the 31 of December for the next year. Another issue is the sugar. The sugar is an issue for the syrup. Why? Because consumer, they drink syrup, but they know there sugar is in it, so we have to explain that there is a big opportunity. And the non-sugar, the non consumers, they don't drink syrup, they don't drink dilutable product, they don't drink Teisseire because of the sugar. So we have to build a new strategy concerning the sugar. Concerning the juice, as I told you, we have to create for Fruité a new subcategory, and we have some ideas for the future. And when I say the future, it's not in five years but for the next year. For Pressade, I think we have a very, very big opportunity. We have to unleash this brand because it works on the juice and we have to push this brand which is fantastic for the consumer. You understand easily that for diversification we have to open new category, a new door, a new market, and we have to go in bars first and in (inaudible) market. And the (inaudible) that, and perhaps it's new for the French, we have to make the category easy to shop. And I can tell you it's a new thing for the French team. And we have to continue to bring the consumer new occasions to drink our brand and the basic of the basic, and you understand that this word is very important for us, it's to continue to innovate and to bring new products, new occasions, new brand for our consumer and for our customer.

Now I would like to explain you our innovation for this year, for 2011. I think everybody in the room know Fruit Shoot. We are going to launch Fruit Shoot in France. I know you question what you introduce in the first of June then? Okay, I'm going to explain to you that we work up. There is a big difference between a Frenchman and an Englishman. So during the last three - - the next - - the first three months, sorry, we make very, very big survey. The target is worst to understand, and the results were very clear. They want new recipe. They want new packaging. They want a brand. It's why. And we ask: What brand you want? And they say, "Teisseire." And after October, we have visited all customers, all big customers and they understand easily the concept of Fruit Shoot in France. And if you go to France perhaps in one month, you will see in all hyper- and super-market some Fruit Shoot. But what we doing to be satisfy of that, well we're going to push and the strategy for Fruit Shoot in France is very clear. We have to (inaudible), so it's why we're going to develop a lot of sampling in big hyper markets while very low key because in France, they are big (inaudible) markets, more than 15,000 square meters, so a lot of people on Sunday and - - on Saturday, sorry, so we're going to sample and to make a lot of promotion to explain exactly (inaudible) the concept. In June, we're going to have a TV (Inaudible) and another thing which is very important because I think that when we want to (inaudible) on the new segment, we have to be in impulse market, so we're going to be in impulse market thanks to an agreement that we have taken with a French company, because I think that the (inaudible) Fruit Shoot in hyper-market when they go to hyper- and super-market, but they have to see every day everywhere.

Concerning our brand, we are going to launch two new flavours for the core business because the core business is so important for us. We have a new recipe for the no sugar. I think everybody knows the (inaudible), so we're going to launch for this year a new recipe, which is very important because we make the difference with the private label. Concerning Moulin de Valdonne, we're going to add a new recipe for the core business and for the organic range because we have organic Moulin de Valdonne, we're going to push from 50 centilitres to 70 centilitres.

A new brand, perhaps you didn't know this brand. We take an agreement with (inaudible) company, so it's a licensed brand, but it's a very, very interesting target. Why? Because in France, you buy the syrup, you buy Teisseire, when the kids are below 10 and after you forget and you go back when you - - like me when you are 45, but I don't want to drink sugar. I don't want to drink sweets. I want to drink lemon acidity natural product. So I want to launch Sicilia brand in France, and its' very interesting because I want to go back to this customer.

Innovation for juice, so it's pretty good to translate "Mon jus d'Ici." It's a French expression. It's a local juice. We think that after (inaudible), we're going to have a new concept, local, because a lot of consumer when they - - you ask them they want to save energy. They want to save transport and in France, we all okay because we produce fruit. You know French, we have apple. We have peas. We have grapefruit, et cetera, et cetera. So it's why we launch this new concept in (inaudible) packages of 1-point - - 1 litre 0.5, and I can tell you that all the distributors understands this concept, and I think in two or three months we're going to have more than 75% of the distribution. So I think it's a real success.

We have another big innovation. We're going to (inaudible) Pressade to a new shelf because in France you have the juice shelf and you have the drink shelf. It's totally separate. So we are going to launch and relaunching now a new juice drink, a new organic juice drink with Pressade. So we begin to push our brand out of our shelves, and it's the first year that we do that.

If you look the programme for this year, it's a big programme. We are going to have new - - two new brands, fruit juice Pressade. We're going to have brand extension, I would say market extension for Pressade, and we're going to change the back from 50 centilitres to 70 centilitres. So when I explain you that we are very innovative and we launch a lot of - - a new concept in France, you can see that we don't stop to innovate on the French market and we continue for this year.

Concerning the synergy, this is the original phasing for the (inaudible). I can tell you that the French theme is very (inaudible). There are four ways to go through this synergy. The first is the CI and the PU* and we have engaged three new people in France to work on the continuous improvement. It's a new concept for us and I think we're going to save a lot of money with the CI. It's just the beginning. The second thing is the export. Last year the export (inaudible) in France was only three people. Now there is a big thing in Britvic and I think they are going to open new market, new challenge for Teisseire and for Pressade, for example. The third is EBITA and we are today (inaudible) the business transformations for the next year, and the fourth one is the (inaudible). I can tell you I was missing on Monday. I see the (inaudible) for - - from the team and I'm totally confident for the future to deliver this figure.

In conclusion, the French BU* has a big opportunity to be big in a big market. How? Thanks to the Group, thanks to the brand, thanks to the experience of the

Group, and thanks to innovations, we're going to succeed and to be at the top. And of course, with the figures, we're going to deliver our synergy.

Thank you very much.

Paul Moody: Andrew.

Andrew Richards: Good afternoon, ladies and gentlemen. My name is Andrew Richards. I'm the Managing Director of Britvic Ireland. I've been with the Britvic business for over 12 years now. I joined the Irish team two years ago and before that I was the GB Customer Management Director for over five years. In previous presentations on Britvic Ireland, I focused on our internal change journey, including a focus on the significant cost savings and synergies case we've generated since acquisition. Today, however, I'm pleased to say I'll be focusing on our revenue generating agenda. But before I begin my presentation, I thought it would be useful to bring the Irish business to life for you by way of a brief video.

We have a great business in the making in Brivic Ireland. In this presentation, I will look beyond the short-term challenges in Ireland to the much more positive medium-term outlook where we will fully leverage our capability to deliver growth (inaudible) of strong competitive advantage, in particular I'll cover the four key revenue drivers that will deliver our growth ambition, as mentioned in the video. But just to reprieve them, they are: A new customer engagement model, our innovation programme, the importance of our on-the-go distribution, and finally revenue management. Strong delivery in these four key areas will ensure sustained profitable growth for Britvic Ireland going forward.

We've been transforming our Ireland business against a backdrop of what is recognised the world over as one of most challenged Western economies, and I'm not going to pretend that it doesn't make it challenging to be operating a consumer goods business as we continue to face this macroeconomic environment. The unprecedented combination of the recession, banking crisis, property collapse, which resulted in the IMF bailouts last November, and the resulting austere fiscal measures in the December budget has meant that the result - - the resulting impact on consumer confidence and through to consumer spending has been quite dramatic.

We recognise that the Irish economy will continue to be sluggish in 2011, and the soft drinks market will be no different. As you can see from this chart, the total soft drinks market is down both in volume and value since the start of our fiscal year in October. We have seen value growth, but volume decline in take-home grocery, or the large stores. We've seen value decline, but volume growth in the impulse stores. Both licensed and foodservice and leisure are struggling as consumers rein in their free spending and are going out less often.

As you know, against this challenging background, we have been restructuring and transforming Britvic Ireland. When I joined the Irish team two years ago, it was clear that we needed to harness two of our biggest competitive advantages into a simple vision. Simply put, these two advantages in my view are our brands and our people. Over the past two years, we've been right sizing the organisation, creating a significantly more efficient and effective and well invested business unit as part of Britvic Group.

There is a long list of transformational changes, but to name a few: We've moved to a group model for shared services. We've implemented SAP and Siebel as our core operating system. We've closed a factory. We streamlined the organisation. We reduced headcount by one-third. We recruited new talent and developed existing management capability. We've invested right across the business to drive efficiencies and deliver significant cost savings. The implementation of our business transformation programme has touched every part of our business. We've changed and upgraded the core operating systems that support how we mark - - make, market, sell, and distribute our Irish brands. All of our key business processes have been reengineered and embedded across the business.

Business transformation has delivered financially too. Through significant reduced costs and improved working capital, we've seen improved supply chain efficiencies, sales forecasting accuracy improving, and increased effectiveness in commercial planning. In procurement, we have more accurate and timely management information and visibility of cost recovery opportunities. Above all, business transformation has fostered greater cross-functional team working through more open, integrated ways of working right across the business.

This means we're in great shape to drive the top line in the medium-term. The key advantage is our outstanding and growing brand portfolio, which is the broadest and most appealing in the Irish soft drinks market. I'll talk more about this later, but we see clear benefits in our strong local Irish portfolios supported by Britvic Group and PepsiCo brands already in the market, fuelled incrementally of course by access to a strong pipeline of new Britvic Group brands such as Juicy Drench and also access to PepsiCo's global pipeline of brands and innovation such as Mountain Dew Energy, which as you saw from the video we just launched in Ireland three weeks ago. From a marketing investment point of view, we segment the portfolio into core, seed, and value brands. Our seven core brands enjoy a full 360 degree brand investment as they're clearly central to driving Britvic Ireland to profitability. The three seed brands also receive full brand investment as we look to build scale quickly with these to ensure that they have the potential to grow fast and become core brands over time. We also have three value brands that fulfil an obvious role for our consumers and our customers, but they only receive light touch marketing investment.

We are the only player in the Irish soft drinks market who competes in all 11 sectors of the soft drink category. The strength and depth in our brand portfolio is evident by the fact that our brand occupy five number one positions within these subcategories. Ballygowan is the number one brand in water. 7UP is the number one lemon and lime carbonate. Club Orange the number one citrus carbonate brand, Mi Wadi the number one in the squash category, and Cidona the leading apple brand. In addition to these five, we also have four number two positions with Robinsons, Fruit Shoot, Club mixes, and TK. Our two weakest subcategory positions are in energy and adult ready-to-drink, which of course we're now addressing with the Mountain Dew Energy brand and the juicy brand - - Juicy Drench brand launch.

It's fair to say that the customer landscape has changed significantly over the last two years and in response, we have created a new customer engagement model. This will deliver a new approach to our customers that drive soft drinks growth. There are three principal components to this model. Firstly, more effective engagement with customers at the head office level, delivered through stronger capability of clear count inside and category teams. Secondly, a more effective focused and streamlined outlook-based sales force. Thirdly, a more efficient distribution model with smaller customers being serviced through our up weighted and up scaled Telesales Centre, as well as partnering with third party wholesalers. We've implemented this new approach across both license and grocery, with a net effect for Britvic Ireland of being smaller but better focused sales force resource focused on maximising our revenue growth drivers and building the presence of our brand. As John mentioned earlier, this is resulted in a net headcount reduction across the commercial structure of 110 heads generating nearly 5 million savings this year, which will go to underpin the full year '11 profit number. These savings translate to nearly €7 million on an annualised basis.

Let's take a closer look at those four revenue growth drivers that I mentioned, driving availability through on-the-go distribution, the innovation pipeline, and ARP growth through revenue management.

Our customer vision is to become the go-to partner for our most important customers. We want to be famous for our fresh thinking, for creating new solutions, and of course superb in market execution. Our up weighted insight and category teams are focused on brand and category growth solutions, designed to make plan purchases easier for shoppers and prompting those unplanned ones along the way as well. In take-home and on-the-go, we are looking to continually bring fresh thinking to the key drivers of category growth, including ranging, layout, equipment innovation, promotions, and occasion-based marketing. In licensed, our insights are focused on pricing, value for money, occasion-based food opportunities, and mixability. Transitioning the sales organisation to an insight-led, solutions-focused, execution-driven model has been welcomed our key customers.

We are making good progress. We have doubled our category influence with key customers over the past year, moving from the category partnership position of four categories to nine currently and building. This helps us work better with retailers across all the key growth drivers to help shape listings, distribution, shelf space, promotions, and displays. The net effect will be faster category growth, with Britvic Ireland gaining an accelerated share of that customer growth.

Going forward, we intend to deliver a minimum of 1-to-2% of net sales revenue every year - - growth every year from innovation. We will innovate around these key six key consumer trends that shape the Irish shopper and consumer behaviour. As a business, we're well positioned to take advantage of these megatrends, especially health and wellness where we have a better no sugar, low sugar mix of sales than our major competitors, and also the consumer trend of keeping it real where our local Irish brands in particular are seen by Irish consumers as long established and deeply rooted in Irish life.

Our innovation funnel is progressing well. We have a pipeline of exciting launches and new pack solutions planned for the next three years, and we have a particularly strong launch programme in 2011. (Excuse me.) As you saw in the video, we have just launched both Mountain Dew Energy and Juicy Drench with a strong convenience foodservice and leisure focus. Trade reaction has been universally positive and we are currently building both distribution and rates of sale fast. We're about to launch Mi Wadi and Robinsons Double Concentrated Squash into the Irish squash category where clearly as we have the number one and number two squash brand and a category share in excess of 65%, we expect these launches will have a major impact on sales. Later on, Jonathan will give you much more details of the massive step change in our squash proposition. We're also launching going forward two new packs of cola, both focused at the exciting area of on-the-go where we know we want to drive our sales, 500 ml Pepsi Max in the (inaudible) beer bottle design and a full 40 mil €1 priced mark can and cans in particular is an area where we are undeveloped. We are also relaunching the entire 7UP brand with a new distinctive bold and confident retro look. Ireland is one of the highest per capita markets globally for the 7UP brand, and this relaunch will take the brand to another level in market presence where we are literally changing the face of refreshment in the Irish market.

There is a misconception in some quarters that the Irish market holds little or no growth potential for Britvic Ireland. Let me be absolutely clear on this point: We have a strong starting point, a 25% of the total soft drinks market. We have the highest market share of any BU within the Britvic Group. While significant, this still gives us plenty of headroom for growth; and by increasing share by 100 basis points per year, we can drive around €8 million of additional revenue, and that's despite the depressed macroeconomic environment. Once the market starts growing again and the size of the prize will be even greater than this going forward.

You may recognise this chart as one that GB uses to demonstrate its significant distribution opportunities. In Ireland, we have a strong market share in grocery and licensed and a stronger share in C&I than GB; however, there is considerable growth potential for us in foodservice and in leisure.

Whilst on-the-go packs account for just under a quarter of our sales revenue, our market share in the on-the-go packs in convenience, for example, is only 16%. This is below our two key competitors and this is despite our stronger brand portfolio. The main reason for this underperformance has been our lack of focus over the years on our single-serve portfolio proposition and the on-the-go purchase opportunity that this presents. We are currently addressing this through the establishment of a dedicated on-the-go team and through specific innovation and activity. If we look more closely at how we'll close out this opportunity in convenience and impulse, we have a three-pronged attack going forward. The right range and layout in coolers, placing hotspot cabinets in the highest (inaudible) locations in outlets because not all shoppers visit the main soft drinks cooler on every trip, and step changing our presence in key front of store chillers in the large super markets, which is an area that up to now we see as significantly underdeveloped.

Winning in on-the-go is not just attractive financially, but also from a brand equity point of view, it's a critical way of engaging with the youth market. Similar to GB, there is considerable opportunity for growth in foodservice and leisure. We start from a relatively low share here of 13%. However, with the strength of our brand portfolio, which covers all key consumer needs states in this channel, and without PepsiCo partner relationships where we will be looking to jointly pitch for any new business, we are beginning to make progress. Recent notable strategic wins would include the Oxygen Music Festival, which is Ireland's equivalent to the

Glastonbury Festival; UCD, which is the largely university campus in Ireland, and Aramark, the leading at-work caterer.

Turning to our last revenue driver, one of the most important areas we need to step change is the ability to grow value sales ahead of volume. To this end, we brought in new talent into the organisation, new capability into the business ,and have set up a revenue management team. This new team will look closely to be working closely with the commercial, finance, and marketing functions and will focus on all aspects of customer and brand investment, pricing, promotions, pack and price architecture.

We will apply learnings of course from the group and tailor them to the local market. An early win on the revenue management journey has been the successful implementation as planned of a price increase in January across all retail and licensed challenges. We have achieved a level of percentage increase in January that has not been seen for at least five years.

So in summary, ladies and gentlemen, the final key messages I'd like for you to take away today are: That Britvic Ireland is cognisant of the challenges that the economy and the consumers continue to face in the short-term. We are realistic about our short-term growth prospects. However, I and the rest of my team are equally clear that is considerable headroom for Britvic Ireland to grow profitability in the medium-term and to become a strong contributor to group performance. We have great strength to leverage, a transformed business, a well invested and right-sized organisation that is poised to drive future growth, our market winning portfolio of powerful brands and a strong and developing PepsiCo relationship. And finally, a way of delivering customer engagement which will position Britvic Ireland as the key soft drink supplier to work with, with the best ideas, the best solutions, and the best capability in the Irish soft drinks market. I'm confident that driven by the internal changes that we've made over the past two years and the ruthless focus going forward on the four key revenue drivers, we will deliver top line growth. We will then leverage that top line growth positively down the P&L to make sure we grow our margin in a sustained way.

Thank you for your time. I'll now hand back to Paul who'll wrap up the first part of this session.

Paul Moody: Thank you; and thank you, Jean-Luc. We're going to take a couple minutes for some questions again based on simply what you heard from Jean-Luc and from Andrew. So actually, if I can ask Jean-Luc and Andrew to come back to the stage so that you're not hidden and it's easier to answer questions. Can we just ask if there are any specific question that you have for either Jean-Luc or Andrew?

Jason. Well you got your hand up first. Can you put the mike up? (Inaudible), Jason. We don't want to answer the question, that's why we're not getting it. Okay, we're going to give you a different mike. I suspect the answer is going to be no if you're asking about price increase, but give it your best shot anyway. Go on.

Jason DeRise: **Can you share the price increases that you've taken so far in France and Ireland this year?**

Paul Moody: We won't share in terms of the content if that's your question, but the principle, if I can speak on behalf of the two guys. It's very much as John outlined for GB. It's about recovery of the cash impact of raw materials. What you will have seen in France is the raw material price impact we saw earlier, therefore, the first half was dragged because of the lack of recovery on price. But we have said both in GB and Ireland and indeed in France a second half, you'll begin to see the impact of the price negotiation that the guys have gone through.

Who's next? You can go second, Wayne.

Steven Wilson Smith: Hi, there, Steven Wilson Smith from M&G. **Just a question on France, given the ambition to be big in a big market, I'm wondering to what extent do you think that can be achieved organically or do you think there's sort of scoped for acquisition than what those might be?**

Paul Moody: Okay, so the question for the Webcast benefit is: In France, we want to be big in a big market, can that be achieved organically or I guess by implication, do we have to buy things? Jean-Luc.

Jean-Luc Tivolle: Remember the piece where we play. We play on the juice and on the dilutable market. If you want to be big in a new market, it means that we have to go in new category. And when I say thanks to the group that we can (inaudible) that we're going to launch new brands in France, for example, (inaudible) and Fruit Shoot is a first step, but we're going (inaudible) in the next two years (inaudible) brands in France. We have to (inaudible) if you want to be big in big.

Paul Moody: So I think from a group perspective, we're very clear that the opportunity to grow organically is there with Fruit Shoot and other brands that we've touched on, but also by channel and category expansion. But we have said and when, if you remember when we acquired the business in France, we saw that that potentially gave us a platform for further acquisition both within France and beyond, and our position there isn't any difference. But I think critically, the play, the synergy play that we've talked about and the organic growth that we've described will, we believe, be funnelled- - fuelled both by group-based France but also, as you've seen, the very strong innovation programme that the French business has anyway. So it's not an absolute prerequisite to get to the big and big to buy something we can get thereby growing organically. Wayne, thank you.

Wayne: **Yeah, just looking at France and pricing pressure there, if you can just give a little bit more colour on the competitive environment, what you've seen recently from particularly in the private label category, what other competitors have been doing with pricing and set that against what you (inaudible).**

Paul Moody: Okay, so for the benefit again of the Webcast, it's about understanding the competitive pressure on pricing, what we've done by comparison to maybe the rest of the market.

Jean-Luc Tivolle: I would say we did exactly the same as competition because if you take the juice, the increase of raw material in juice, (inaudible)… I take an example, the apple concentrate as multiplied by 2.4, a very, very profit for us and (inaudible) with my competitors, we do exactly the same, exact.

Paul Moody: Okay, thanks, Jean-Luc. We have just one - - one final question, I think Jonathan there.

Jonathan Fell: Thank you. Hi. It's Jon Fell from Deutsche Bank. **I was wondering if you could expand a bit more about how you're going about getting Fruit Shoot into the impulse channel in France? How many outlets that will (inaudible) mean and how much importance do you ascribe to growing an impulse in France in the future? Do you need to add more brands to do that, and did they come from the Britvic or the existing (inaudible) business?**

Jean-Luc Tivolle: Okay. It's difficult to answer precisely because the (inaudible) through the figures in France for the impulse market (inaudible) if you compare with branded, and we are not in this channel. It's why under stress value a way to dedicate the special team to study exactly this channel and to launch new, I would say new products because it's exactly what I explained in my presentation today or one year ago. If I wanted to go in this - - in the CI - - in the impulse market, I couldn't because I didn't have the right (inaudible). So it's why - - now we're going to build a real portfolio and a real portfolio for product, for packages and for brands to go.

Paul Moody: Okay. If you tried to contrast with GB and I'm anxious that you don't extrapolate Fruit Shoot, GB into France because you'll have a huge number, which I'm sure we'll get to at some point but not in the 12 next months, the role of impulse is clearly a shut window for the brand. And so in GB, we developed Fruit Shoot very strongly to be in grocery but then extended it, it's presence in impulse. So I think the strategy in France, as Jean-Luc described will be exactly the same. I guess the other elements to share with you is that we're working in France with a third party partner, who has access and infrastructure to get to impulse. So I guess one of the important points for you guys to recognise is that accessing the impulse market with Fruit Shoot is not involved building infrastructure cost into Britvic France, we're using a third party. And indeed if that worked well, we would see that as a model to go forward.

Thanks. Sorry, we're going to have to cut there because we need to take, I think, Craig, a five- to ten-minute break. We've got some props and materials to bring in, so please stretch your legs. But if we can be back and sat down by 3:20, we will get finished on time. Can I commend those of you in the room for your conscientiousness? It's the other half that we're losing just for the moment.

Okay, I think we'll - - in the spirit of trying to get finished broadly at the time we said, we're going to crack on. We're into the last two chunks of the day's programme. Shortly, Jonathan Gatward will come along and talk to us about the 2011 innovation stream in GB. I hope as you heard from Jean-Luc and Andrew, you spotted - - I think they were pretty explicit around the innovation in those two markets. Clearly the GB market is critically important to us, so it's not only the innovation programme, but it's the brand activation programme that Jonathan will cover. But first, Simon Stewart, who's the Group Marketing Director, will come and talk about the global opportunity and hopefully that will give you some more colour, if not necessarily lots of definitive content on what we see as the prospects for our brands internationally. So I'll hand over to Simon.

Simon Stewart: My name's Simon Stewart. I'm the Group Marketing Director for Britvic. I've been at Britvic since 2008 and prior to that I ran marketing globally for Allied Domecq and was also prior to that senior vice president of Smirnoff at Diageo.

What I want to take you through today is what we believe is a short- to medium-term opportunity for Britvic to go into a number of areas that we haven't been into prior. We'll go through what the strategy is, the brands we use, and the progress to date. But the main message is that we have a very powerful portfolio that does have from research and from indications, from partners, a very strong potential full expansion outside of the Great Britain, Irish, and French market.

What we're doing is we're having a look at markets with scale opportunity, and there are a number of markets around the world where dilutes, whether that be in liquid dilutes, whether it be in powder or cordials, are actually sizeable markets that Britvic can enter into. We're also having a look at the kids market, so you've seen that we've expanded and focused more on Fruit Shoot in Ireland, which is going very well for us. We're launching - - Jean-Luc said we're launching Fruit Shoot into the French market, and the consumer research has been very, very strong on that. We'll talk about some other things that we're doing latter in the presentation. The key is also securing local partners. The idea is just fundamentally a franchise model. We have been exporting to the U.S. about going forward what we believe is going to unlock the value in here as a franchise model that in many ways is reversed to what we do with Pepsi.

So what's our ambition? We have a number of very strong brands and a number of very strong brand propositions that are transportable throughout the world. Firstly in terms of J2O, J2O created the adult segment and whereas we go through the world, we see that there is a number of opportunities to really replicate some of the positioning and some of the brand bellies that (inaudible) can bring to the consumer in different places. We've had Robinson's. Robinson's is clearly an iconic brand within Great Britain, and what's very important as well as the dilutes market, in a number of markets it's expanding and there is some evidence that as countries develop further economically, they move away from a perilous market and get more into a dilutes market, and we can sort of speak about that as well. Fruit Shoot is based on a human truth in terms of little kids really do want to play and learn and mothers also want to make sure that they're giving the right things to their kids. And Fruit Shoot does actually transform the positioning, not necessarily the liquid but certainly the positioning, does go into a number of new markets, which is very, very important. In Juicy Drench, Juicy Drench is an innovation. It has been the most successful C&I launch for a number of years in GB, and as we go around and you start to do some research, again there is some very real opportunity for a more adult - - a little bit more sophisticated tasting soft drink in a number of markets. And then last but not least is Teisseire. Teisseire's a great addition to our - - to the Britvic portfolio. In many ways, it has - - because it's a syrup, it has slightly different properties to the dilutes, what we know in terms of squash. Those properties actually do suit other markets better than squash, so Teisseire also does have a tremendous future in terms of international expansion. It's interesting, Marlin*, who Teisseire's significantly bigger than France, has quite a strong international business and what we've been looking at is having to look at what Marlin's footprint is because we know that we can compete against Marlin, and we can beat Marlin in the market. (Inaudible) on brands though have positionings and formulations, which we believe have transformed globally.

Well, first let's talk about Fruit Shoot because Fruit Shoot really is, if you like the bang out of this, Fruit Shoot is the brand that clearly does have very strong international potential. Where we look at markets, most of the markets are in a very similar place to what GB was when Fruit Shoot launched. It's very heavily commoditised for kids, very heavily Tetra Pak, very relatively low value. What Fruit Shoot can do is transform that market in many ways as it has in GB into a higher premium position and higher price point, better brand proposition, and we hope better marketing going forward. So Fruit Shoot, in many ways, we believe is the absolute key to unlock much of the growth coming out of here. So what's the strategy? Was essentially to establish Fruit Shoot as the perfect choice for kids-on-the-go. The kids-on-the-go market, as I said, is very dominated by Tetra and the non-spillable pak. Although it's a relatively simple thing, it's actually something that does unlock a lot of value. The way we'll do that is to drive visibility in trial through creating highly visible in outlet programming. We'll talk about what we've done in Australia, but effectively Fruit Shoot grows from in-market execution, not necessarily fully integrated plan. Through sampling, through mother's seeing it, through kids seeing it, the formulation and the package is really interesting to them and as a result of that, you can actually build a brand almost organically without a huge amount of investment in some markets and it's very much focused in regards to putting it into the store and getting it into people's hands. Once it's in people's hands that we've seen overseas is very, very strong. Effectively, we do want to then build credibility with kids and parents. Virtually it does actually go across. It's something that mom's are very happy to give to their kids. It's also something that kids are very happy for their moms to give them. In many ways, a lot of parents are quite confused about what to give children in a lot of markets because children don't necessarily want to drink pure juice, so a diluted juice is something that children are very, very interested in, and it's still healthy. As you said, it's really about driving visibility through feature and display and the markets we're in there, we are getting incredibly strong feature and display, which is then giving us some confidence that as the consumer picks it up, as they try it, it has, as I said, a very high repeat purchase. And driving trial and understanding through sampling and events, we have a look at the French programme and it's very heavily focused against sampling. The Formulation does - - we are changing the formulations to suit like (inaudible), and we'll talk a little bit about that because many countries have very, very different parameters in terms of what taste actually means to them, and there are different tastes (inaudible) between those markets, and we researched that and we adjust it, so we make sure the Fruit Shoot is the best-tasting kids drink in any market that it competes in.

So have a look about where we are with Fruit Shoot at the moment. We're talking about the tests that are happening in the United States, and they continue. We have then got a full franchised model now in Australia, which we'll talk a little bit more. We have established markets in Great Britain and establishing markets in Ireland. We have a very strong business in the Netherlands, where it is picking up a lot of share versus Capri Sun and again, as Jean-Luc said, we are now launching in France. So we are expanding out the footprint of Fruit Shoot relatively quickly. We also export to about 20 markets around the world.

As I said, Fruit Shoot does have global appeal, and there are some really strong examples. You see in the bottom right of that displays that are in the Netherlands, displays that are in Australia, there's some very innovative stuff that's happened in Australia where we put a trampoline in front of the Fruit Shoot to actually get the kids' attention. Not only do the kids like it, but probably the mothers in the store aren't overly keen on it. They're jumping up and down quite a bit in the store causes some havoc. In the USA, we've been there since 2008 and that is building very strongly, particularly in the Buffalo Rock area, and we are getting very strong consumer uplift within that. Then in Sweden, the Scandinavian country, it also has quite a strong base and is growing. So effectively we're seeing a lot of places with quite different cultures, quite different shopping environments, quite different consumers. But what that proves is that actually Fruit Shoot does have appeal in very, very different places for different reasons. What we intend to do is accelerate and capitalise that going forward.

So let's talk a little bit about Australia, because Australia's very exciting for us because it's the first time that we've actually gone to a concentrate model where we were selling concentrate to a manufacturer who manufacturers and distributes it and does some local marketing. Effectively, the relationship is we do the major pieces of the marketing such as the positioning, the advertising, and the infrastructure for below the line and then that is then adapted by our local partner in Australia. The Australian market is surprisingly larger than what people think in many ways because they're a bit like the Americans. They sort of consume everything and as a result of that, although it is about a third of the people there, the stars of the market in terms of beverages is about half the size of GB, so the per capitas are quite a bit higher. There's value growth in about 3.5% and the margins that they maintain very heavily in the Australian market for commercial beverages. Per capita's quite high and interestingly, again, things do change in markets. Apple and Tropical are the lead juice flavours. Apple is bigger than orange in Australia, which I think probably is quite surprising. It's one of the only markets that actually is the case.

Our partner is company called Bickford and Bickford's has a very strong portfolio. They've been around for about 100 years. They're based in Adelaide, South Australia, and they are at the heart, if you like, a cordial company. So in many ways, they are quite similar to Britvic because they are cordial and juice-based country - - sorry, company. So effectively, what Bickfords have is the ability to get distribution certainly into the national groups, which is what they've done. They have quite strong distribution in a lot of the C&I, particularly the petro, the petro station channel, which is very important in Australia because it is a lot of the C&I volume, and they could also have access to the license group because they co-pack and distribute many of the alcopops, if you like, for Diageo. So they have a very strong distribution base, and they are a company that have shown continual growth over the last number of years.

So as I said, this is actually our franchise model, and if you look at it, we have - - we've been very pleased, if you like, with the results so far. It was launched last October, so we did get in for summer, and that was an important thing to make sure that we did get into the summer and the summer holidays, and we were established before the - - before back to school. We have listed - - we have listings secured in the three major national groceries, which is Woolworths, which clearly has nothing to do with the Woolworth here. It's a very different company. There's Coles and there's also a Netcash, which is really dominated by Franklin. They cover up to 95 - - they cover up to about 90% of grocery there, so very centralised trade between those three; and in fact, Woolworth and Coles are, if you like, almost in a geopoloy, when it comes to supermarkets in the Australian market. What Bickford's have done is actually achieved distribution in 95% of those three markets nationally. So as a result of that, if you go into any - -

virtually any supermarket in Australia, you will now see Fruit Shoot in terms of not only on shelves but very strong feature and display. We've secured listings in the petrol and convenience channel, which as I said, is a very important channel. The petrol and convenience channel in many ways is starting to wipe out a lot of the smaller mom and pop stores and is actually in many - - is somewhat dominated by Coles and Woolworth going into that as well. We were hiring (inaudible) convenience stores within petrol stations and we've actually go into well over outlets there and that is expanding very, very quickly. And we believe during the (inaudible) that will come into winter that that will expand clearly substantially going forward. So we have actually got a partner and a brand that the Australian trade is very interested in and it's very clear that the consumer for the (inaudible) is coming through is very interested in it as well.

I think this is quite interesting because when you go out to have a look, and I think some of you probably have seen it because I've seen a few of you drink it, the product there and the look there is somewhat different to what you see in the U.K. There's a number of reasons for that. Firstly, notice is the clear bottle. It's a clear bottle because Australians will tend not to buy things that are in opaque bottles. They're suspicious about things like (inaudible) and what might actually be in there and so as a result of that, they actually do have to see the product, which is something that if we put into the opaque bottle that you couldn't see just from a consumer perspective, it's highly unlikely that they would've actually purchased it. The second thing is as well is that (inaudible) is slightly different and what's also important is the juice content is very different. In GB, it's around about 10%. In France, it's going to be about 13%. Neither 10 or 13% to the Australian consumer was considered to be a juice drink. Juice per capita is really high. Fresh juice is relatively cheap in comparison to what you would see in Europe. So the minimum threshold, if you like, or a threshold that has became (inaudible) was 25% juice. So the Australian product is in many ways has the same look and feel, has kept the cap that doesn't spill, it's kept the Robinsons and the Fruit Shoot name on there, but the actual product and look and feel is very different and that'll be many ways how we'll establish our brand going forward is be very much adapting what the core DNAs of these brands and then putting it in listening to the consumer and adapting it going forward.

And we have achieved great in-store visibility, and I think there's a number of things they've done. The difference of being very, very focused in terms of the feature and display over the large period. The second thing, the retailers are actually very supportive. There's an interesting dynamic coming through in the Australian market where there's a lot of buyers who are coming in from England, particularly Tesco and (inaudible), who are then sort of moving down to Australia and Coles in particular is very heavily looking at the GB resale model, which is quite different to try and get additional growth, and clearly these people are actually quite familiar with the Fruit Shoot brand and what Fruit Shoot can be. There have been some advantages in terms of that. But also the key was is the way we spoke to people, we said, "If you do get it out in the feature and display, people will try it because clearly the vibrance of the colours and the liquid and pack and if you do sampling, then you need - - obviously need them to find it and so far that strategy is working very well for us in Australia.

We have actually had a fully integrated programme though, so the feature and display and the sampling is very important in Australia because it is a very important (inaudible) than we are absolutely sure of the success of it that we have picked up a lot of the work that we've done in JV over the years and we've transformed it into an Australian context. So for instance, you see back-to-school is something that you would see the fairly sort of standard GB marketing for Fruit Shoot, we've just really replicated that going forward. We have media partnerships with the Disney Channel, which is very much about children; the Family Lifestyle Channel, which is much more about mothers versus (inaudible) (inaudible) talking to mothers and talking to children; and also importantly we've created obviously an Australian website which is pulling the Australian content. You see up there which is basically pictures of four little kids and instead of lifesavers, which is known as nippers in Australia and nippers is the biggest participatory sport in Australia, so Fruit Shoot is going to be very associated with the surf lifesaving culture that exists particularly in the eastern states or the popular states of America. So effectively, we're getting quite a lot of efficiency and sort of taking out what has to be done in GB and starting to sort of push that across the (inaudible) markets. Oh sorry. And right now, what we do is we just show the ad that we've launched virtually with Australia. So that's basically over most of the summer and it's still on air through to Easter. It'll come back off here and then there'll be new credit coming in for next summer.

So why are we really confident about Australia? What is it that we do fundamentally believe in the product and the consumer insight? If you have a look at the competitive (inaudible) there, it is something that both mothers and kids do really want. So Fruit Shoot is the only brand in there that actually has no artificial colours. And as you've seen the health and wellbeing, it's not an agenda, it's something that is a global phenomenon particularly in western democracies and that is no different in Australia where the no artificial colours is very important and it's the only one with that. Again, no artificial flavours is very, very important as well and Fruit Shoot is the only product in that market that has no artificial flavours, so it's offering mom the reassurance that this product is good for my child, at the same time the child really wants it. We actually have no artificial sweeteners. What's interesting as well is that additives toward sugar do vary greatly between countries. In Australia, it is considered to be much better to give your children natural sugar than it is anything artificial. So when we tested the no added sugar version within the Australian context, mothers basically rejected it. They said, "Look to be fair, I'd rather give my children sugar and then they exercise and have a balanced life, then artificially sort of bring down their calories by giving them (inaudible)," which is a very different attitude to what is obviously in GB where the no added sugar out sells the sugar product four to one. So that's where it's very important to listen to the consumer, both the mothers and the kids at adapting our products to that point. And then also had brand appeal. (Inaudible) enough, some of the competitors out there (inaudible) rip-offs and clearly they sort of taken some of the principles of fruit juice, but they're not really marketers, so there's no real brand positioning in them. They're basically brands that are traded and so what we do believe is by going with a heavy marketing platform that we will get an advantage of actually creating the category from a branded and value statement. Also is quite important is the premium price that we have for Fruit Shoot in Australia does appear to be sticking, so it is premium priced to the rest of the competitors in the market, which is clearly attractive for retailers as well.

So talking about a new entrant into the USA market. A lot of you will be familiar with the test that's been happening with Buffalo Rock, and there are additional tests happening across the eastern seaboard now of the United States, but it is in many ways a new entrant and there is renewed focus within the United States on Fruit Shoot in a number of areas.

Those who are not familiar with Buffalo Rock is that Buffalo Rock is a major independent bottler. As I said, they're part of the PBC system. It's heartland is Alabama, but it has little areas of Florida and little areas of Georgia as well and is roughly the comparable size to Britvic as an organisation. The interesting thing about Buffalo Rock is it does have a massive reputation for brining innovation to the American market. When you talk to other bottlers within America, they talk about Buffalo Rock just bringing things like they brought in PET for the first time. They brought in non-returnable glass bottles, and they really are seen as being the innovator within the Pepsi bottling system. Part of it's because they're sort of - - they're relatively small in the context of everything, so they are very much a test and reapply, but it's important to note that a lot of people do look at what Buffalo Rock is doing and seeing if that has areas of opportunity outside of that. They do have a very broad carbs and stills portfolio, very heavily carbs are (inaudible) obviously, but they're looking to build up their stills portfolio going forward. What's very positive is the rate of sale this year and its third year of being in the market is still growing at fairly significant issues, the U.S. beverage market is very, very challenged at the moment. You'd be seeing that the growth rates are very low and there are some real sort of consumer and trade challenges happening in the U.S., which I think will be overcome, but it is a very, very challenging market at this point, and the rate of sale is plus 24 year-on-year and is accelerating, and I think that's a really strong point. The more people drink this, the more they want it. The fact that they're rate of sale is accelerating, we are getting growth from the points of distribution where we've been in is very strong and Fruit Shoot is becoming a very strong kids brand in its own right within the Buffalo Rock territory.

We have 61 distribution in convenience and gas and we hope to be opening that up to sort of about 90% by summer within the Buffalo Rock area. As I said there are other tests happening within the context of the eastern seaboard which for different reasons will actually start to unlock some distribution opportunities for Buffalo Rock. As I said, this has been a launch which has been relatively consistent and focused launch against in-store execution. So when you go into a gas station within Buffalo Rock's area, it is impossible to miss Fruit Shoot. You'll see it outside on the pumps. You'll see it on the windows. You'll see it on the fridges within there. Because they're in direct, they have direct store distribution within the - - within Buffalo Rock, the quality of the merchandising is very, very strong, plus also making sure that the space is kept is absolutely paramount because clearly you've got the coke system and the Pepsi system going in with direct store distribution and they're constantly fighting in terms of getting space. The really key thing for that in terms of the take out is that over two or three years, Fruit Shoot has expanded its space within what is a very, very competitive market. The Buffalo Rock are very happy with how this is going and is their number one focus going forward for this summer coming in as a brand - - as a new brand rather.

We've also taken obviously the basis of what it is that we do in GB and whilst this isn't sort of the sexy advertising you want to see in many ways, this is a really (inaudible) approach to it and it's working very well. So we've actually again listened to the consumer. Things like Halloween are obviously huge in the United States and Fruit Shoot is really sort of really part of Halloween within the

Alabama state now. At Christmas time, we had to look at what toys they wanted and then we gave basically gave access to that. So it's establishing a very sort of strong dialogue with kids and with mothers over a period of time.

Again, we've also taken some of the skills aspect that we're doing in GB and we're adapting that, so clearly baseball is a very important sport in the U.S. and we're adapting those programmings to baseball

What I want to go through now is the dilutables market. We haven't spoken much and in fact (inaudible) has actually ever spoken much about the scale of the dilutables market. GB is the largest dilutable market in the world and clearly with Robinsons, that plays well for Britvic. France is a scale market with syrup and Ireland is a scale market relative to its size with Mia Wadi. What that means is that we are the number one dilutable company in the world as it stands with liquid, which gives us, we think, and we know a real right to go into other markets and talk about and sort of build categories. The total value of the dilutables market globally is 16.8 billion. That's split roughly half between liquid dilutables, which can be in the form of squash, syrup, as we see in France. They're the two main ones, or cordial, which is much of a watered down clear type of liquid. Those are the three areas that are there. There's also then split the other half is powders and the big markets of powders includes places like the Philippines, China, which is (inaudible) there. It's actually quite a sizeable market for powders. But essentially every continent and every region of the world has a dilute culture in some way. So if you look at South America, the one that's missing from there is Argentina. Brazil and Argentina have a very strong dilutable market. It is very, very diversified. There's no brand, if you like, that really goes in and owns these markets and brings different international expertise into that. Because it is so diverse, we do believe that there's a huge opportunity to move Robinsons and our dilute expertise and Fruit Shoot into a number of these different markets and we're currently scaling and working through that.

So what's our strategy with that? And our vision is to become the global expert in dilutables and leverage our dilutable expertise globally, and that is something that is quite unique. We have more expertise from in many ways the manufacturing logistic supply chain area than any other company in the world and we've also very used to marketing dilutes which in itself is quite different to marketing (inaudible) beverages. So we do believe that there is a really big opportunity for us to go into this market with franchises and identify partners. The casing is really to identify a global insights that dilutables can respond to. If you have a look at Robinsons brand (inaudible) human truth, basically it's (inaudible) parents and child bonding. Within every culture, (inaudible), parents and child bonding is relevant and important. And dilutables, because it is a moment that is shared between parents and their children, is a very special moment. And no matter where we do the research, consumers are saying that it's harder and harder to connect with their children because the children are really busy because they're really busy in terms of what they're doing, but it's what's also quite interesting is the technology is actually in some ways driving a little bit between them because these kids have all these devices, computers, which some of the parents don't actually understand, and so there's some... And what Robinsons actually been doing and what dilutables do is actually bring that moment together with parents and children actually bonding for a period of time and learning to play and that is the human truth, whether your China or whether your Brazilian or whether you from Great Britain, I mean that is something the parents really do value, and Robinsons will play a great role in that. Developing consistent brand propositions and then developing tailored products to meet the markets needs. The principal dilution is pretty well accepted in the world, but the way in which they dilute is quite different. So the product, sorry, in England it's four to one, in France it's seven to one. So it's actually really understanding what the consumers there and we're in the process of doing that as we speak.

As I said, we have dilutable leadership in three markets with Robinsons, Teisseire and Mi Wadi, and the effectively we believe that that obviously gives us the whole range of brands and whole range of expertise that we can go into this category and develop a major competitive advantage internationally.

But it isn't just about the dilutes. Again, J2O was created by Britvic in terms of the adult soft-drinks category and again when J2O was tested in a number of countries, it does tend to resonate with people because they go into pubs, alcohol consumption is getting a bit lower and they do quite like the idea of what J2O represents, which is an adult soft drink that is for adult occasions. There's lots of obviously pubs and clubs and restaurants in every country in the world and J2O does very much play to that occasion. It seems a very strong competitor in that and then Juicy Drench as well. Juicy Drench has significant consumer appeal. It is one of those others where we have to look at formulations because sweetness will have to vary, but what Juicy Drench does as well, particularly in the C&I environment, is provide a more adult tasting product which there's a gap in the market in a number of the markets we're evaluating.

So I think the key messages on this is that this is a very different type of business for Britvic. Franchising is something that we've started with Australia. We're learning a great deal from that relationship and we do believe that it could actually be transformational. The dilutes market globally and the kids drink market globally by our standards is absolutely huge. It's now: how do we access that? How do we find the right partners? Which we're going (inaudible) and we're identifying those partners and how do we really get to the point that we access that with our expertise, with our brands, and with local partners going forward? There are a significant amount of - - number of markets and the barriers to enter, if you find the right partner are actually relatively modest. There's relatively smaller risk because there is a franchise model and you tailor the spend to how - - to what the forecast of the local bottler is. So it actually gives us a real opportunity to partner with the right people, put our brands into the right places, and to ensure that we actually get to the point that our brands are available and accessible to many more consumers than they currently are. We have very strong brands and they have huge potential. We're not trying to create markets going into this, we're actually - - we're taking market share from the local brands with that and we will be driving international expansion.

With that, I'll hand over to Jonathan Gatward. Thank you.

Jonathan Gatward: Thanks, Simon. So Simon has just taken you around the world. My name is Jonathan Gatward, the (inaudible) of the brands and activation for GB. So I want to focus on the GB market and showcase our renovation plans for 2011, and also some of the key brand activities. That's all about giving you reassurance that we can continue to drive a strong GB top line and underlying performance, and we have continued confidence in our ability to execute in the GB marketplace.

Before we look ahead at our plans I just want to take a chance to look back briefly, our recent performance. Now on this chart you'll see the stuff we've done over the last few years. We've launched new brands, such as Juicy Drench and Mountain Dew, which have been well trailed. We brought market brand extensions for Fruit Shoot MY-5 on the left hand of the screen. J2O White Blend, and Robinsons Select, and we also stood up the carbonates markets with a launch of 600 mil carbonates on our On-The-Go brands across Pepsi, 7UP, and Tango, and we talked to you about that at our last investor conference.

So as mentioned by (Inaudible), our innovation success rate today is double the market average, and that's just purely a focus of our absolute concentration and understanding consumer and shopper insight. And I just want to tell you today that we'll deliver at least a third of 1-to-2% top line growth from innovation in this year. And this is ought to drive our ARP and our margin, and what that does is therefore further benefit both our product and our channel mixes. We have a series of innovations that play into the On-The-Go marketplace, which is a great area that we highlighted to you last year.

But I want to start with our largest piece of innovation this year, which is the launch of Robinsons Double Concentrate. It's the most significant piece of innovation we're going to drive into the GB marketplace this year. And we're doing that across not only GB, but also Ireland, because that's two marketplaces where we command really strong share position. Now it's going to be a material driver of our growth in the year ahead, and therefore it's fundamentally the biggest change we're making to the Robinsons brand in a way that will have significant favourable impact on both revenue and margin.

Now a little bit about what double concentrate is in kind of concentration theory really. Now this has been done across a number of different marketplaces, so both washing powders and kind of detergents have experimented with concentration ratios very, very successfully for a number years within the FMCG marketplace in GB. And interestingly, within Squash it's also been deployed. What this shows is a before and after shift that we've seen in what we call average weight of purchase, which is the amount consumed on a (inaudible) basis by shoppers in the GB marketplace.

A known label introduced double concentration first in the GB marketplace. Now why is that a benefit? Well fundamentally what happens is consumers buy effectively more because of the double concentration. So they're buying a single pack, but that pack contains a greater number of servings. If they take that pack home they tend to use that pack at the same rate as they used the old pack in sense that there's fewer number of servings. And therefore by definition they drive their in-home consumption. Now why is that? Well the psychology of consumption at home is normally about how do I (inaudible) the Squash until I have to go back to the shops again. So what mom does is she looks at control of consumption by the family by actually how much is left in the bottle. If you have a higher concentration ratio in a pack with more concentration, with more servings, what you can do is actually expand the family's consumption of your product. And that's exactly what we've seen happening within the Squash. So fundamentally the more that you get your consumers to take home, the more they'll drink.

So in 2011 we'll reap the benefits of double concentration within the Squash category by taking the brand leader and replacing all of our single concentrate two, three and four litre packs into a double concentrate format. And we'll be making available two pack format, a 1.25 litre, which I have an example of here, and a 1.75 litre, which is shown on the screen behind me. The 1.25 reflectively replaces our two litre pack, and therefore moves our consumers from 40 servings to 50 servings. And 1.75 litre replaces our three and four litre packs and takes from a three litre of 60 servings to 70 servings, as shown on the screen. Now it's available in all the same flavours that the bulk packs were available in, but fundamentally based on the insight around double concentration we expect to drive significant category growth in the second half of our current financial year driven by this innovation.

Now it's not just about playing around with concentration ratio, it's not just for the category norms in concentration. Because although there's a benefit in making your pack smaller so that it's easier to carry and easier to store at home, we know that mom, because Squash is consumed by all the family and served by all the family and it's a great valued product, she does have concerns around overdosing. So we've introduced two innovations that make our packs easier to handle than any other pack in market. The first that you'll see when you break from the session and you go out and you can sample is a pour control feature. And what that does is it allows the mom and the rest of the family, and kids importantly, to control the rate of flow so that that allays concerns around overdosing and making the Squash too strong. And the second thing we've introduced is a handling feature on all of our packs, which again is unique in market which makes the packs easier to carry. Now the pack is really easy for me because I'm a 38 year old man, imagine I'm an eight year old kid in home because that's the reality of how a lot of Squash gets handled. It's a much easier pack to hold because it has a small grip around the back of the pack and a large grip on the front of the pack which it makes it easy to handle for the whole family. On top of that, double concentration versus single concentration offers about 4% benefit in cost per serve, so it's cheaper per serve than the existing formulation. And crucially from a corporate social responsibility point of view, offers 60% less PET for comparable packs. 35% less packaging per litre, and it saves about just under 700 tonnes a year when you track the shipment of our old single concentrate packs versus the new double concentrate. So we think there are some really clear advantages within our double concentrate formulation.

So we're making this available. It's been in market now for literally the last two weeks, and we have a significant amount of investment around this. Now crucially Robinsons is the brand leader in the marketplace and we've taken a portion of our range and moved it from single to double concentrate. But crucially we're going to communicate to the benefits of double concentration in terms of the value that it offers. And in the current economic climate we see that as a core benefit to mom so we're going to heavily invest in this piece of innovation in a way that we haven't invested in innovation before in recent years. So I've got an example of ad which is the almost finished ad, just to show you, which will be breaking in about a month's time, so if you can play the film please.

So our key strapline is Robinsons Double Concentrate is you get an awful lot from a drop. And it placed all those parent/child bond moments that Simon was talking about earlier with regards to the (inaudible) market worldwide, but just puts a very, very strong value message right squarely in front of mom, the primary shopper. That will run from April all the way through into the middle of the summer. We'll hit about 85% of households with kids (inaudible), eight and a half times so pretty much no one's going to be able to miss it.

The second innovation I want to talk to you about is a Fruit Shoot innovation, which you'll be able to sample later on. And very briefly, Fruit Shoot is made of three parts of the portfolio. So there's Core Fruit Shoot, which is a juice drink; there's MY-5, which is a range extension which is a close to juice product; and there's Hydro, which plays into the hydration territory. Now Hydro from Fruit Shoot has been specifically designed to enter into what we call the water plus category. And crucially what it's designed to do is appear to older kids, because with the insight we have is that Fruit Shoot as kids become older becomes less relevant. So we are launching Hydro and I've got a sample here and I think you have a sample to take home with you later, crucially in a larger 350ml pack because bigger kids want to drink more, with a completely different flavour formulation, taste formation. So it tastes of fruit but it's a completely clear pack so where it's much more to the hydration needs state. And what that does is actually broaden the appeal and broaden the footprint of the Fruit Shoot brand in the UK market.

Now from a Hydro point of view we're not just launching the 350ml packs, were also taking small or multi-pack units to take advantage of further consumption of occasions, and we'll also be supporting this heavily with TV for both kids and mom into the summer.

Now moving along, the third one I want to talk to you about is SoBe. Now SoBe may or may not be a brand that you're familiar with. It started live in the States in 1996 and was acquired by PepsiCo in 2000, and it was originated from South Beach, Miami, hence SoBe. And critically what they developed in the U.S. is not only juice based drinks and tea drinks, they've got a lot more health, kind of better for you drinks, but also naturally sourced energy drinks. Now from a brand that's predominately a U.S. brand, this brand has now grown to be just under $650 million globally. And importantly, we see it as a really great opportunity in the GB marketplace. Now as you are aware last year we launched Mountain Dew Energy into the glucose sector of the energy category. We see the energy category as being incredibly strong and continuing to be strong, but the segment of the energy category called stimulants, which is typically where things like Red Bull or Relentless would play.

So what we're pleased to announce now is introduction of SoBe Pure Rush, which is effectively a unique proposition within stimulant drinks. Why? Well there are two reasons. As Simon was proving earlier actually by drinking it, it actually tastes great. I don't know how many of you drink Red Bull or other stimulant drinks, but they do have a somewhat challenged taste profile. So as you'll see later as you can sample it, if you haven't already, what SoBe Pure Rush does is actually primarily lead on a great taste. And actually it backs it up with another unique proposition which actually has no artificial colours, flavours, or preservatives, and it uses naturally sourced caffeine. It has a much more natural position to it. It's much less of a kind of a hangover cure, kind of I'm feeling bad stimulant drink, it's much more about an energy boost, which is a new sector in the marketplace that we see an opportunity in. Now we've seen this roll out into the Nordic to good success last year, we've also seen it deploying in market, we just tested it with BP and the rate to sales have been very, very encouraging. And it's been outselling some key competitors in the majority of (inaudible), so Relentless and Monster to name but two competitors. So we think it's a very good initial traction for SoBe Pure Rush.

So SoBe is a brand that's all about natural energy, it's about natural goodness; it's about natural well being. So what we're doing is we're (inaudible) opportunity of bringing the SoBe brand across to the marketplace in GB to integrate a PepsiCo brand called V Water, which we've had in the portfolio for two years. Now what we're doing, we're integrating V Water into the SoBe family, so we're changing and rebranding V Water to become SoBe V Water. So what SoBe V Water is is an added value spring water which is enhanced with vitamins and fruit and herbal extract. As we're doing that what we're doing redesigning the packaging to improve standout, reformulating the product range, and bringing in new flavours to improve the consumer appeal. So that's the SoBe story around innovation and a couple of product innovation things.

What I want to step you forward to is talk about pack innovation. Last year we talked about On-The-Go as a key growth opportunity for the GB business. To act with that opportunity what we did was we innovated with then On-The-Go carbonates. We launched, took our 500 range of no added sugar or low sugar products into 600ml for free to consumers, so we gave consumers more value. Now what that did was it gave us sustained improvements in both rate to sale and market share, and also enabled us to draw a better distribution footprint. And that was grounded on understanding (inaudible) our competitor's shopper needs, in terms of what were shoppers after? So in 2011 we have another significant piece of innovation on the carbonates. Now because of its commercial sensitivity I've been asked not to give you the details of it right here right now today, sufficed to say that we have another piece of innovation on our carbonates portfolio in 2011 which we expect to drive a similar scale of impact in marketplace in both rate sale benefits and market share benefits in our total carbonate portfolio in 2011.

So that's carbonates pack innovation but we're not stopping there. We have several other pack innovations because we know pack innovation is a great way of driving our average (inaudible) and our margin within some of our core and our growth brands. So we have J2O entering a new sector with party pack, which are perfectly aligned to the summer drinking occasion. Mountain Dew has been a fantastic success so we're expanding that brands footprint through using pack, innovation of pack architecture. So our 440ml can, which we use very, very successfully on Tango historically, will be deployed on Mountain Dew to open up the delivered and convenience sector. We'll need to pack opens up On-The-Go and travel, and our deferred multi-pack opens up deferred grocery as a new distribution footprint for the brand to further increase the growth rate of Mountain Dew through 2011. We're also opening up food service and ledger and specifically some of the casual dining and pub opportunities with a launch of an introduction of a Lipton 250ml glass pack, which is specific to those (inaudible) to market. I just want to stress all these innovations are designed to drive not only just consumer consumption, but fundamentally a stronger ARP and a stronger branded contribution margin for the portfolio.

So that pack innovation, let me move you forward again. At the prelims we talked about the re-brand of Gatorade, and we're fundamentally changing much of the Gatorade proposition in the GB marketplace in 2011. You'll already see a market, new branding, and that's being followed up by a new pack structure and a new cap closure, which is a better best in market functionality in the GB marketplace. Now the fundamental principle around Gatorade is all about credible and credibility and credible full strength. But the key difference here is that the move to the GB branding enables us to deploy all of the US collateral and the US credentials that they've been developing for their very successful re-brand and redevelopment of Gatorade in the US marketplace. And so what does that mean for us? Well practically what that means is the development of a new consumer communication program, as well as new packaging, as well as some innovation on the horizon, which we'll come back and talk to you about later on. But as an example, our consumer communication programme will be headed up by some fantastic athletes who drive brand credibility and brand engagement. So we've got Usain Bolt here, who's universally understood as the world's best sprint runner. He's a great ramp up to our 2012 programme on Gatorade. We've recruited Victoria Pendleton who's pretty much universally seen as the world's best female cyclist. And we've also partnered with the British cycling team, which is the world's best track cycling team. So we have a number of first class ambassadors and athletes on Gatorade, and that plus very much stronger links the UK sporting institutions and we're developing a partnership with (Inaudible) University. It means that we have a much more compelling and engaging proposition from not only the consumer, but also the retail partners strive better performance and an increased rate of growth from Gatorade through the short to medium term.

One final one I just want to touch on, we alluded to it in the RS presentation but didn't talk to you about it explicitly. We've just executed a brand refresh on PepsiCo, which is very successful in the USA and its deployed successfully in GB, and now it's time to drive growth from 7UP. So what we have here is a much more simplified look and feel for the 7UP brand, which is going to deploy in GB and in Ireland, which is designed to just kind of bring to life the 7UP proposition of - - about refreshing clarity, and also try to stand out in store. Now from a research point of view we've already seen independent research validate that this pack will drive purchase intent by over 30% in research, and improve visibility on shelf by 10% for the 7UP brand. We've had some fantastic success with 7UP in the GB market and this will be a great way of taking it to the next level.

Now finally something a little different and it's something slightly more radical. So in 2011 we'll truly push the boundaries of soft drinks innovation. So what is this? Well it's Tango; that much is clear, but let me introduce you to the world's first use of a nitro fuelled can, which we're launching as a limited edition Tango variant this year. I can't really explain it as well as a film which we've taken during its development in research. So if you could just play the film on Tango please.

So I just wanted to introduce you to Turbo Tango, which is completely different way of serving a soft drink by injection rather than glug. It's a great way of delivering the hit of Tango using a nitro fuelled can. Now Tango has always been great at innovation doing things differently, and I think this will be a very interesting shake up in the carbonates market this summer. We're launching it as a limited availability. Not all of you in the audience are target market, but beware some of you may be targeted by your kids using Turbo Tango if you're particularly unlucky. So that's a little taste so you can have some to play with later on if you promise to behave, but we'll have some samples for you later.

That's all from innovation point of view. What I talked to you about is our core brand program, and they are as strong as ever, if not stronger this year in 2011. So in what I think you'll agree is a transformational year for Robinsons, the deployment of Robinsons Double Concentrate, we're deploying the Wimbledon Tennis Association yet again with a major activity base. This time I'm bringing tennis to the masses and what we're using is street tennis as a vehicle for doing that, which is about, rather than worrying about how we get families to Wimbledon, let's gets tennis to families basically and get them to play tennis in the street, at home, in the garden, all over the country. Now critically we are not in a football year, there are no real cluttered events. There's a royal wedding on the horizon, but in terms of the summer events there's actually a really great opportunity for us to deploy Wimbledon in a way that we've never deployed it before. So we have our largest ever tailored customer activity programme supporting this piece of activity. So we're offering tailored programs with our key retail partners offering accommodations to VIP coaching packages at (Inaudible), the chance to go to Wimbledon, as well as really building feature and display for the Robinsons Squash portfolio in the summer. So that's Wimbledon very briefly.

I also just want to detail the summer is really, really key for driving our Pepsi business. And for the past few years we've invested really, really heavily in marketing programs that really excite cola buyers. Last year we had great success because during the FIFA World Cup final period we grew share by deploying our program, and that was during an event which our competitor was a headline sponsor. So this year what we're doing is building on Pepsi's long heritage with music to ignite the UK cola market. So again I'm really delighted to showcase an exclusive a three year partnership between Pepsi and the world's largest live music promoter, Live Nation. I've just got a film to introduce that here.

So with partnering with Live Nation, they are the world's largest music (inaudible), they also run the majority of festivals, live music, and live music venues in the UK. So that's a great partnership and it's a three year deal, and we'll be actuating that very, very strong in the summer in a way that Pepsi's always been associated with music. But how do you put a spin on that, how do you put a particularly Pepsi or indeed Pepsi Max and (inaudible) kind of spin on that? So what we're doing, it's not only offering access, but we're also offering all the Pepsi consumer to challenge. So over a course of a billion packs this summer, every hour our Pepsi consumers will have a chance to choose what they want to win. Do they want a chance to win cash for themselves, or the ultimate live VIP music experience for them and their mates? So fundamentally are you the world's best mate or are you not? So a grand for you sir, or a chance for you and your friends to get up close and personal with Rihanna, what would you choose? Cash, well that's fair enough, cash. You're not the world's best mate. But here's hoping some of our Pepsi Max consumers will find that an engaging way of doing music and doing promotions in a different way.

Finally, last point just to showcase for you, we've spoken a lot about On-The-Go; we've spoken a lot about how it's a key growth driver for the GB business. Now a key component for that is a really innovative programme which I just want to talk you through briefly here called Reward Your Thirst. And why is it innovative?

Well it's a real, a first for Britvic, and also a first for the soft drinks category because what it does is unites a broad range of soft drinks with a single promotional program. It doesn't sound that innovative I hear you say. Well actually it's got two key innovations in it that I just talked about. The first innovation is, because it runs across a broad range of products and our broad portfolio of On-The-Go core brands it appeals to many more consumers than a normal promotion would. So if these products across the four - - I'm sorry, across these six products behind me appeal to about 80% of the UK consumers, so you get a much bigger chance to deploy your footprint. The other innovation is retail space; retail (inaudible) is getting ever more complicated and evermore cluttered. So this is one promotional program, with one promotion, with one look, for the single piece of point of sale, which means that you can execute to a much bigger scale. So the retail is whim because it's simple to execute, the brand is whim because actually they partner up and that should appeal to a much broader footprint of consumers. And we've deployed phase I in November, 2010, in a relatively limited way. And in that phase I execution we experienced several digit sales growth, with lower levels of price discounting, with improved our revenue and our ARP. And we have a larger phase II rollout in July of this year. So it's a really interesting way of promoting our On-The-Go portfolio.

So in summary, we - - I have taken you though a pretty much packed calendar in terms of new packs, for the really transformational change to the Robinsons portfolio. I have teased you with a pack innovation on our carbonates range, which we'll discuss and disclose more detail on close to the point of deployment. And we've talked about some core additions to our single-serve range that enable our On-The-Go business in terms of new brands to grow - - to continue to grow, supported by our Rewards Your Thirst platform, which is an innovative way of promoting those brands. Added to that we're continuing to drive (inaudible) products behind Wimbledon and Pepsi.

So what's my headline for you? Well it's a really big year for growing our top line. The GB market continued to demonstrate resilient growth, and so we're continued to - - confident of continuing our strong top line performance as we have done previously in GB. It's a huge step change for Robinsons, with our probably biggest pack innovation on our sales portfolio. And we now have over seven brands in the GB portfolio alone from PepsiCo, so our relationship with PepsiCo is stronger than ever.

Thank you for you for your time and I'll hand you back to Paul to wrap up the session and to manage the Q&A.

Paul Moody: Thank you, Jonathan. Let me commend you for your patience and your attention, it's kind of been a long afternoon, but I think at the onset we said there was quite a lot of material that we wanted to cover. Before I close formally, what we'd like to do is kind of make a more general Q&A. There may well be questions that have occurred to you as we've gone through the afternoon built on the earlier stuff. So I'm being encouraged by Craig to drag everybody onto the stage, so as Craig is always right, I'll drag all the speakers onto the stage. And that might prompt you into asking questions. So unfortunately Simon can't join us because he's setting off internationally globetrotting. What a Motley Crue, but I'll stand to one side. So I'm conscious that we said that we'd finish the formal part around about 4:30. I've said we need to clear the room by 5:00 so it's not 4:25. Don't feel constrained in your questions, but equally all of us are going to be around for awhile after the formal close and no doubt as is the way of these events, there'll be quite a lot of people honing in. So - - but nonetheless, any questions that you could share with us now that we could answer?

Wayne. Thanks, Wayne.

Wayne: **Just go and looking at you're A&P programs looks quite exciting for 2011. I know you said that you're not going to quantify that, but if you could give us some sort of a relative perspective of how much you think the A&P spends will be this year in relation to last year?**

Paul Moody: Yeah, John?

John Gibney: Yeah, in terms of A&P I don't think we believe that there'll be a significant increase in the percentage. So last year we were about 5.7% of revenue in GB, we anticipate it being a similar amount again this year. As you know, the way we tend to approach that is we'll roll the A&P onto those brands where we think we can get the biggest bang for our buck, obviously without making sure that we take anything away from other brands, which might mean that they would suffer. But overall we think we've got enough scope in that 5.7% to deliver what Jonathan has just described.

Wayne: **And then with regards to Robinsons, is it my understanding that you're going to be removing single concentrate and just go fully double concentrate, or is it going to be a time period?**

John Gibney: Jonathan will covert that.

Jonathan Gatward: We've got a expert approach on Robinsons so what we've got is an existing pack in market of one, and then two, three, and four litre. We're taking out of our bulk packs, which are the packs that consumers have got the most of an issue with in terms of handling storage, carrying, moving those to double concentrate, but keeping our one litre pack in single concentrate.

Wayne: **And then one last question, just with regards to Fruit Shoot, it is in English on the front of the cover and I was just wondering from a branding perspective in France if that was (inaudible) thought that was appropriate.**

Paul Moody: Within France.

Wayne: The Teisseire, it says fruit juice in English.

Paul Moody: Yeah, well maybe show one out in French, yeah.

Wayne: **So I guess the question is how does the French consumer feel about it being Teisseire Fruit Juice?**

Jean-Luc Tivolle: Oh they're pretty okay to, they understand it easily. We need the brand because we have to, we sell the Fruit Shoot as a high price, and the competitor is private label. So we need our French brands to compete, and Teisseire Fruit Shoots we make a lot of surveys and they are totally okay to have the (inaudible) with Teisseire and Fruit Shoots.

Paul Moody: Okay, thanks. There's a question in front.

Adam Spielberg*: Hi, this is Adam Spielberg from Citigroup. **Can you say whether overtime the Pepsi brands are becoming a bigger or smaller proportion of your business in the UK or GB? And what that proportion is now. I mean how much do businesses is your brand with Pepsi, and how will that develop?**

John Gibney: Broadly the proportionate of Pepsi brands will be about half. I think it's true to say that over the last two or three years the proportion has increased in that area slightly, it's not a massive switch. The reason it's increased is, firstly, we've actually developed over the last three or four years innovation coming not just from the Britvic's table, but also from the Pepsi's table, which I actually think is a significant advantage because we've got readymade brands in categories where we haven't actually got products we can look straightaway. And secondly, clearly the pack architecture developments you're seeing, particularly around single serve, are probably disproportionate benefit to the Pepsi brands versus their own brands. So again, great news for Britvic because what we're doing is breaking into an area where we've been underrepresented in the past. So we don't see that as a negative, what we see it as is actually a great demonstration of where we can use our brands and Pepsi brands in the most appropriate way to increase our market share.

Adam Spielberg: Thank you.

Jonathon Cook: Hi, it's Jonathon Cook from RBS. **Could you talk a little about the interaction of PepsiCo and your international expansion strategy? Because it seems to me there's an awful lot of overlap opportunities, but also conflicts of interest. For example, they can be a distributor in the US with their (inaudible) system rather than the independent bottle as you're going through, and actually being a shareholder in Britvic, what do they say about that?**

Jonathan Gatward: Yeah, okay, I'll take that. I think the first; the standpoint is that although they're a shareholder they don't exert any influence as a shareholder. I think we've said consistently the relationship is a commercial one, not a shareholder relationship. You have to remember our expansion into the US with Buffalo Rock materially predates the reacquisition of the bottling infrastructure by Pepsi in the US. So to that degree the opportunity was much less then than it might apparently be now. Certainly when we look into Australia, the Pepsi partner there does not - - well two dynamics, one, they have a Squash brand of their own, which is not a Pepsi brand, it's a local bottle brand, and secondly, we felt that they could provide a better level of support for us than maybe that structure would. However, as we look out, is there a potential opportunity? Then for sure there will be. But I think at the moment what we're in, the phase we're in, as I think Simon described, is much more about proving the case. And then we will do what we think is the right thing in terms of accessing the best means or the best roots to market. I can be pretty clear that there one or two partners that we would not go to work with, but there are other partners that we think will execute better on our behalf in a given territory then we would certainly work with them. My view would be the Pepsi opportunity is clearly one we would want to explore, but at the moment we're still in that, as you will, exploration phase understanding the scale of the opportunity. In terms of potential conflict, and I think we've made this point before, in the UK market we already complete with Pepsi-Cola because they clearly have the Tropicana brands, they developed single serve, and indeed if you go to many pubs you will be able to see side-by-side Britvic 100 Orange Juice and Tropicana (inaudible). So in that sense the maturity of the relationship we have with Pepsi is such that we know that that's what they do, they know what we do, and if we happen to bump into each other then we will then just get on with it.

Paul Moody: Okay. Andrew.

Andrew: **I'm just thinking about the Robinsons brand. Presumably that's pretty much unheard of outside the UK until you take it somewhere. What is to stop somebody else simply mixing fruit juice and water and calling it, I don't know; Fruit Shot or something, and marketing it as a competitor?**

Paul Moody: I think I'll give a point of view and then maybe Jonathan will leap forward. I think the Robinsons brand is relatively well known in (inaudible) pack community because by definition Robinsons is a well known brand. You take Fruit Shoot, it probably just reflects on our experience in GB, there are a number of (inaudible) both on label and brand is that it's not really getting traction. I think, as Simon described in his presentation, the fundamental component of Fruit Shoot is the positioning and the brand property, rather than necessarily the liquid and the package. So the package, we believe, is pretty innovative, certainly the cap and the safety of the cap, the shape of the bottle and the whole positioning. But this whole kids out and having families play and fun, is something which we, as it (inaudible) with the Robinsons brand. So what if other people could replicate the package and certainly the liquid, they won't be able to deliver that equity. And in fact what we'll see, and indeed hopefully we already seeing in France is where we've taking that same equity around families and kids and play and fun and activity and that is already beginning to have some real traction in the French market. So we're pretty confident that the essence of the brand is not reputable as opposed to simply the product.

John (Inaudible): **Hi, this is John (Inaudible) from Deutsche Bank again. Can you give us a rough feel for how much of the overall Robinsons Squash volume is being impacted by this move to double concentrate? And I'm sure you've tested this, but how reassured are you that in copying something which has been done by a label in the past, you're not running the risk of cheapening the brand or taking it down market?**

Paul Moody: Jonathan?

Jonathan Gatward: From a volumetric point of view it's about a third of a footprint from GB that will be affected by the shift. In terms of the consumer research, I mean the whole proposition behind the timing of the deployment of double concentrate is about actually understanding the consumer need, and actually waiting for them to be understanding the concept of it and investing behind it as explaining what it does in an added value way. From a kind of cheapening point of view, there's about a 4% improvement in the cost per serve, but actually you get more serves going home so actually the kind of value equation works for both, it's a classic win, win, win for the consumer and also ourselves, which is a great play. And also by building in some functionality into the pact we've proven that we're taking it onto the next level rather than just doing a straight (inaudible) copy of the formulation. It will just be from a consumer value point of view to benefit Robinsons is the unique taste delivery, and the fact that familiarity to the brand means that everybody in the family likes it, and that to mom is worth much, much more than just the physical packing which it's deployed.

Paul Moody: Okay, should we, in terms of the Q&A, unless there's burning question that you want in the open forum, I don't see a problem. We'll probably close the Q&A session. This is like a scene from the Usual Suspects isn't it, (inaudible). Let me - - I'll just take a brief minute or two to close the session, and then I think we're going to try, and we can mill around in this room for awhile, and then we're going to exit into general bar areas. So I guess what our ambition for this afternoon was too, and I think you might remember me opening with this is about a medium in a long term play. We've clearly addressed in Martin's session some of the short-term volatiles that I know there was a particular interest in. But what we have done, I believe, is demonstrated the steps that we have taken and are taken around stabilising islands. I think that we've demonstrated some really positive action to reengineer the cost base of the business, but more importantly, made the business fit for exploiting the opportunities as we go forward. We are also clearly going to be optimising the opportunity in France. I think you would recognise that we've had the business for a relatively short time, but I think that Jean-Luc in his presentation demonstrated the progress that already we have made. And although Fruit Shoot was a readymade product, I still think it's pretty impressive that we can bring to market, but more importantly, Jean-Luc and his team can bring to market a British brand with quintessentially British mother brand being replaced by quintessentially French mother brand.

Simon I think talked in some detail about the opportunity for internationalising our brands, and we probably for the first time spoke in more detail about the franchising mogul that we think we can exploit, wider a field. And already we're seeing the benefits of that in Australia and the way that we work and (inaudible). And clearly the US opportunity is a huge one if we can work out, firstly the relevance and the validity of the Fruit Shoot brand within that market. I think the evidence already in Buffalo Rock all be at one (inaudible), is that we can, and then I think pretty much the question around how do we then exploit the, that's the piece of work that we're focusing on in the near term.

I think what we've also demonstrated is the continued delivery of the GB strategy. We've consistently talked about the market and the market growth that we will exploit. We consistently talked about our ability to bring innovation to market that will add 1-to-2%, and I think Jonathan demonstrated ably how we've achieved that during the course of this year and we're very confident in 2011 we will do similarly. We still have the distribution opportunity that we've touched on before, and we still have the channel opportunity that we've touched on before.

And I think that the final kind of piece of the equation is that we have consistently demonstrated our ability to get good top line growth, but with effective and efficient management of our cost base. And today we've given an illustration of how our PVO program, which is consistently delivered £2 million worth of value year and year out, is being accelerated as the response in part to the pressure that we're experiencing on import. So we're moving our guidance from two to eight. And whilst it's not necessary fundamental, I would argue that the refinancing that John and the team have secured in the last literately 24/36 hours, demonstrates that there's a (inaudible) of banks who recognise Britvic as a strong and credible business that has a great growth ambition. And I would kind of endorse that point to you. But I think that the final observation to make is that those of you that have followed the business for the last five to six years will recognise that what we're saying today broadly is that which we have consistently said. We have a strong, vibrant, and growing GB business. We have an ambition to grow internationally, which we've clearly done by our acquisition in Ireland and lastly in France. We have brands that are absolutely transferable across boundaries; we've demonstrated that already admirably with Fruit Shoot. We believe it will continue to do that. We think there is a global opportunity with dilutes, but to be candid we've not really focused on before, but we think the current climate will make that an ideal opportunity. And we have a continued focus on building our business via innovation, whether that's innovation in France or Ireland or GB or indeed internationally. So I'm convinced that we have a fantastically profitable business that has a strong future in front of it. And I hope that what we've demonstrated this afternoon that there is substance to that claim rather than just a hollow wish.

What I'd like you to do now is no doubt you'll make a beeline to whomever it is you want to capture. I'm just leaving so John's over there. But what we'd like to do is clearly take some time, and no doubt there are questions you have. We will have, I think through there, a whole range of SoBe, which if you're flagging, I can assure you a couple of cans will get you kind of pretty lively for the next 24 hours. There is double concentrate, which I guess in an experience it's Squash isn't it, but it will be kind of interesting if you see and feel how the pack works. We certainly have some Turbo Tango, which those of you that are brave enough, edgy enough, and as it's worded, down with the kids, will try. So for the three of you, that's great, for the rest of you, no doubt you'll just watch. So thanks very much for taking the time, I appreciate that today's a busy day for everybody. We value your attendance and your questions. So I think that's the formal close. Thanks.