Britvic plc Interim Results – 21 May 2014

Britvic plc announces its interim results for the 28 weeks ended 13 April 2014[1]

All numbers quoted are on a constant currency basis and are pre-exceptional and other items, unless otherwise stated.

Financial highlights:

- Revenue growth of 4.7% to £670.7m, with volume growth of 3.9% and ARP growth of 0.8%
    - GB revenue up 5.0%, outperforming the GB take-home soft drinks market
    - France revenue up 7%, with both volume and ARP growth
    - Ireland revenue down 5.2% as the consumer environment remained difficult
- Group EBITA of £60.5m, up 12.9% on last year, driven by revenue growth and tight cost control
- Half-year adjusted EPS of 14.5p, up 16.9% on last year
- Interim dividend of 6.1p, up 13.0% on last year, reflecting confidence in future prospects

Strategic highlights:

- Focus has remained on building sustainable profit and margin improvement
- Strong progress on strategic cost initiatives: on-track to deliver £30m annual cost saving by 2016
- New operating model established with significant change programme nearing completion
- Nationwide distribution of Fruit Shoot in the USA secured through additional PAB territories and new independent bottler agreements
- Fruit Shoot India launch on track, with in-market production to commence imminently

	28 weeks ended 13 April 2014 £m[1]	28 weeks ended 14 April 2013 £m[1]	% change actual exchange rate	% change constant[1] exchange rate
Group Revenue	670.7	639.2	4.9%	4.7%
Group EBITA[2]	60.5	53.6	12.9%	12.9%
EBITA Margin[2]	9.0%	8.4%	60bps	60bps
Group EBIT[7]	59.0	52.0	13.5%	13.5%
Group Profit Before Tax	45.3	37.5	20.8%	20.8%
Group Profit After Tax	34.0	28.5	19.3%	19.3%
Group Profit After Tax, After Exceptional And Other Items	27.5	24.7	11.3%	11.3%
Adjusted Earnings Per Share[3]	14.5p	12.4p	16.9%	16.9%
Weighted Average No. of Shares	245.6	242.4	1.3%	-
Interim Dividend Per Share	6.1p	5.4p	13.0%	-
Underlying Free Cash Flow [4]	(30.8)	(24.4)	(26.2)%	-
Group Adjusted Net Debt [5]	(479.4)	(503.7)	4.8%	-
Adjusted Net Debt: EBITDA	2.6x	2.9x	-	-

The board has announced an interim dividend per share of 6.1p, up 13.0% on last year. This reflects the board's confidence in the future prospects of our business, the strong free cash flow generation and our stated progressive dividend policy.

Simon Litherland, Chief Executive Officer commented:

"This has been another period of solid progress for our business, as we continue to implement the strategy we announced last year. We have delivered strong revenue, profit and margin growth in the first half of the year and our cost saving programme continues to gain traction across our business. We remain on-track to meet our target of £30 million of annual cost savings by 2016. In addition, our international business is progressing well and the nationwide distribution of Fruit Shoot in the USA is an important milestone as we seek to exploit the international potential of our brands.

"Whilst we anticipate that the consumer environment is likely to remain challenging across our core markets, we remain confident of delivering EBIT in the range of £148m to £156m for the full year."

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There will be a live webcast of the presentation given today at 10:00am by Simon Litherland (Chief Executive Officer) and John Gibney (Chief Financial Officer). The webcast will be available at http://ir.britvic.com/, with a transcript available in due course.

Definitions

(1) Where appropriate, comparisons are quoted using constant exchange rates. Constant currency change removes the impact of exchange rate movements during the period by retranslating prior year foreign currency denominated results of the group at current period exchange rates to aid comparability.

(2) EBITA is defined as operating profit before exceptional and other items and amortisation. Only amortisation attributable to intangibles related to acquisitions is added back, in the period this is £1.5m (2013: £1.6m as reported last year). EBITA margin is the EBITA as a proportion of group revenues.

(3) Adjusted earnings per share amounts are calculated by dividing adjusted earnings by the average number of shares during the period. Adjusted earnings is defined as the profit/(loss) attributable to ordinary equity shareholders before exceptional and other items adjusted for the adding back of acquisition related amortisation. Average number of shares during the period is defined as the weighted average number of ordinary shares outstanding during the period excluding any own shares held by Britvic that are used to satisfy various employee share-based incentive programmes. The weighted average number of ordinary shares in issue for adjusted earnings per share for the period was 245.6m (2013: 242.4m).

(4) Underlying free cash flow is defined as net cash flow excluding movements in borrowings, dividend payments and exceptional and other items.

(5) Group adjusted net debt is defined as group net debt, adding back the impact of derivatives hedging the balance sheet debt.

(6) Return on invested capital (ROIC) - is defined as operating profit after applying the tax rate for the period, stated before exceptional and other items, as a percentage of invested capital. Invested capital is defined as non-current assets plus current assets less current liabilities, excluding all balances relating to interest bearing liabilities and all other assets or liabilities associated with the financing and capital structure of the group and excluding any deferred tax balances and effective hedges relating to interest-bearing liabilities.

(7) EBIT is defined as operating profit before exceptional and other items. EBIT margin is the EBIT as a proportion of group revenues.

All numbers in this announcement, other than where stated or included within the financial statements, are disclosed before exceptional and other items.

Reconciliation from actual exchange rate to constant exchange rate

	2013 actual exchange rate £m	Change £m	2013 constant exchange rate £m
Group Revenue	639.2	1.6	640.8
Group EBIT	52.0	0.0	52.0
Group Profit Before Tax	37.5	0.0	37.5
Group Profit After Tax (PAT)	28.5	0.0	28.5
Group PAT, After Exceptional And Other Items	24.7	0.0	24.7
Group EBITA [(3)]	53.6	0.0	53.6
Adjusted Earnings Per Share [(4)]	12.4p	0.0p	12.4p

Basis of preparation

The interim results announcement for the 28 week period ended 13 April 2014 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The interim statement of results was approved by the board on 20 May 2014.

Notes to editors

About Britvic

Britvic is one of the leading branded soft drinks businesses in Europe. The company leverages its own leading brand portfolio including Robinsons, Tango, J_2O, Fruit Shoot, Teisseire and MiWadi with PepsiCo brands such as Pepsi, 7UP and Mountain Dew Energy which Britvic produces and sells in Great Britain (GB) and Ireland under exclusive PepsiCo agreements.

Britvic is the largest supplier of branded still soft drinks in GB and the number two supplier of branded carbonated soft drinks in GB. Britvic is an industry leader in the island of Ireland with brands such as MiWadi and Ballygowan, and in France with brands such as Teisseire and Fruité. Britvic is growing its reach into other territories through franchising, export and licensing. Britvic's management team has successfully developed the business through a clear strategy of organic growth and international expansion based on creating and building scale brands. Britvic is listed on the London Stock Exchange under the code BVIC and is a constituent of the FTSE 250 index.

Cautionary note regarding forward-looking statements

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

Market data

GB take-home market data referred to in this announcement is supplied by Nielsen and runs to 12 April 2014. ROI grocery market data referred to in this announcement is supplied by Nielsen and runs to 23 March 2014. French market data is supplied by IRI and runs to 6 April 2014.

Next scheduled announcement

Britvic will publish its quarter three interim management statement on 24 July 2014.

Chief Executive Officer's Strategic Review

We have reported a strong set of results for the 28 weeks to 13 April 2014 and I am delighted with the progress we have made in implementing our new strategy that we shared last year.

In each of our core markets the consumer environment has remained challenging with a focus on value, and shoppers carefully managing their basket spend. As the business has focused on executing our plans we have achieved some notable successes.

Performance highlights

- In GB stills we have seen revenue growth of 2.3%, driven by ARP growth of 4.0% with a volume decline of 1.7%. During Q2 we launched SQUASH'D, allowing consumers to enjoy Robinsons out of the home

- We have delivered strong growth in GB carbonates this year, with both volume and ARP growth leading to revenue up 6.8%

- In the USA we now have nationwide distribution of Fruit Shoot. With PepsiCo Americas Beverages (PAB) we have moved into new states, including California, and we have secured a number of new agreements with independent bottlers such as Admiral Beverages Corporation (ABC) for states including Idaho and Wyoming

- In France we delivered a strong performance across the portfolio. We are delighted with the progress of Fruit Shoot which has continued to grow and has recently become the number 1 brand in the kids drinks category

Our new strategy

In May last year I shared our vision for Britvic to become one of the most admired soft drinks businesses in the world by:

- Becoming the benchmark integrated branded soft drinks business for both PepsiCo and our own brands in GB & Ireland

- Fully exploiting global category opportunities in Kids, Family and Adult

- Creating a simple focused operating model, empowering our people and matching resource and capability to the opportunities

- Being a trusted and respected member of the communities in which we operate

We also announced that we would deliver £30m of annualised cost savings by 2016. Of these annual savings we intend to invest £10m behind the expansion of the International business.

Progress on the strategic initiatives

Over the last 12 months we have made considerable progress on all of the major initiatives. The Executive Team is now fully resourced following the appointment in January of Matt Barwell as Chief Marketing Officer. Each of the business units now has full accountability for its performance and we have a lighter "PLC" centre to support this decentralised structure.

The Huddersfield and Chelmsford factories have both closed and our innovation and quality functions have relocated to other sites. Ballygowan is now our sole water brand in GB and Ireland, and a Fruit Shoot production line has been successfully relocated to France. The support functions in GB and Ireland have been consolidated with areas such as Finance, HR and Supply Chain all operating under one leadership team and we have separated out our wholesale business in Ireland.

Closing any site creates a huge amount of uncertainty for all affected employees and their families and we have been committed to minimising job losses and providing as much support as possible. By working closely with our people and local agencies, a significant number of employees have already secured new roles, either at other Britvic sites or with new employers. The commitment to Britvic during this difficult time has been outstanding and I would like to acknowledge and thank everyone for their passion, energy and dedication to Britvic.

Momentum behind our International ambitions

As part of the new Britvic operating model we have created a fully resourced international business unit under the leadership of Simon Stewart. Acting independently of GB & Ireland and France, it is now a team in excess of 100 people located across Europe, the USA and Asia. In addition to existing Britvic employees transitioning to a dedicated international role, we have recruited many new people with the blend of skills and experience we need to support our growth ambitions.

In the USA I am delighted that we have now achieved nationwide distribution for Fruit Shoot. This is another important milestone towards establishing the brand as a leader in the kids drinks category. We have also put in a significant amount of effort to ensure our India agreement with the Narang Group for Fruit Shoot can be realised. We now have in-market resource to support the Narang team and the supply chain is operational with sustainable, dedicated production capacity for the brand secured so that production can commence imminently. Later in the year there will be a major consumer campaign aligned to the Diwali festival.

Summary

The last year has been one of material change for the organisation and we have made significant progress in delivering our transformational programmes, as well as a strong set of results this year. We are on-track to deliver our cost savings programme, the core business is performing well and our international ambitions are developing at pace. This all gives us confidence in our prospects for long-term growth.

Simon Litherland

Chief Executive Officer

Chief Financial Officer's Review

The following is based on Britvic's results for the 28 weeks ended 13 April 2014 [(1)*]

* Definitions can be found on page 2 of this document

Key performance indicators

The principal key performance indicators that management use to assess the performance of the group are as follows:

- *Volume growth* – increase in number of litres sold by the group relative to prior period, excluding factored brands sold by Counterpoint in Ireland and no volume is recorded in respect of international concentrate sales.
- *Average Realised Price (ARP)* – average revenue per litre sold, excluding factored brands.
- *Revenue growth* – increase in sales achieved by the group relative to prior period.
- *Brand contribution margin* – revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product, divided by revenue. Such costs include brand specific advertising and promotion costs, raw materials, and marginal production and distribution costs. Management uses the brand contribution margin to analyse Britvic's financial performance, because it provides a measure of contribution at brand level.
- *EBITDA* – is defined as earnings before interest, tax, depreciation, amortisation, profit or loss on disposal of tangible and intangible assets, and exceptional and other items.
- *EBITA* – is defined as earnings before interest, tax, amortisation, and exceptional and other items.
- *Operating profit margin* – the group focuses on EBITA (earnings before interest, tax and acquisition related amortisation before exceptional and other items) as the key operating profit measure. Margin is calculated by dividing EBITA by revenue. Each business unit's performance is reported down to the brand contribution level.
- *Underlying free cash flow* – is defined as net cash flow excluding movements in borrowings, dividend payments, exceptional and other items.
- *Return on invested capital (ROIC)* – is defined as operating profit after applying the tax rate for the period, stated before exceptional and other items, as a percentage of invested capital. Invested capital is defined as non-current assets plus current assets less current liabilities, excluding all balances relating to interest bearing liabilities and all other assets or liabilities associated with the financing and capital structure of the group and excluding any deferred tax balances and effective hedges relating to interest-bearing liabilities.

Overview

In the period the group sold over 1 billion litres of soft drinks, an increase of 3.9% on the previous year. With Average Realised Price (ARP) increasing by 0.8%, the group's revenue was up 4.7% compared to the first half of 2013, on a constant currency basis. The first half incorporates 28 weeks of fixed costs but represents less than half of our expected revenue for the year and is a working capital high point for the business ahead of the summer months.

The focus has remained on building sustainable profit and margin improvement. This year EBITA is up 12.9%. EBITA margin has improved by 60bps this year and by 250bps over the last 2 years. Compared to last year there is approximately an £8m benefit as a result of costs related to the recall in 2012 not recurring. However, as part of the strategy to invest in the equity of our brands, A&P spend this year has increased by nearly £9m compared to last year, which is included within brand contribution.

GB stills	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	% change actual exchange rate
Volume (millions litres)	189.6	192.9	(1.7)
ARP per litre	88.3p	84.9p	4.0
Revenue	167.4	163.7	2.3
Brand contribution	82.9	81.4	1.8
Brand contribution margin	49.5%	49.7%	(20)bps

As part of our commercial change programme we have continued to benefit from stronger revenue management disciplines this year. H1 revenue was up 2.3% thanks to growth in Q2 of 4.4%, with improved pricing and only a marginal decline of 0.3% in Q2 volume. Our focus continues to be one of driving sustainable value in our portfolio. Fruit Shoot continued to see volume and value growth, the overall volume decline has been driven by Robinsons and J20. In the latter part of the period we launched Robinsons SQUASH'D, a highly concentrated pack of 66ml that offers the same number of servings as a traditional 1 litre bottle, which has a positive impact on ARP and a more limited effect on volume. This year we have also seen a planned increase in A&P spend which has restricted the brand contribution growth and impacted margin.

GB carbonates	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	% change actual exchange rate
Volume (millions litres)	616.7	580.9	6.2
ARP per litre	46.1p	45.9p	0.4
Revenue	284.6	266.6	6.8
Brand contribution	104.8	100.2	4.6
Brand contribution margin	36.8%	37.6%	(80)bps

The first half of the year saw both volume and ARP growth, leading to revenue growth of 6.8%. Q2 in particular was very strong, with revenue up nearly 11%, with growth in packs such as 2 litre in the take-home channel and dispense from new business wins in leisure retail. ARP in Q2 was down marginally compared to last year where we generated a 4.7% growth on 2012, as a result of our focus on protecting value and margin. This year each of our key brands has delivered revenue growth.

Compared to last year there has been a planned increase in A&P spend as we continue to invest behind our brand portfolio. Brand contribution was up 4.6% with margin down 80bps as a result of the increased A&P investment.

France	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	141.5	134.3	5.4	5.4
ARP per litre	90.0p	87.9p	2.4	1.5
Revenue	127.4	118.0	8.0	7.0
Brand contribution	30.3	26.7	13.5	12.2
Brand contribution margin	23.8%	22.6%	120bps	110bps

In France we have delivered another excellent performance in a challenging consumer environment. With volume growth of 5.4% and ARP growth of 1.5%, revenue was up 7.0% on last year. In a subdued soft drinks market the key categories of syrups and kids juice drinks are in growth and we continued to grow share. Fruit Shoot has had a strong first half, and is now the number 1 brand in the category by value.

A&P spend was significantly up on the previous year as we invested in the portfolio. Brand contribution, which is after A&P, was up 12.2% with margin expansion of 110bps.

Ireland	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	% change actual exchange rate	% change constant exchange rate
Volume (millions litres)	99.5	98.7	0.8	0.8
ARP per litre	53.1p	55.7p	(4.7)	(5.3)
Revenue	64.2	67.2	(4.5)	(5.2)
Brand contribution	21.0	24.2	(13.2)	(13.9)

Brand contribution margin	32.7%	36.0%	(330)bps	(330)bps

Note: Volumes and ARP include own-brand soft drinks sales and do not include factored product sales included within total revenue and brand contribution

Market conditions in Ireland have remained difficult with consumers continuing to seek value amid a competitive trading environment. Modest volume growth has been outweighed by the impact of promotional activity and channel mix. In carbonates the market has been particularly competitive whilst key categories such as dilutables and kids drinks have both seen value and volume decline in the last quarter. We have gained a small amount of value share with a small volume share loss in the take home channel. The licensed wholesale business was successfully launched as a standalone business under the Counterpoint brand in the first quarter of the year. With a management team, systems and processes in place, it is well positioned for the future.

International	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	% change actual exchange rate
Volume (millions litres)	20.5	21.0	(2.4)
ARP per litre	132.2p	112.9p	17.1
Revenue	27.1	23.7	14.3
Brand contribution	10.7	9.1	17.6
Brand contribution margin	39.5%	38.4%	110bps

Note: Concentrate sales are included in both revenue and ARP but do not have any associated volume

As part of the implementation of the new operating model, responsibility for France exports has been transferred to the international business and we have represented prior year numbers to ensure accurate comparisons. The volume decline this year is primarily as a result of the pricing action taken on low margin exports as we focus on driving sustainable value growth. The expansion in the USA over the last 12 months has led to a near doubling of concentrate revenue, driving ARP and margin growth. The expansion of Fruit Shoot in the USA and other markets has been supported by a planned increase in A&P.

Fixed costs	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	% change actual exchange rate
Non-brand A&P	(5.1)	(4.3)	(18.6)
Fixed supply chain	(54.5)	(54.0)	(0.9)
Selling costs	(65.6)	(64.5)	(1.7)
Overheads and other	(65.5)	(66.8)	1.9
Total	(190.7)	(189.6)	(0.6)
Total A&P investment	*(30.9)*	*(22.0)*	*(40.5)*
A&P as a % of own-brand revenue	*4.7%*	*3.5%*	*(120)bps*

Fixed costs were marginally up this year to £190.7m. The benefit of the strategic cost initiatives is weighted to the second half of the year, reflecting the closure of the factories late on in the period. As part of the strategy to increase investment behind the brands there has been an increase in trade spend this year. Alongside A&P, trade spend is invested in-store to drive feature and display as well as support the development of strategic initiatives. Following changes made as a result of the implementation of the operating model the fixed costs for last year have been restated to reflect movements between the fixed supply chain, selling costs and overheads and other categories to ensure like-for-like comparisons. The total fixed costs for last year remain the same.

Exceptional and other items

In the period, we accounted for a net charge of £8.2m of pre-tax (£6.5m post tax) exceptional and other costs. These include:

- Corporate exceptional items of £10.2m, relating to the implementation of the strategic cost initiatives announced at interims in May 2013.
- Other fair value movements gain of £2.0m. Within exceptional and other items we include the fair value movement of financial instruments where hedge accounting could not be applied. This was

made up of two items, a number of share swaps to satisfy our employee incentive share schemes and interest-rate swaps.

The cash costs of exceptional items in the period were £13.3m.

Interest

The net finance charge before exceptional and other items for the 28 week period for the group was £13.7m compared with £14.5m in the same period in the prior year, reflecting the lower debt profile of the group.

Taxation

The tax charge before exceptional items was £11.3m which equates to an effective tax rate of 24.9% (28 weeks ended 14 April 2013: 24.0% and 52 weeks ended 29 September 2013: 23.6%). The increase in the effective tax rate reflects the increase in the French corporate tax rate during the period and start-up losses incurred in some of the Group's International expansion for which no tax relief is currently available. In 2013 the Group's effective tax rate had benefited from the retranslation of its deferred tax liability on the phased reduction in the UK corporate tax rate. A comparable benefit is not available for 2014.

Earnings per share

Adjusted basic EPS for the period, excluding exceptional and other items and acquisition related amortisation, was 14.5p, up 16.9% on the same period last year of 12.4p.

Basic EPS (after exceptional and other items charges post-tax) for the period was 11.2p compared with 10.2p for the same period last year.

Dividends

The board is recommending an interim dividend of 6.1p per share, an increase of 13.0% on the dividend declared last year, with a total value of £15.0m. The interim dividend will be paid on 11 July 2014 to shareholders on record as at 30 May 2014. The ex-dividend date is 28 May 2014.

Cash flow and net debt

Underlying free cash flow was a £30.8m outflow, compared to a £24.4m outflow the previous year. Please note the first half of the year represents a working capital high for the group due to stock building ahead of the key summer period and impact of reporting mid-month for the interims. Capital expenditure was higher than last year, largely due to re-phasing into 2014. The increase in pension contributions was due to the planned additional contributions in GB. Overall adjusted net debt came down by over £24m and took our leverage to 2.6x EBITDA from 2.9x last year. The adjusted net debt (taking into account the foreign exchange movements on the derivatives hedging our US Private Placement debt) at 13 April 2014 was £479.4m, compared to £503.7m at interims last year.

Strategic cost savings

A dedicated project management office (PMO) has been established to oversee both the delivery and tracking of the cost and benefit analysis of the strategic initiatives that contribute to the £30m cost savings and operating model design. The programme change director reports to both the executive committee and the board on a regular basis to update them on the associated revenue costs, capital, exceptional items and risk. The cost savings programme remains on-track to deliver annual savings of £30m by 2016.

Treasury management

The financial risks faced by the group are identified and managed by a central treasury department, whose activities are carried out in accordance with board approved policies and subject to regular audit and Treasury Committee reviews. The department does not operate as a profit centre and no transaction is entered into for trading or speculative purposes. Key financial risks managed by the treasury department include exposures to movements in interest rates and foreign exchange whilst managing the group's debt and liquidity, currency risk, interest rate risk and cash management. The group uses financial instruments to hedge against interest rate and foreign currency exposures.

On 20 February 2014, Britvic plc repaid US$102m and £25m of Notes in the United States private placement market (USPP). These Notes were repaid using funds received from the issuance of 2014 Notes (see below). The 2007 cross currency interest rate swap instruments which had been designated as part of a cash flow hedge relationship against the future cash flows associated with this maturing portion of the 2007 Notes, also matured on 20 February 2014.

On 20 February 2014, Britvic plc issued US$114m and £35m of Senior Notes with maturities between 7 and 12 years in the United States private placement market ('the 2014 Notes'). The proceeds from the 2014 Notes were principally used to repay amounts due in relation to the maturity of certain tranches of the 2007 Notes.

The group has £920m of committed debt facilities consisting of a £400m bank facility which matures in 2016 and a series of private placement notes with maturities between 2014 and 2026 providing the business with a secure funding platform. At 13 April 2014, the group's unadjusted net debt of £504.9m (excluding derivative hedges) consisted of £0.8m drawn under the group's committed bank facilities, £545.7m of private placement notes, £4.6m of accrued interest and £0.4m of finance leases, offset by net cash and cash equivalents of £43.9m and unamortised loan issue costs of £2.7m. After taking into account the element of the fair value of interest rate currency swaps hedging the balance sheet value of the private placement notes, the group's adjusted net debt was £479.4m which compares to £503.7m at 14 April 2013.

Pensions

At 13 April 2014, the IAS 19 pension surplus in respect of the group defined benefit pension schemes was £3.3m (29 September 2013: net deficit of £19.3m). The reduction in the deficit was predominately driven by the additional employer contributions made to the GB plan of £20.0m in the first half of the year combined with positive investment performance over the period amounting to £6.8m. Changes to the demographic assumptions on which the IAS19 valuation for the GB plan is based resulted in a reduction in the deficit, although this was largely offset by an increase in the deficit due to changes in financial assumptions.

The defined benefit section of the GB plan was closed to new members on 1 August 2002, and closed to future accrual for active members from 10 April 2011, with new members being invited to join the defined contribution scheme. The actuarial valuation of this scheme as at 31 March 2013 is currently underway, and will be completed by 30 June 2014.

Business resources

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

- An extensive portfolio of stills and carbonates brands, including Robinsons, Pepsi, 7UP, Tango, J_2O and Fruit Shoot. The breadth and depth of Britvic's portfolio enables it to target consumer demand across a wide range of consumption occasions, in all the major soft drinks categories and across all relevant routes to market. Britvic Ireland owns a number of leading brands in the Republic of Ireland and Northern Ireland, including Club, Ballygowan and MiWadi as well as the rights to the Pepsi, 7UP and Mountain Dew brands. In France the portfolio includes the leading syrup brand Teisseire as well as Moulin de Valdonne, Pressade and Fruit Shoot.

- A successful long-standing relationship with PepsiCo that resulted in the exclusive bottling agreement (EBA) being renewed in GB in 2003 for a further 15 years, with an extension to 2023 on admission to the London Stock Exchange. The EBA for Ireland lasts until 2015. This relationship gives Britvic the exclusive right to distribute the Pepsi and 7UP brands in GB and Ireland, access to all new carbonated drinks developed by PepsiCo for distribution in GB and Ireland and, to support the development of its carbonates offering, access to PepsiCo's consumer insight, marketing best practice, brand and product development expertise and technological know-how. Britvic has added to its portfolio with Mountain Dew Energy in GB and Ireland and has also been appointed in recent years as the exclusive GB bottler of Gatorade, Lipton Ice Tea and SoBe.

- A strong customer base. For example, in the GB take-home market, Britvic's customers include the "Big 4" supermarkets (Tesco, J Sainsbury's, Asda and Wm Morrisons) together with a number of other important grocery retailers. The group has significant supply arrangements with a number of key players in the GB pubs and clubs sector and leisure and catering channels. Through Britvic International, the group has built on the success of the Robinsons and Fruit Shoot brands by introducing these products into markets outside GB.

- Britvic also has a well-invested and flexible group production capability and distribution network that enables its soft drinks to be made available to consumers across all of its operating territories.

Risk management process

Britvic operates a robust risk management process that has been further strengthened over recent years.

Risk identification, analysis and mitigation planning is undertaken at all levels of the business through functional and operational teams. Each risk is assigned an owner at management level who has responsibility for ensuring that appropriate actions are taken to manage the risk. A dedicated Risk and Insurance Manager manages and supports this process and owns the group-wide risk register.

Risks are regularly reviewed and monitored by Business Unit or functional management teams. The executive team review the major risks across the group on a quarterly basis to ensure that the management of these risks has appropriate focus. The board review these at least twice a year.

The principal risks that could potentially have a significant impact on our business in the future are set out on page 19 of the annual report, which can be downloaded at www.britvic.com.

BRITVIC PLC

INTERIM FINANCIAL STATEMENTS
FOR THE 28 WEEKS ENDED 13 APRIL 2014

Company number: 5604923

RESPONSIBILITY AND CAUTIONARY STATEMENTS

RESPONSIBILITY STATEMENTS

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

CAUTIONARY STATEMENT

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

This report is intended to inform the shareholders of the group's performance during the 28 weeks to 13 April 2014. This report contains forward looking statements based on knowledge and information available to the directors at the date the report was prepared. These statements should be treated with caution due to the inherent uncertainties underlying any such forward looking information and any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

DIRECTORS
The directors of Britvic plc are:

Gerald Corbett
Simon Litherland
John Gibney
Joanne Averiss
Ben Gordon
Bob Ivell
Michael Shallow
Ian McHoul (appointed 10 March 2014)

By order of the board

Simon Litherland
Chief Executive Officer

John Gibney
Chief Financial Officer

INDEPENDENT REVIEW REPORT TO BRITVIC PLC

Introduction

We have been engaged by Britvic plc (the 'company') to review the condensed set of financial statements in the interim results for the 28 weeks ended 13 April 2014 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity and the related notes 1 to 16. We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' Responsibilities

The interim results are the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim results for the 28 week period ended 13 April 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Birmingham
20 May 2014

CONSOLIDATED INCOME STATEMENT
For the 28 weeks ended 13 April 2014

		28 weeks ended 13 April 2014 (unaudited)			28 weeks ended 14 April 2013 (unaudited)			52 weeks ended 29 September 2013 (audited)		
		Before exceptional and other items	Exceptional and other items*	Total	Before exceptional and other items	Exceptional and other items*	Total	Before exceptional and other items	Exceptional and other items*	Total
	Note	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue	5	670.7	-	670.7	639.2	-	639.2	1,321.9	-	1,321.9
Cost of sales		(320.9)	-	(320.9)	(311.7)	-	(311.7)	(646.9)	-	(646.9)
Gross profit		**349.8**	**-**	**349.8**	**327.5**	**-**	**327.5**	**675.0**	**-**	**675.0**
Selling and distribution costs		(194.4)	-	(194.4)	(192.3)	-	(192.3)	(351.5)	-	(351.5)
Administration expenses		(96.4)	(8.7)	(105.1)	(83.2)	(4.8)	(88.0)	(188.5)	(26.2)	(214.7)
Operating profit/(loss)		**59.0**	**(8.7)**	**50.3**	**52.0**	**(4.8)**	**47.2**	**135.0**	**(26.2)**	**108.8**
Finance costs		(13.7)	0.5	(13.2)	(14.5)	0.1	(14.4)	(26.9)	0.7	(26.2)
Profit/(loss) before tax		**45.3**	**(8.2)**	**37.1**	**37.5**	**(4.7)**	**32.8**	**108.1**	**(25.5)**	**82.6**
Taxation	7	(11.3)	1.7	(9.6)	(9.0)	0.9	(8.1)	(25.5)	4.8	(20.7)
Profit/(loss) for the period attributable to the equity shareholders		**34.0**	**(6.5)**	**27.5**	**28.5**	**(3.8)**	**24.7**	**82.6**	**(20.7)**	**61.9**

Earnings per share

	Note	28 weeks ended 13 April 2014	28 weeks ended 14 April 2013	52 weeks ended 29 September 2013
Basic earnings per share	8	11.2p	10.2p	25.5p
Diluted earnings per share	8	11.2p	10.1p	25.3p
Adjusted basic earnings per share**	8	14.5p	12.4p	35.2p
Adjusted diluted earnings per share**	8	14.4p	12.2p	34.9p

* See note 6.

** Adjusted basic and diluted earnings per share measures have been adjusted by adding back exceptional and other items (see note 6) and amortisation of acquisition related intangible assets. This reconciliation is shown in note 8.

All activities relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 28 weeks ended 13 April 2014

	Note	28 weeks ended 13 April 2014 (unaudited) £m	28 weeks ended 14 April 2013 (unaudited) £m	52 weeks ended 29 September 2013 (audited) £m
Profit for the period attributable to the equity shareholders		27.5	24.7	61.9
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurement gains /(losses) on defined benefit pension schemes		1.0	(52.4)	(32.4)
Deferred tax on remeasurement gains/(losses) on defined benefit pension schemes		(4.1)	9.6	4.4
Current tax on additional pension contributions		4.1	2.4	3.1
		1.0	(40.4)	(24.9)
Items that may be subsequently reclassified to profit or loss				
(Losses)/gains in the period in respect of cash flow hedges	13	(23.2)	19.3	(1.4)
Amounts recycled to the income statement in respect of cash flow hedges	13	21.5	(16.9)	0.1
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve		0.3	(0.6)	0.4
Exchange differences on translation of foreign operations	13	(0.8)	3.9	-
Tax on exchange differences accounted for in the translation reserve		0.9	(0.7)	(2.9)
Deferred tax on other temporary differences		-	-	0.2
		(1.3)	5.0	(3.6)
Other comprehensive income for the period net of tax		(0.3)	(35.4)	(28.5)
Total comprehensive income for the period attributable to the equity shareholders		**27.2**	**(10.7)**	**33.4**

CONSOLIDATED BALANCE SHEET
As at 13 April 2014

	Note	13 April 2014 (unaudited) £m	14 April 2013 (unaudited) £m	29 September 2013 (audited) £m
Assets				
Non-current assets				
Property, plant and equipment	9	211.9	232.6	215.7
Intangible assets	9	313.7	318.7	317.0
Other receivables		4.2	4.6	3.8
Other financial assets	13	50.3	88.3	62.5
Pension asset	15	7.8	-	0.1
		587.9	**644.2**	**599.1**
Current assets				
Inventories		87.8	86.2	90.8
Trade and other receivables		296.8	294.3	266.1
Other financial assets	13	3.3	16.5	12.8
Cash and cash equivalents		44.4	7.4	94.0
		432.3	**404.4**	**463.7**
Total assets		**1,020.2**	**1,048.6**	**1,062.8**
Current liabilities				
Trade and other payables		(349.6)	(361.7)	(381.5)
Bank overdrafts		(0.5)	(4.5)	(2.5)
Interest-bearing loans and borrowings	10	(21.8)	(92.1)	(91.6)
Other financial liabilities	13	(1.4)	(1.7)	(1.4)
Current income tax payable		(15.8)	(8.5)	(17.0)
Provisions		(7.2)	-	(10.5)
Other current liabilities		(0.4)	-	-
		(396.7)	**(468.5)**	**(504.5)**
Non-current liabilities				
Interest-bearing loans and borrowings	10	(527.0)	(504.7)	(458.3)
Deferred tax liabilities		(28.2)	(26.1)	(27.8)
Pension liability	15	(4.5)	(40.2)	(19.4)
Other financial liabilities	13	(17.0)	(6.6)	(10.0)
Other non-current liabilities		(1.5)	(1.9)	(1.9)
		(578.2)	**(579.5)**	**(517.4)**
Total liabilities		**(974.9)**	**(1,048.0)**	**(1,021.9)**
Net assets		**45.3**	**0.6**	**40.9**
Capital and reserves				
Issued share capital	11	49.4	48.7	49.0
Share premium account		33.5	20.9	25.0
Own shares reserve		(3.7)	(1.9)	(1.1)
Share scheme reserve		8.2	5.9	7.5
Hedging reserve		1.3	5.4	2.7
Translation reserve		19.7	25.7	19.6
Merger reserve		87.3	87.3	87.3
Retained losses		(150.4)	(191.4)	(149.1)
Total equity		**45.3**	**0.6**	**40.9**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 28 weeks ended 13 April 2014

	Note	28 weeks ended 13 April 2014 (unaudited) £m	28 weeks ended 14 April 2013 (unaudited) £m	52 weeks ended 29 September 2013 (audited) £m
Cash flows from operating activities				
Profit before tax		37.1	32.8	82.6
Finance costs		13.2	14.4	26.2
Other financial instruments		(1.5)	(3.3)	(6.0)
Impairment of property, plant and equipment and intangible assets	6, 9	-	-	12.9
Depreciation		17.9	18.4	36.6
Amortisation		4.6	5.1	7.1
Share-based payments		4.5	2.5	6.2
Net pension charge less contributions		(22.0)	(16.4)	(17.2)
Decrease/(increase) in inventory		2.6	(9.5)	(14.9)
(Increase)/decrease in trade and other receivables		(31.9)	(32.2)	(4.7)
(Decrease)/increase in trade and other payables		(26.7)	(6.2)	9.9
(Decrease)/increase in provisions		(3.3)	-	10.5
Loss on disposal of tangible and intangible assets		1.1	1.9	3.8
Income tax paid		(8.3)	(5.2)	(11.2)
Net cash flows from operating activities		**(12.7)**	**2.3**	**141.8**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		-	0.1	0.3
Purchase of property, plant and equipment		(19.8)	(15.1)	(26.3)
Purchase of intangible assets		(3.6)	(2.0)	(8.9)
Net cash flows used in investing activities		**(23.4)**	**(17.0)**	**(34.9)**
Cash flows from financing activities				
Interest paid		(12.9)	(13.8)	(26.6)
Interest-bearing loans (repaid)/drawn down	10	(0.1)	11.2	(0.9)
Repayment of 2007 USPP Notes	10	(76.8)	-	-
Issue of 2014 USPP Notes	10	105.8	-	-
Issue of shares		4.3	2.1	7.1
Dividends paid to equity shareholders	12	(31.8)	(29.6)	(42.5)
Net cash flows used in financing activities		**(11.5)**	**(30.1)**	**(62.9)**
Net (decrease)/increase in cash and cash equivalents		**(47.6)**	**(44.8)**	**44.0**
Cash and cash equivalents at beginning of period		**91.5**	47.6	47.6
Exchange rate differences		-	0.1	(0.1)
Cash and cash equivalents at the end of the period		**43.9**	**2.9**	**91.5**
By balance sheet category:				
Cash and cash equivalents		44.4	7.4	94.0
Bank overdrafts		(0.5)	(4.5)	(2.5)
		43.9	**2.9**	**91.5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 28 weeks ended 13 April 2014

	Issued share capital	Share premium account	Own shares reserve	Share scheme reserve	Hedging reserve	Translation reserve	Merger reserve	Retained losses	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 29 September 2013 (audited)	49.0	25.0	(1.1)	7.5	2.7	19.6	87.3	(149.1)	40.9
Profit for the period	-	-	-	-	-	-	-	27.5	27.5
Other comprehensive income	-	-	-	-	(1.4)	0.1	-	1.0	(0.3)
Total comprehensive income	-	-	-	-	(1.4)	0.1	-	28.5	27.2
Issue of shares	0.4	8.5	(5.4)	-	-	-	-	-	3.5
Own shares utilised for share schemes	-	-	2.8	(3.1)	-	-	-	1.1	0.8
Movement in share-based schemes	-	-	-	3.8	-	-	-	-	3.8
Current tax on share-based payments	-	-	-	-	-	-	-	0.4	0.4
Deferred tax on share-based payments	-	-	-	-	-	-	-	0.5	0.5
Payment of dividend	-	-	-	-	-	-	-	(31.8)	(31.8)
At 13 April 2014 (unaudited)	**49.4**	**33.5**	**(3.7)**	**8.2**	**1.3**	**19.7**	**87.3**	**(150.4)**	**45.3**

	Issued share capital	Share premium account	Own shares reserve	Share scheme reserve	Hedging reserve	Translation reserve	Merger reserve	Retained losses	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 30 September 2012 (audited)	48.5	17.7	(0.8)	4.2	3.6	22.5	87.3	(145.9)	37.1
Profit for the period	-	-	-	-	-	-	-	24.7	24.7
Other comprehensive income	-	-	-	-	1.8	3.2	-	(40.4)	(35.4)
Total comprehensive income	-	-	-	-	1.8	3.2	-	(15.7)	(10.7)
Issue of shares	0.2	3.2	(2.1)	-	-	-	-	-	1.3
Own shares utilised for share schemes	-	-	1.0	(0.7)	-	-	-	0.4	0.7
Movement in share-based schemes	-	-	-	2.4	-	-	-	-	2.4
Deferred tax on share-based payments	-	-	-	-	-	-	-	(0.6)	(0.6)
Payment of dividend	-	-	-	-	-	-	-	(29.6)	(29.6)
At 14 April 2013 (unaudited)	**48.7**	**20.9**	**(1.9)**	**5.9**	**5.4**	**25.7**	**87.3**	**(191.4)**	**0.6**

NOTES TO THE FINANCIAL INFORMATION
For the 28 weeks ended 13 April 2014

1. General Information

Britvic plc (the 'company', the 'group') is a public limited company, incorporated and domiciled in the United Kingdom. The address of the registered office is: Britvic plc, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ.

The company is listed on the London Stock Exchange.

These interim financial statements do not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. They have been reviewed but not audited by the group's auditor. The statutory accounts for Britvic plc for the 52 weeks ended 29 September 2013, which were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union, have been delivered to the Registrar of Companies. The auditor's opinion on those accounts was unqualified and did not contain a statement made under section 498 (2) or (3) of the Companies Act 2006.

The interim financial statements were authorised for issue by the board of directors on 20 May 2014.

2. Basis of preparation

These interim financial statements comprise the consolidated balance sheet as at 13 April 2014 and related consolidated income statement, consolidated statement of cash flows, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes 1 to 16 for the 28 weeks then ended of Britvic plc ('financial information'). This financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union.

3. Accounting policies

This financial information has been prepared using the accounting policies as set out in pages 70 - 76 of the group's 2013 annual report.

During the period, the group adopted a number of interpretations and amendments to standards including IAS 19 (Revised) 'Employee Benefits' and IFRS 13 'Fair Value Measurement', both of which had an immaterial impact on the consolidated financial statements of the group.

4. Seasonality of operations

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

5. Segmental reporting

For management purposes, the group is organised into business units and has five reportable segments as follows:

- GB Stills – United Kingdom excluding Northern Ireland
- GB Carbs – United Kingdom excluding Northern Ireland
- Ireland – including Northern Ireland
- France
- International

These business units sell soft drinks into their respective markets.

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

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

28 weeks ended 13 April 2014	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	International £m	Total £m

Revenue	167.4	284.6	**452.0**	64.2	127.4	27.1	**670.7**
Brand contribution	82.9	104.8	**187.7**	21.0	30.3	10.7	**249.7**
Non-brand advertising & promotion *							(5.1)
Fixed supply chain**							(54.5)
Selling costs**							(65.6)
Overheads and other costs*							(65.5)
Operating profit before exceptional and other items							**59.0**
Finance costs							(13.7)
Exceptional and other items							(8.2)
Profit before tax							**37.1**

28 weeks ended 14 April 2013	**GB Stills £m**	**GB Carbs £m**	**Total GB £m**	**Ireland £m**	**France £m**	**International £m**	**Total £m**
Revenue ***	163.7	266.6	**430.3**	67.2	118.0	23.7	**639.2**
Brand contribution ***	81.4	100.2	**181.6**	24.2	26.7	9.1	**241.6**
Non-brand advertising & promotion *							(4.3)
Fixed supply chain**							(54.0)
Selling costs**							(64.5)
Overheads and other costs*							(66.8)
Operating profit before exceptional and other items							**52.0**
Finance costs							(14.5)
Exceptional and other items							(4.7)
Profit before tax							**32.8**

52 weeks ended 29 September 2013	**GB Stills £m**	**GB Carbs £m**	**Total GB £m**	**Ireland £m**	**France £m**	**International £m**	**Total £m**
Revenue ***	340.1	536.4	**876.5**	136.9	258.2	50.3	**1,321.9**
Brand contribution ***	154.5	200.1	**354.6**	49.0	63.2	18.8	**485.6**
Non-brand advertising & promotion *							(7.3)
Fixed supply chain **							(100.7)
Selling costs **							(124.5)
Overheads and other costs *							(118.1)
Operating profit before exceptional and other items							**135.0**
Finance costs							(26.9)
Exceptional and other items							(25.5)
Profit before tax							**82.6**

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

** Included within 'selling and distribution costs' in the consolidated income statement. As part of the implementation of the new operating model, certain elements of fixed supply chain costs have moved to overheads to reflect changes in the organisation structure. Prior year numbers have been restated to ensure accurate comparisons.

*** As part of the implementation of the new operating model, responsibility for France exports has been transferred to the international business and prior year numbers have been restated to ensure accurate comparisons.

6. Exceptional and other items

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

Unless otherwise stated, exceptional and other items are included within administration expenses in the consolidated income statement.

	Note	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	52 weeks ended 29 September 2013 £m
Asset impairments	(a)	-	-	(12.9)
Strategic restructuring costs	(b)	(10.2)	-	(10.6)
Aborted merger costs	(c)	-	(8.1)	(9.6)
Other fair value movements	(d)	2.0	3.4	7.6
Total exceptional and other items before tax		**(8.2)**	**(4.7)**	**(25.5)**

a) In 2013, asset impairments related to the planned closure of two factories as part of the strategic cost initiatives announced in May 2013.

b) Strategic restructuring costs in 2013 and 2014 relate to continued implementation of cost initiatives announced in May 2013, including costs associated with the closure of two factories and planned changes to the business operating model.

c) In 2013, costs related to the previously proposed merger of Britvic plc and A.G.Barr plc.

d) Other fair value movements relate to the fair value movement of derivative financial instruments where hedge accounting cannot be applied. For the 28 weeks ended 13 April 2014, a £1.5m gain is included within administration expenses (28 weeks ended 14 April 2013: £3.3m gain) and a £0.5m gain is included within finance costs (28 weeks ended 14 April 2013: £0.1m gain) in the consolidated income statement.

Details of the tax implications of exceptional items are given in note 7.

7. Taxation

The tax charge not including tax on exceptional and other items is £11.3m (28 weeks ended 14 April 2013: £9.0m) which equates to an effective tax rate 24.9% (28 weeks ended 14 April 2013: 24.0%).

Included in the total tax charge for the 28 weeks ended 14 April 2013 is a tax credit on exceptional and other items of £1.7m (28 weeks ended 14 April 2013: £0.9m credit).

Tax charge by region

	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	52 weeks ended 29 September 2013 £m
UK	10.5	8.1	17.0
Foreign	(0.9)	-	3.7
Total tax charge in the consolidated income statement	**9.6**	**8.1**	**20.7**

Analysis of tax charge

	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	52 weeks ended 29 September 2013 £m
Current income tax charge	12.6	9.2	23.5

Deferred income tax	(3.0)	(1.1)	(2.8)
Total tax charge in the consolidated income statement	**9.6**	**8.1**	**20.7**

8. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to the equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted earnings per share computations:

	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	52 weeks ended 29 September 2013 £m
Basic earnings per share			
Profit for the period attributable to the equity shareholders	27.5	24.7	61.9
Weighted average number of ordinary shares in issue for basic earnings per share	245.6	242.4	243.2
Basic earnings per share	**11.2p**	**10.2p**	**25.5p**
Diluted earnings per share			
Profit for the period attributable to the equity shareholders	27.5	24.7	61.9
Weighted average number of ordinary shares in issue for diluted earnings per share	246.1	245.2	244.7
Diluted earnings per share	**11.2p**	**10.1p**	**25.3p**

The group presents as exceptional and other items on the face of the consolidated income statement, those significant items of income and expense which, because of the nature and infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

To this end, basic and diluted earnings per share are also presented on this basis with the amortisation of acquisition related intangible assets also added back using the weighted average number of ordinary shares for both basic and diluted amounts as per the tables below.

	28 weeks ended 13 April 2014 £m	28 weeks ended 14 April 2013 £m	52 weeks ended 29 September 2013 £m
Adjusted basic earnings per share			
Profit for the period attributable to equity shareholders	27.5	24.7	61.9
Add: Net impact of exceptional and other items	6.5	3.8	20.7
Add: Intangible assets amortisation (acquisition related)	1.5	1.6	2.9
	35.5	30.1	85.5
Weighted average number of ordinary shares in issue for adjusted basic earnings per share	245.6	242.4	243.2
Adjusted basic earnings per share	**14.5p**	**12.4p**	**35.2p**
Adjusted diluted earnings per share			
Profit for the period attributable to equity shareholders before exceptional and other items and acquisition related intangible assets amortisation	35.5	30.1	85.5
Weighted average number of ordinary shares in issue for adjusted diluted earnings per share	246.1	246.8	244.7
Adjusted diluted earnings per share	**14.4p**	**12.2p**	**34.9p**

9. Property, plant and equipment and Intangible assets

Property, plant and equipment
During the 28 weeks ended 13 April 2014, the group purchased assets with a cost of £15.7m (28 weeks ended 14 April 2013: £11.7m).

Assets with net book value of £1.1m were disposed of by the group during the 28 weeks ended 13 April 2014 (28 weeks ended 14 April 2013: £2.0m) resulting in a loss on disposal of £1.1m (28 weeks ended 14 April 2013: loss on disposal £1.9m).

There have been no impairments in the 28 weeks ended 13 April 2014 (28 weeks ended 14 April 2013: £nil). During the 52 weeks ended 29 September 2013, there was an £11.2m impairment of plant and machinery following the strategic cost initiative announcement in May 2013.

Intangible assets
During the 28 weeks ended 13 April 2014, the group purchased assets with a cost of £3.6m (28 weeks ended 14 April 2013: £2.0m).

There have been no impairments in the 28 weeks ended 13 April 2014 (28 weeks ended 14 April 2013: £nil). During the 52 weeks ended 29 September 2013, the carrying value of goodwill relating to the Water business was impaired by £1.7m following the strategic cost initiative announcement in May 2013.

10. Interest-bearing loans and borrowings

Components of current and non-current interest-bearing loans and borrowings:

	13 April 2014	14 April 2013	29 September 2013
	£m	£m	£m
Finance leases	(0.4)	(0.7)	(0.5)
2007 Notes	(176.1)	(282.4)	(270.3)
2009 Notes	(157.7)	(179.4)	(164.8)
2010 Notes	(108.8)	(119.6)	(112.2)
2014 Notes	(103.1)	-	-
Accrued interest	(4.6)	(4.9)	(3.9)
Bank loans	(0.8)	(13.0)	(1.0)
Capitalised issue costs	2.7	3.2	2.8
Total interest-bearing loans and borrowings	**(548.8)**	**(596.8)**	**(549.9)**
Current	(21.8)	(92.1)	(91.6)
Non-current	(527.0)	(504.7)	(458.3)
Total interest-bearing loans and borrowings	**(548.8)**	**(596.8)**	**(549.9)**

Analysis of changes in interest-bearing loans and borrowings:

	28 weeks ended 13 April 2014	28 weeks ended 14 April 2013	52 weeks ended 29 September 2013
	£m	£m	£m
At the beginning of the period	(549.9)	(559.3)	(559.3)
Net loans repaid /(drawn down)	0.1	(11.3)	0.6
Partial repayment of 2007 Notes	76.8	-	-
Issue of 2014 Notes	(105.8)	-	-
Issue costs	0.4	-	-
Repayment of finance leases	0.1	0.1	0.4
Amortisation and write off of issue costs	(0.5)	(0.5)	(0.9)
Net translation gain/(loss) and fair value adjustment	30.7	(25.5)	8.6
Net movement in accrued interest	(0.7)	(0.3)	0.7
At the end of the period	**(548.8)**	**(596.8)**	**(549.9)**
Derivatives hedging balance sheet debt*	25.5	90.2	56.1
Debt translated at contracted rate	**(523.3)**	**(506.6)**	**(493.8)**

* Represents the element of the fair value of interest rate currency swaps hedging the balance sheet value of the notes. This amount has been disclosed separately to demonstrate the impact of foreign exchange movements which are included in interest bearing loans and borrowings.

Partial repayment of 2007 Notes

On 20 February 2014, in line with the maturity profile of the 2007 Notes, Britvic plc repaid US$102m and £25m of Senior Notes in the United States private placement market (USPP) using funds received from the issuance of 2014 Notes (see below).

Britvic plc will continue to make semi-annual interest payments in US dollars and sterling under the remaining notes.

The group continues to have a number of cross currency interest rate swaps relating to the remaining tranches of the 2007 Notes. The swap contracts have the same duration and other critical terms as the remaining portions of the 2007 Notes which they hedge and are designated as part of effective hedge relationships (see note 13).

The amount, maturity and interest terms of the remaining 2007 Notes are shown in the table below:

Series	**Tranche**	**Maturity date**	**Amount**	**Interest terms**
D	10 year	20 February 2017	US$147m	US$ fixed at 5.90%
E	12 year	20 February 2019	US$126m	US$ fixed at 6.00%
F	12 year	20 February 2019	UK£13m	UK£ fixed at 5.94%

Issue of 2014 Notes

On 20 February 2014, Britvic plc issued US$114m and £35m of Senior Notes in the United States private placement market ('the 2014 Notes'). The proceeds from the 2014 Notes were principally used to repay amounts due in relation to the maturity of certain tranches of the 2007 Notes.

Issue costs incurred in the period relate to the issue of the 2014 Notes.

Britvic plc will make semi-annual interest payments in US dollars and sterling with the first payment being on 20 August 2014. The 2014 Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the group.

The dollar denominated funding has been hedged using cross-currency interest-rate swaps to meet the group's desired funding profile and to manage associated foreign currency risk to the profit and loss account. These cross currency interest rate swaps have the same duration and other critical terms as the relevant borrowings they hedge and are designated as part of effective hedge relationships (see note 13).

The amount, maturity and interest terms of the 2014 Notes are shown in the table below:

Series	Tranche	Maturity date	Amount	Interest terms
A	7 year	20 February 2021	UK£20m	UK£ fixed at 3.40%
B	10 year	20 February 2024	UK£15m	UK£ fixed at 3.92%
C	10 year	20 February 2024	US$39m	US$ fixed at 4.09%
D	12 year	20 February 2026	US$75m	US$ fixed at 4.24%

11. Issued share capital

The issued share capital is wholly comprised of ordinary shares carrying one voting right each. The nominal value of each ordinary share is £0.20. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

Issued, called up and fully paid ordinary shares	No. of shares	Value £
At 30 September 2012	242,344,551	48,468,910
Shares issued	2,746,477	549,295
At 29 September 2013	245,091,028	49,018,205
Shares issued	2,040,207	408,042
At 13 April 2014	**247,131,235**	**49,426,247**

Of the issued and fully paid ordinary shares, 547,960 shares (29 September 2013: 231,547 shares) are own shares held by an employee benefit trust. This equates to £109,592 (29 September 2013: £46,309) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes.

12. Dividends paid and proposed

	28 weeks ended 13 April 2014	28 weeks ended 14 April 2013	52 weeks ended 29 September 2013
Declared and paid in the period			
Dividends per share (pence)	13.0	12.4	17.8
Total dividend (£m)	31.8	29.6	42.5
Proposed after the balance sheet date			
Dividend per share (pence)	6.1	5.4	13.0
Total dividend (£m)	15.0	12.9	31.7

13. Derivatives and hedge relationships

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

	13 April 2014 £m	14 April 2013 £m	29 September 2013 £m
Consolidated balance sheet			
Non-current assets: Other financial assets			
Fair value of the 2007 USD GBP cross currency fixed interest rate swaps [1]	30.1	47.2	36.9

Fair value of the 2009 USD GBP cross currency floating interest rate swaps [3]	12.7	34.8	20.2
Fair value of the 2009 GBP euro cross currency floating interest rate swaps [2]	7.5	3.2	5.4
Fair value of the 2010 USD GBP cross currency floating interest rate swaps [3]	-	3.1	-
	50.3	**88.3**	**62.5**
Current assets: Other financial assets			
Fair value of the 2007 USD GBP cross currency fixed interest rate swaps [1]	-	14.8	11.4
Fair value of the 2009 USD GBP cross currency floating interest rate swaps [3]	0.4	-	-
Fair value of forward currency contracts[1]	0.1	1.7	0.1
Fair value of share swaps	2.8	-	1.3
	3.3	**16.5**	**12.8**
Current liabilities: Other financial liabilities			
Fair value of forward currency contracts[1]	(1.3)	(0.2)	(1.2)
Fair value of share swaps	-	(1.3)	-
Fair value of foreign exchange swaps	(0.1)	(0.2)	(0.1)
Fair value of interest rate swaps	-	-	(0.1)
	(1.4)	**(1.7)**	**(1.4)**
Non-current liabilities: Other financial liabilities			
Fair value of the 2010 USD GBP cross currency fixed interest rate swaps [1]	(6.9)	(2.0)	(4.9)
Fair value of the 2010 GBP euro cross currency fixed interest rate swaps [2]	(2.0)	(1.2)	(1.6)
Fair value of the 2010 USD GBP cross currency floating interest rate swaps [3]	(1.9)	-	(0.8)
Fair value of the 2014 USD GBP cross currency fixed interest rate swaps [1]	(3.9)	-	-
Fair value of interest rate swaps	(2.3)	(3.4)	(2.7)
	(17.0)	**(6.6)**	**(10.0)**

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

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

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

Changes to derivative contracts

Other than as described below, there have been no significant changes to derivative contracts designated as part of effective hedge relationships in the period. The derivatives and the hedge relationships are described in more detail on pages 101 to 105 in the group's annual report for the 52 weeks ended 29 September 2013.

2007 Notes / 2007 cross currency interest rate swaps

On 20 February 2014, Britvic plc repaid US$102m and £25m of Notes in the United States private placement market (USPP). These Notes were repaid using funds received from the issuance of 2014 Notes (see below). The 2007 cross currency interest rate swap instruments which had been designated as part of a cash flow hedge relationship against the future cash flows associated with this maturing portion of the 2007 Notes, also matured on 20 February 2014.

The group continues to have a number of cross currency interest rate swaps relating to the remaining tranches of the 2007 Notes. These swaps have the same duration and other critical terms as the remaining portions of the 2007 Notes and continue to be designated as part of a cash flow hedge relationship. The relationship has been assessed as highly effective at 13 April 2014.

2014 Notes / 2014 USD GBP cross currency fixed interest rate swaps

On 20 February 2014, Britvic plc issued US$114m and £35m of Senior Notes with maturities between 7 and 12 years in the United States private placement market ('the 2014 Notes'). The proceeds from the 2014 Notes were principally used to repay amounts due in relation to the maturity of certain tranches of the 2007 Notes.

The dollar denominated funding has been hedged using cross-currency interest-rate swaps to meet the group's desired funding profile and to manage associated foreign currency risk to the profit and loss account. The cross-currency interest-rate swaps, which swap interest from fixed US dollar to fixed sterling, are designated as part of a cash flow hedge relationship with the future cash flows associated with the 2014 Notes. The fair value of these instruments at 13 April 2014 can be seen in the table above. The movement in fair value has been taken to equity.

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

	28 weeks ended 13 April 2014	28 weeks ended 14 April 2013	52 weeks ended 29 September 2013

	£m	£m	£m
Consolidated statement of comprehensive income			
Amounts recycled to the income statement in respect of cash flow			
Forward currency contracts*	(1.0)	(0.8)	0.6
2007 cross currency interest rate swaps**	17.4	(12.5)	(0.4)
2010 cross currency interest rate swaps**	2.4	(3.6)	(0.1)
2014 cross currency interest rate swaps**	2.7	-	-
	21.5	**(16.9)**	**0.1**
(Losses)/gains in the period in respect of cash flow hedges			
Forward currency contracts	0.9	4.1	0.1
2007 cross currency interest rate swaps	(18.2)	12.1	(1.6)
2010 cross currency interest rate swaps	(2.0)	3.1	0.1
2014 cross currency interest rate swaps	(3.9)	-	-
	(23.2)	**19.3**	**(1.4)**
Exchange differences on translation of foreign operations			
Movement on 2009 GBP euro cross currency interest rate swaps	2.1	(7.9)	(5.7)
Movement on 2010 GBP euro cross currency interest rate swaps	(0.4)	(3.6)	(4.0)
Exchange movements on translation of foreign operations	(2.5)	15.4	9.7
	(0.8)	**3.9**	**-**

* Offsetting amounts recorded in cost of sales

** Offsetting amounts recorded in finance costs

14. Fair value

Fair value hierarchy

The group uses the following valuation hierarchy to determine the carrying value of financial instruments that are measured at fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

13 April 2014	**Assets £m**	**Liabilities £m**
Level 1	-	-
Level 2		
- Derivatives used for hedging	50.8	(16.0)
- Financial instruments at fair value through profit or loss	2.8	(2.4)
Level 3	-	-
Total	**53.6**	**(18.4)**

Fair values of financial assets and financial liabilities

Non-derivative financial assets are categorised as loans and receivables as defined in IAS 39 'Financial instruments – recognition and measurement'. Non-derivative financial liabilities are carried at amortised cost.

The fair value of derivatives, which are quoted at market price, has been calculated by discounting the expected future cash flows using prevailing market yield curves.

The fair value of the current trade and other receivables and payables approximate to book value.

15. Pensions

At 13 April 2014, the IAS 19 pension surplus in respect of the group defined benefit pension schemes was £3.3m (29 September 2013: net deficit of £19.3m). The reduction in the deficit was predominately driven by additional employer contributions made to the GB plan of £20.0m combined with investment outperformance over the period of £6.8m. Changes to the demographic assumptions on which the IAS 19 valuation for the GB plan is based also resulted in a reduction in the deficit, although this was largely offset by an increase in the deficit due to changes in financial assumptions.

The defined benefit section of the GB plan was closed to new members on 1 August 2002, and closed to future accrual for active members from 10 April 2011, with new members being invited to join the defined contribution scheme. The actuarial valuation of this scheme as at 31 March 2013 is currently underway, and will be completed by 30 June 2014.

16. Going concern

The directors are confident that it is appropriate for the going concern basis to be adopted in preparing the interim report and financial statements. As at 13 April 2014, the consolidated balance sheet is showing a net assets position of £45.3m. Group reserves are low due to the capital restructuring undertaken at the time of flotation. This does not impact on Britvic plc's ability to meet payments as they fall due or to make dividend payments.

The liquidity of the group remains strong in particular with £520.2m of long term Private Placement Notes with maturity dates between 2014 and 2026 and a £400.0m bank facility maturing in March 2016. Details are provided in note 32 of the group's 2013 annual report.