Interim Results 2013
Britvic plc
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Gerald Corbett
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Gerald Corbett: Good morning, everyone, and thank you for joining us for Britvic's Interim Results Presentation. As you'll all be aware, we released our half one results earlier this morning. And in a moment, I'll hand over to John Gibney, our Finance Director, and then to Simon Litherland who became CEO in February. Usual housekeeping, including the Executive Team, make sure, and you guys, make sure your phones are on to silent, and make yourselves aware of the nearest fire exit.

Thank you, John. In terms of the last merger with A.G. Barr, we expect the final decision from the Competition Commission at the end of July. Following publication of that, the Board will decide whether a transaction on the right terms with appropriate management and governance arrangements can be consummated. Beyond that, there is nothing I can say on the merger at this stage. In the meantime, we approach our busiest time of the year. The Management Team under our new chief executive is totally focused on executing the new strategy and continuing the momentum established in the first half.

Moving now to the presentation of the results, John will take you through the usual slides on financial performance in a moment.

This is Simon Litherland's first official outing as our chief executive, official outing in the city. His knowledge and experience gained at one of the world's leading brand building companies, Diageo, made him an obvious choice for us. Since joining, he has given the GB business unit a real sense of purpose with a clear strategy, identity, and leadership. The quarter one GB results were testament to his leadership, and the results and the exciting plans we are announcing today are further evidence of the impact that Simon is having on the organisation.

I'll now hand over to John.

John Gibney: Thank you, Gerald; and good morning, everybody. As usual, the webcast of this presentation along with the slides and the transcript will be available to download on Britvic.com following the presentation. As a reminder, the first half of this year covers 28 weeks through 15th of April, our second half being 24 weeks to the 30th of September.

Our first half financial performance has been strong. We started the year with a strong Q1 top line growth of nearly 5%, but we flagged a slower start to Q2, reflecting the continued challenging consumer environment. The exceptionally poor weather in all of our markets has continued throughout the quarter, and more recently we've also seen a material increase in competitor activity in GB. This has led to a half one revenue growth of 0.4%. As we laid out last year with our near-term priorities, we have continued our focus on managing cost. The combination of this tight cost management and effective revenue management has delivered EBITA growth of nearly 28% on last year. Margin has grown by 180 basis points to 8.4%, and we've seen adjusted EPS growth of almost 48% to 12.4p. EBITA growth year-on-year has benefited from a lower level of A&P spent and the first half. This is purely a phasing issue, driven primarily by the timing of our major marketing campaigns this year. This savings, plus some additional A&P spend, will fund a significantly (inaudible) second-half programme for our brands compared to last year. Bear in mind that the first half EBITA also carries costs associated with the Fruit Shoot recall. Adjusting for these costs and the phasing of A&P spend means that underlying half-year growth in EBITA is still up an impressive 18% year-on-year. Our continued focus on cash is limited the half one outflow to £24 million. Remember that half one is a working capital high for us. This is a 48% improvement on last year and has enabled reduction in debt of over £30 million versus last year. Finally, the Board has proposed an interim dividend of 5.4p per share, up 1.9% on last year reflecting its confidence in the future prospects of the business and representing 30% of the anticipated full-year dividend of 18p per share.

Turning now to segmental reporting starting with GB stills. The performance of GB stills has been impacted by the limited availability of Fruit Shoot and the poor weather in Q2, which adversely impacted sales of J_2O and Fruit Shoot in the pop and club channel as consumers stayed at home. Consequently, we saw volumes down 8.8%, although strong pricing growth of 6.4% restricted the revenue decline to only 3%. We've seeing Robinsons led by double concentrate maintain its number one position with further share gains in the quarter. Despite these challenges, we have delivered brand contribution growth of 9.7%. Brand contribution margin has grown an impressive 570 basis points. This was in part due to the phasing of A&P spend with the underlying margin still up around 350 basis points. The remaining growth in margin can be attributed to robust revenue management, driving ARP growth of 6.4% as well as the benefit of PVO savings from initiatives implemented last year.

I'm delighted to report that Fruit Shoot is rapidly re-establishing itself following last year's recall. In France and the Netherlands, the brand has not only recovered its pre-recall position, it has grown beyond this. In GB, our re-introduction plans for the brand remain on track with key brand measures at pre-recall levels. In McDonald's, supply of the Fruit Shoot were uninterrupted as all of the supply came from our Irish business, and it was telling that sales remain constant even though Fruit Shoot was not available elsewhere. The kids category within take-home contracted while Fruit Shoot was unavailable or on limited supply, which indicates how essential the brand is to the category and its overall growth. Market share and GB is not yet at pre-recall levels as we have not been in a position to run the full promotion plan - - sorry, programme of promotional activity in half one as supply was limited through Q1 and the early part of Q2. As planned, production capacity returned to normalised levels in January, and we are now implementing a strong balance of year plan, which we believe will see the brand restored to its rightful number one position towards the end of the year.

Turning now to GB carbonates. Following a strong Q1, in which we delivered both volume and pricing growth, we have seen a more promotionally competitive market in Q2. Our strategy has been focused on market value share and drive our margin. As a result, we have seen the first half overall deliver ARP growth of 4.1%, revenue growth of 1.7%, and brand contribution growth of 10%. It is worth noting that we were lapping a strong prior-year comparison of 6.7% revenue growth. We've seen margin growth of 280 basis points. However, in common with GB Stills, part of the margin growth is due to the phase in benefit from A&P spend. The true underlying margin is around 170 basis points improvement.

The international business had an impressive first half. In Q1, we saw revenue growth of 36% driven by the successful return of Fruit Shoot in Netherlands and Belgium, whilst in Q2 U.S. Fruit Shoot concentrate sales have driven further underlying growth. It is important to remember that in May last year, we transitioned the U.S. business from full finished goods shipped from the U.K. to concentrate manufactured and Dublin and then bottled into finished goods in the U.S. What this means is a lower revenue per unit but a much higher margin. This change also distorts year-on-year volume movements since we no longer account for the volume on concentrate sales, whilst last year's numbers reflect volume of finished goods shipped to the U.S. The momentum in the U.S. can be seen in the brand contribution growth of 86.5%, and the margin growth of 1,260 basis points. I should flag that the emergent nature of this business inevitably means we have not yet established a run rate on concentrate sales, so we can expect some volatility in growth rates in future quarters. We are increasingly confident in the prospects for our international business, which Simon will elaborate on in more detail shortly. Alongside these successes, we have also delivered strong pricing growth in the export part of the business.

Turning now to Ireland. The market in Ireland remains extremely difficult, and the most recent market data which where we have seen a volume decline of 9% would not suggest any improving trend. Against this backdrop, we have outperformed the market even though our volumes are down 5.6%. In the take-home market, as measured by Nielsen, we grew value share and maintained volume share. The licensed wholesale division continues to be a significant drag on the business. The impact of this is mainly driven by third party brands and, therefore, is not seen in the ARP or volume performance here, but it is felt in the revenue number where it counts - - accounts for the majority of the year-on-year decline. The focus on protecting value is reflected in our ARP performance, which is up 4.7%. This together with the impact of cost saving initiatives that we have already implemented have led to brand contribution being up 12% with margin expansion of 560 basis points. Again, adjusting for the A&P phase in spend, underlying margin still remains 310 basis points up on last year.

Turning now to the last of the operating units in France. As you recall, we exited some juice contracts in 2012 where we were unable to agree commercially viable terms for Britvic. The impact of this can be seen in volumes which are down 3.9% this year. We have continued to benefit from pricing initiatives implemented last year and from driving our branded portfolio, which of course is more profitable for us. As an example of this both, Teisseire and Moulin de Valdonne grew market share. Alongside this, we have seen Teisseire Fruit Shoot continue to grow strongly in France despite some limited availability in Q1, with a year-on-year growth double the rate of the prior year growth rate. The new flavour innovation that was developed specifically for the French market has been a key contributor to this growth. As a result, ARP has grown by 7%, with revenue up by 2.7% and brand contribution up 9%. The 140 basis points margin expansion is also in part due to A&P phasing.

The quality of these results should be seen in the context of the difficult market conditions that prevail in each of our markets. In March, we faced exceptionally cold weather across Europe and even London didn't escape the snow. In GB, the market volume was down 1.7%, with value up 0.9%. In the four weeks to mid-April, the take-home market was down nearly 5% in both volume and value, reflecting the continuing adverse impact of the weather. In France, market conditions were also challenging with volumes down 0.7%, but with a better value performance. Our strength in France lies within the syrup category where we leave the market and we have delivered revenue growth ahead of the market. In Ireland, as already highlighted, the market is extremely challenging and showing no signs of improvement. Despite this we have increased both are volume and value share.

Turning now to A&P and fixed costs. A&P in the first half of the year was £22 million, or 3.5% of revenue, down 180 basis points on last year. When combined with non-brand A&P spend, the year-on-year total A&P spend is down £11 million year-on-year. As highlighted earlier, this is a phase-in benefit, and our A&P activity in the second half will be a significantly up weighted programme in comparison to last year leading to full year A&P investment being ahead of 2012. Overhead and other costs are up last year, reflecting both cost related to the Fruit Shoot recall and the cost of the expanded in-market team supporting our U.S. Fruit Shoot business as communicated last year.

Turning now to EBIT through to profit after tax. The exceptionally strong EBIT growth of 28% delivers an absolute EBIT of £52 million for the first half year, reflecting our tight cost management. Our focus on cash within the business is clearly demonstrated through the improved cash flow conversion and reduced net debt. This in turn has led to an interest payment of £1.1 million lower than it was in 2012. The effective tax rate is down 60 basis points leading to a profit after tax of 28.5 million, up nearly 51% on last year.

Underlying free cash flow was a £24 million outflow, an improvement of nearly 50% versus last year with the net debt reduction of over £30 million. This is driven by a 21.5% improvement in EBITDA and a planned lower cap expend in the period. Pension contributions include the 12.5 million scheduled payments as part of the pension funding partnership, which is then more than offset within the other items line with lower tax payments as a result of the structure that we put in place last year. Additionally, employee reward schemes did not trigger the need for any share purchases this year. Our adjusted net debt to EBITDA ratio was 2.9 times, down from 3 times at the same period last year, which given the impact of the Fruit Shoot recall on earnings and cash of some £25 million represents an impressive performance.

Turning now to guidance for the full year. Although we still have the key summer months ahead of us, we're confident of delivering EBIT towards the upper end of the previously communicated range of £125- to 131 million. This also takes into account £8 million cost associated with the Fruit Shoot recall, but we are also flagging today a further acceleration of investment behind our international business of some £2 million this year, which Simon will elaborate on shortly. Adjusting for the Fruit Shoot recall cost effectively means that the exit number for FY13 we are guiding to is 133 to 139 million, which will be important to bear in mind when modelling your numbers for FY14. We have locked all of our key raw materials for the current year, and this will mean that raw material inflation will be low single-digit. Interest and tax guidance remains unchanged. We expect to see capital spend in range of £40- to 50 million as a consequence of the cost-based initiatives we announced this morning, and which Simon will come on to talk about in a moment. However, even with the additional capital that we are highlighting today, we continue to expect a minimum pre-exceptional free cash flow of £70 million this year. After making a further allowance for the one-off costs associated with the cost-base initiatives, we remain confident of delivering a further reduction in net debt at September year-end.

During half one, we have continued to focus on the key priorities we laid out at our Preliminary Results Presentation in November 2012 of re-establishing Fruit Shoot, continuing to build our U.S. business, rigorous focus on cost and cash, and an driving improved performance from the core brand portfolio. This focus can clearly be seen within our results today, with half one profits significantly up, margin and pricing growth in every business unit, and materially improved cash flow. All of this provides the confidence to guide towards the upper end of our previous EBIT guidance. In addition, there are a number of exciting strategic initiatives we have announced today.

And it now gives me great pleasure to hand over to our new Chief Executive, Simon Litherland, who will take you through these and the rest of our presentation. Simon.

Simon Litherland: Thank you, John; and good morning, everybody. I am delighted to be here today and, as this is my first results presentation, I will start by introducing myself. I've now been working for Britvic for 18 months having joined as managing director of the GB business unit, which accounts for the majority of Britvic's revenues and profits. Before that, I spent 20 years with Diageo where I held a number of MD roles, latterly in Great Britain. Britvic is a fantastic business, and I'm proud to have the opportunity to lead it. We have the broadest portfolio of soft drinks in GB and Ireland, many of which are number one or two in their categories. And with Teisseire, we have the market-leading syrup brand in France. On the international stage, some of our brands, such as Fruit Shoot, are already demonstrating huge potential. As you know, Britvic has had its challenges over the last two years. Today I'll set out what needs to change, how I plan to refocus the organisation to reduce complexity and costs and at the same time accelerate growth. My priority is to ensure that we maximise our potential to deliver long-term growth and shareholder value.

As John has shown you, our financial performance in the first half of the year has been strong, and we have seen a significant turnaround. Fruit Shoots and GB is now back in full distribution, and we expect market share to return to historic levels by the end of the year. In France and Holland, sales of Fruit Shoot are significantly ahead of last year. In GB, we have seen Robinson's market share returned to its highest level, and the move to double concentrate is now proving to be a real success as more and more us consumers buy these packs. Pepsi saw significant share gains last year and despite strong competitor activity more recently, we have seen strong revenue and margin growth this year. Indeed we have seen margin and pricing growth in every business unit, and our own brands in Ireland and France have grown market share. In international, we have expanded Fruit Shoot distribution to 30 U.S. states and have recently launched into Spain with PepsiCo Southwest Europe. As a result, we have delivered impressive growth and earnings and increased cash generation, and paid down debt. This puts us in a strong position as we move into the second half of the year.

In fact, the balance of the year promises to be even more exciting. We have a compelling innovation and marketing plan, and our A&P spend will be substantially ahead of last year. Innovation is a core part of our revenue growth strategy, and this year we'll see some exciting new additions to our portfolio. Robinsons will add a new 500ml double concentrate pack to their range. We're launching a new flavour of J_2O with a Pear Gold, and Mountain Dew will introduce a mainstream stimulant under the "Amp" banner. In France, we have taken Fruit Shoot into a new category with the introduction of Teisseire Fruit Shoot syrups. You've already seen our Beyoncé led campaign for Pepsi on television, and in recent weeks we launched Robinson's new TV ad.

I'll now show you a brief video that captures some of the highlights of what we have planned for the rest of this year.

MUSIC VIDEO

I hope you enjoyed that, and I'm sure you'll agree we have some great activity lined up for H2. I'd now like to share with you our new strategy for the business. Since becoming CEO, I've been building a deeper understanding of all parts of the organisation, which has provided me with an opportunity to rethink how we do business. It is clear there are some immediate issues to address, such as our Irish business model and within our supply chain. Our organisation is too complex, and there is a real opportunity for simplification and, as a consequence, to reduce cost. Finally, there's significant potential to unlock shareholder value by accelerating investment behind the revenue growth opportunities in both our core and international markets. I'll talk about these in more detail.

In Britvic, I see the potential to create one of the most admired soft drinks businesses in the world. In GB and Ireland, we will become the benchmark branded integrated soft drinks business with a powerful portfolio of brands that consumers love to enjoy as part of their daily lives. We will be the most valued by our customer base building long-term partnerships to create value for them and us. Our powerful portfolio of brands gives us category leadership in three areas, Kids with Fruit Shoot, Family with Robinsons, an Adult with Teisseire. These are areas where Britvic has genuine category knowledge, capability, and expertise, and they will be our focus internationally. We'll move to a simple focused operating model that will match resource and capability to the growth opportunities. We will develop a framework in which our people can operate freely to create and grow the business, but with clear responsibility and accountability to go with it. Finally, I want this business to be a trusted and respected member of the communities in which we operate. We recognise that there are a number of key issues to phase into, and we can and must play a role in moving these forward. These range from public health and obesity to the environment and the sustainability of the ingredients we use in our drinks. Only by doing the right thing will we be truly successful.

Our new strategy has two distinct legs, are full portfolio markets, GB and Ireland, and secondly our International business. We intend to transition the GB and Irish business into a combined operation to leverage our scale and common strategy across both markets in a more cost-effective way while maintaining a strong commercial presence in each market. In both markets, we offer a broad portfolio of brands and their relationship with Pepsi is and will continue to be an integral part of our mutual success. We'll invest more behind our own brands and leverage our leadership of Kids, Family, and Adult categories. This will result in sustainable market-leading valued growth. The International business will leverage our category leadership of Kids, Family, and Adult into new markets. We'll build on the success of the Fruit Shoot brand with Pepsi in the U.S. and accelerate the development of new market opportunities. Our approach will be asset-light as we select local in-market partners. The growth of International business will deliver rapid revenue growth that will be margin accretive once established. France is part of our International strategy where we will invest in the development of our own branded portfolio, which is already focused on our core categories. Furthermore, with Teisseire, we see participation in the International market for syrups mixed with coffee and alcohol as an attractive opportunity.

Underpinning this vision and our ambitions are three clear principles by which we'll operate. Firstly, simplicity. We will need to reduce complexity in our business enabling faster, more effective decision-making and greater agility. This will also materially reduce the operating costs of the business. Secondly, focus. I'll ensure that we have clear focus on our few key strategic priorities, and that we match our resource and capabilities to execute against those opportunities. And thirdly, accountability. We will create a culture of freedom, but with clear line of sight and ownership to go with it. Applying these principles necessitates that we restructure the business, and the proposals announced today will reduce overall headcount and costs. This will enable increased investment behind our brands and growth opportunities.

As a result, we intend to transition the Group in due course to a simplified organisation model, one that is less complex, gives our business units clear and full accountability, but that is lower cost and drives greater focus against our business priorities. Consequently by devolving responsibility to the business units, which will be resourced appropriately, we will have a smaller Group function. This recognises the opportunity to unlock substantial value, and we will of course be consulting with our employees at the appropriate time.

I'll now share more detail about some of the steps we are already taking to bring this strategy to life across our GB and Irish business units. We have commenced four strategic initiatives that will quickly step change the cost base and profitability in GB and Ireland. Firstly, we will increase operational leverage as we reduce the number of manufacturing sites. Secondly, we'll fundamentally change our operating model in Ireland and improve underlying profitability in the market. Thirdly, we will transform our procurement strategy and accelerate the delivery of future product optimisation initiatives. And finally, we'll implement a commercial change programme. I will now elaborate on each of these initiatives in more detail.

Today we have announced the proposal to close our factories in Chelmsford and Huddersfield. Following the consultation period, it is expected that the two sites will close in the first quarter of 2014. As we close Huddersfield, which is the source of our GB water brands, Ballygowan will become our combined GB and Ireland water brand, whilst J_2O production, for example, will transfer to Leeds from Chelmsford. We regret the potential loss of jobs caused by these changes, and our commitment to supporting affected employees and we will of course be consulting with our employees prior to implementing these initiatives. As a result of the strong growth of Fruit Shoot in our mainland European markets from early 2014, we propose to transfer some production capacity of Fruit Shoot to France, which will deliver improved economics in France and in the neighbouring countries. These changes will lead to a significant improvement in asset utilisation, lower our cost base while maintaining our production capacity.

Secondly, on to Ireland. We intend to restructure the business to create a simpler, more focused, and accountable commercial business appropriate to the market size. We will transition to a combined GB and Ireland leadership team. The commercial focus will remain in market and over time we will simplify support functions across the combined business. This will reduce our operating costs and leverage the scale of common strategy across both markets more effectively. We are also proposing to separate out the licensed wholesale business independent of the core branded business. These two operations have very different revenue, costs, and margin profiles and indeed require different levels of resource and capability for success. We'll optimise our route to market structure and customer engagement model to ensure that we get an appropriate return on our commercial cost to serve; and we also have a number of initiatives under way that will improve our logistics and warehousing efficiency, one of which is the proposal to close the Belfast warehouse subject to normal consultation requirements in quarter four 2013. We will build the scale of the Ballygowan brand by replacing our existing GB water brands with Ballygowan supplied from our factory in Ireland. This will improve efficiency and create a more profitable water business.

Thirdly, procurement. The procurement of raw materials has a significant impact on our profitability and in recent years, we have faced significant headwinds. Over the last six months we have focused significant - - sorry. Over the last six months, we have focused on developing our procurement strategy and invested in resource to upgrade our capability and insight systems. We have identified opportunities to procure more effectively by building new long-term relationships with the supplier base. We'll continue to maximise the potential of the Pepsi partnership by combining procurement where appropriate. We have also developed a pipeline of new product optimisation initiatives that will reduce complexity and take further costs out of our raw materials and packaging without affecting the quality of our brands.

Over the last 12 months, we have been implementing a commercial change programme, the results of which are now starting to come through. In GB and Ireland we have a broad portfolio in the marketplace, and we are building a competitive advantage from this in our category expertise to identify, target, and realise specific growth opportunities for our brands and our customers. We'll also innovate to meet new customer or specific shopper needs, and we're increasing the level of investment behind our core brands and targeted marketing programmes. As we build greater value for the consumer, shopper, and customer into our brands, we also have the opportunity to manage our revenue more effectively. This is a particularly highly promoted category, and there is room to improve the effectiveness of our promotions and the defensibility of our pricing across the various sales channels in which we operate. Some of this will be achieved by evolving our pack architecture to meet specific consumer and customer needs. Finally, we have now completed a review on how we go to market, and we have identified that there is an opportunity to simplify our business and focus on building bigger, stronger partnerships with winning intermediary and direct customers, leveraging their strengths and jointly targeting future growth opportunities. The benefit of these programmes will be stronger brands, stronger customer partnerships, and sustainable revenue and margin growth. Our first-half results are evidence of this starting to have a positive impact.

Now let's turn to the second leg of our strategy, realising the international opportunity. The category opportunities for Kids, Family, and Adult are huge. Between kids juice and liquid dilutes, the global market value is estimated in excess of $20 million. We believe that our portfolio of brands in these categories has the heritage, proven track record, and technological superiority to succeed. Likewise, the space in which we aim to compete is not dominated on the international front by the global giants. As a measure of this, we are the biggest producer of branded dilutes in the world by virtue of having Robinsons, MiWadi, and Teisseire in the portfolio. We have been testing consumer acceptance of our brands in a number of target markets and have received a positive response. We are confident our brands can compete in these categories where they exist and that in other less developed markets we can create these categories. Importantly, we have developed an economic model that works for all parties. Britvic is the brand owner, the local partner is the bottler, the local retailer, and ultimately the consumer.

Just taking a step back for a moment, it's worth reminding you why we believe Fruit Shoot has real credible potential outside of its home market in the U.K. and why our confidence in the U.S. opportunity is growing. Firstly, it is a unique proposition that is trusted by parents and yet is still seen as cool by kids. There are not many brands that gain that favour with both parents and kids. It offers a credible category growth opportunity, even in a mature market such as the U.S. Fruit Shoot already has a sizable international business, with 30% of its revenue generated outside of GB. We recently announced that Pepsi Southwest Europe has taken the brand into their system in Spain where it will be available in all channels. These are not just export markets where we ship goods for consumption by expaks*, here the domestic consumer is the target and we have the spoke packs and local marketing plans. In the U.S., we have seen agreement signed with five Pepsi system bottling partners, including the bottling division of PepsiCo themselves, Pepsi America Beverages. We now also have in-market manufacture through Pepsi bottling ventures in North Carolina. In the last 12 months, we have established an in-market team of Britvic employees who support our franchise partners in growing the brand. To double distribution in three months to 41,000 outlets is a monumental achievement. It is now listed by retailers such as Walmart, Hess, and Dollar. With Buffalo Rock, we have been in market for five years and yet they are still seeing growth accelerating. The brand is gaining real momentum in the U.S., and we are confident to now invest behind it further, with the planned incremental annual investment of £10 million by 2015 in the U. S. and other international markets.

I would now like to share with you a short film on the development of Fruit Shoot in the U. S.

VIDEO: The Fruit Shoot (inaudible) made is just one of those things that really should happen. It's such a good brand. The unspillable nature of the cap, the colours of the bottle, the formulations, it just is perfect. I think the brand itself is - - lends itself to success. (Inaudible) is a great tasting brand and it really fills the need for kids and for mothers, so I think that's going to be the big things there.

Chris McCool: My name is Chris McCool. I work for Pepsi Bottling Ventures. I'm the Senior Vice President of Sales and Marketing for the company, and I've been with Pepsi 29 years. PBV actually operates in eight states, down the East Coast. We have a little shy of 3,000 employees, 24 locations, regional locations, and we have six manufacturing facilities operating within the U.S. We thought there was a great opportunity with the Fruit Shoot and so we decided to sell it. It's a very unique brand. If you look at carbonated soft drinks now, which has certainly be declining for the last few years, we look at Fruit Shoot as another brand opportunity and a different category than what we're currently operating in.

Male Speaker: The history with Fruit Shoot started in 2007/2008 when we were looking for growth, and the largest growth opportunity that we looked at was with Britvic Worldwide Brands. At that time, we found Fruit Shoot and we were very excited at the time because of not only the taste profile of it and the history of success it has in the U.K., but the packaging. The packaging probably was the largest selling point for us to want to partner up at the time and so from 2008 until now it's been quite an exciting ride and we're really proud where this brand is going. For the most part, Buffalo Rock is a sheer leader in the marketplace. The addition of Fruit Shoot has allowed us to service the store in a different part of the store, reach consumers in a different part of the store that we were never servicing or getting to in the past, and we're bringing leadership into a category that really hasn't had a lot of leadership in the past. It's been broker-lead and what we have the ability of doing is running thematic events inside the store, creating traffic for the retailer. Those are the type things that they really, really want from a distributor in the U.S., and we have the ability to do that in the store.

Male Speaker: We've been in Fruit Shoot now for I guess nearly three years and we've seen approximately 50 percent growth year-over-year since we've had the product and it continues to escalate and so it's doing everything that we'd hope it would.

Male Speaker: Well the long-term vision of all of this has been to grow our company and by adding this great brand to our portfolio, obviously we are stepping in that direction of really providing a growth platform long-term for our company.

Male Speaker: (Inaudible) where we have been established for about 12 months or so. The exciting thing is for the summer is that we're currently in the process of reaching into 30 states for the summer. There's a large beverage market in the world. We have largest per capita of commercial beverages in the world.

Male Speaker: In May last year we set up with a team of eight people based out of our office in Florida. Every day they spend out to trade with the Pepsi team and as the relationship builds, that kind of relationship with the Pepsi guy on the street turns into the Pepsi guy that's in my team in to see the retailer and that's how we start to unlock the growth opportunities and the real things that are going to drive the business forward across the next five years.

Male Speaker: The void we saw was really didn't see a quality kid's drink versus some of the brands that were out there, so we felt like with the quality of the Fruit Shoot that it would allow us to sell the product at a premium to what was currently in the stores today.

Male Speaker: I think it provides the retail opportunity to deliver some extra margin within stores. It is a niche product, but it's a product that the niche wasn't filled to this point. It's a quality kid's drink that is at a very economical price and I think the consumer and the mother and the kid alike are eager to pay that.

Male Speaker: They like it.

Female Speaker: They love it.

Female Speaker: (Inaudible) very handy. They're not spilling them all over the house.

Female Speaker: It's perfect. For a family that spills everything, it's perfect.

Female Speaker: Amazingly in the house, there weren't a lot of spills. So, yeah, I think it's a real ingenious design.

Male Speaker: I think anybody that tries it, and that's the key, right, is to get trial, they're hooked once we get trial on the product, so we do a lot of sampling events and a lot of giveaway events with the product to create trial and we think long-term that it's going to be a household name. It's just about penetration and I think we penetrated the market very well and I think it's going to do nothing but get bigger and bigger as time goes and certainly our volumes have been showing that.

Male Speaker: Since 2008, we've had a 20% growth rate annually for that period of time and we're growing it 54% this year. we are taking share. We are growing share in a category that's continuing to grow as well. And so if you think about the potential of that, we're just now really to stride and there is a lot of opportunity left.

Simon Litherland: Great. And since that was short, I'm also delighted to announce today that we have signed a new agreement with Pepsi Cola Bottling Company of Pittsburgh with distribution in Kansas and Missouri. This means we'll now see Fruit Shoot available in 32 states ahead of the summer.

We're also delighted to announce today that we have reached agreement with a Narang Group for the national distribution of Fruit Shoot in India, commencing mid 2014. The Narang Group has a strong national presence in consumer goods in India, including joint ventures with Suntory and Danone and through distribution rights for brands such as Monster, Twinings, and Lindt. Britvic will manufacture Fruit Shoot within India through a third party. To support our local partner with this new opportunity, we'll be setting up an in-market and regional Britvic team to help establish a strong Fruit Shoot presence in the Indian market. As you know, India is a hugely exciting consumer market and while we're only at the start of the journey, I'm delighted that we have an entry into the market with such a credible partner.

The next steps to realise the international potential are clear, and we'll now start to accelerate our investment. In addition to increasing our A&P, we will also establish a fully resourced business unit with the required talent and capabilities to be successful. We'll focus first on accelerating Fruit Shoot growth in the U.S. and in the European markets where we are already present. Beyond this, we'll have the resource to identify and open new target markets with local partners. Initially, we'll focus on three core brands - Fruit Shoot, Robinsons, and Teisseire - but over time we'll build our portfolio further in our target categories.

So having talked through the strategies for our full portfolio and International markets, I'll now share what this means for shareholders and our future prospects. We will deliver £13 million pounds of cost savings by 2016, of which 25 will be delivered by 2015. The cash cost net of property disposals in 2016 to deliver these savings is £14 million, so a quick payback on the investment. There will also be some noncash costs incurred, such as the write down in the value of assets. Following all appropriate consultations, the proposals to close two factories in GB and a warehouse in Belfast announced today, as well as the future intention to create a lighter group function and combine the GB and Ireland business units will see a headcount reduction of 10-to-15%. At Prelims in November, I'll update you on the progress of these initiatives. We have today highlighted our growing confidence in the International model and structured the business to realise what we believe is substantial value. In doing so, we'll ramp up investment to £10 million per annum by 2015. We've not given any guidance today about the return on this investment, but the potential is becoming more tangible and more material. The attractiveness of the franchise system is well understood, high margin and low capital investment with low risk. We are very confident in the delivery of the 13 million cost savings, which will also have been reviewed by an independent advisor. We will have a fully resourced project management team supported by external expertise, but separate from the business's usual activity to oversee the delivery of the initiatives and the significant change required. There is also clear ownership by my Executive Team for the delivery of this plan.

This strategy builds on our current market positions, the leading profitable brands that we have and our capabilities. It supports profitable growth in the combined GB and Ireland business where we expect to generate stronger sustainable revenue growth from a leader - - leaner and more agile operating model. The asset-light approach to the international business offers significant opportunities for us to grow materially in the future. The combination of our strategies in the core markets and International are highly complementary and provide a platform for accelerated future growth.

For our shareholders, the execution of this strategy will lead to a stronger revenue growth in both core and international, a lower fixed cost base that increases our operational leverage, accelerated improvement in our margins, and a much improved return on capital employed. The benefit of us succeeding in the franchise model will accelerate even further each of those financial metrics, but also diversify our profit base geographically. The acceleration of earnings combined with a focus on cash conversion will see a strong deleveraging and strengthening of the balance sheet. Based on our plans, we expect that in 2014 the business will have deleveraged to between 2 to 2-point times - - 2.2 times net debt to EBITDA. We see the natural operating range for our debt level between 1.5 to 2.5 times. The dividend remains an important part of our strategy and we remain committed to a progressive dividend policy.

In summary, today Britvic has demonstrated an impressive first half performance and confidence to be able to raise full year expectation towards the upper end of the range. We are implementing a series of strategic initiatives that underpin the strategy creating a more focused, simpler, and accountable organisation which will deliver £13 million of annualised cost savings. The realisations of these savings will allow us to accelerate an investment behind the scale international opportunities that exist for our category leading brands. We have a clear vision and a strategy that will deliver significant shareholder value by generating stronger growth in the core business and by exploiting the international opportunities, thereby unlocking considerable value in our brands.

Thank you for listening, and that brings the formal presentation to an end, and I'll hand back to Gerald who will chair the Q&A session.

Gerald Corbett: Okay. If you can say your name and the organisation you represent, that'll be great, gentlemen.

Andrea Pistacchi: Hi. It's Andrea Pistacchi from Citigroup. I have a couple questions on the International business and opportunity please. **Firstly, if you could talk a bit more about the market in the U.S., maybe if you can quantify in your view what the size of the market Fruit Shoot competes in the U.S., the size of the Kid's market, and talk a little bit about competition - how fragmented it is - if it's regional, national, the main competitors. The second point on the U.S., you said today, and you mentioned in the press release that you achieved listings with Walmart and another a couple of retailers. I think this is new because the focus was mostly on gas stations and convenience up until now, so is this regional or is this Walmart in a lot of states and what is - - what's the opportunity there? And the last question, if I may, on the - - on other international markets, when select and when looking at potential international markets what are the main criteria you look at and isn't there the risk of doing too much at the same time, therefore diluting the efforts?**

Simon Litherland: Great. Lots in there. So let me have a go and John you can build on anything. So first of all, the market in the U.S., it's a significantly bigger market than the U.K. We haven't sized the category specifically. But if you think of a scale of Fruit Shoot in the U.K. and look at the relative scale in the U.S., the opportunity is huge. The competitive set, there is some similarities to the GB marketplace, brands like Capri Sun, and there are also many other offerings, but we believe that as you heard on the video that Fruit Shoot pretty much sells itself. It's got great stand out on the shelf. It's a great quality product that kids and mothers enjoy.

And yeah, you're quite right in calling out that our focus initially was on the impulse side of the market, gas stations and all that sort of - - those sorts of outlets and we are starting to enter into some of the big regional grocers. Initially though with single packs and clearly over time what we would do is move much more to a multipack variant in those big grocers, but we want to do that in a phased way and really believe that building the brand first in the impulse category is the right approach. And also from a margin perspective, I think that's important to follow that route.

And then thirdly, just on the criteria for new markets, there are a number of different markets around the world where we think that there is an existing category in the three that we have called out for ourselves where we can go and play, but we won't rush too fast. I think what's important for us is to make sure that we have the right capability and resource, so establishing a focused business unit enables us to do that. And as articulated, we will invest in that. We will… We'll focus very much on the states and on the existing markets and not India, and we'll kind of do that in an orderly fashion. But at the same time, we will kind of look for new markets; and it is about finding the appropriate market, but just as importantly, the appropriate partner, and that sometimes can go quicker or slower. And ideally what we'll have is a pipeline of markets that we kind of turn on a different times. Because clearly once you enter a market, it takes a number of years to establish the brand and you start to see the revenue growth come through, but it takes awhile before you start to generate a profit. So if we can get the phasing right, and that's clearly within our control as to how far and fast we go, that will be the key.

Wayne Brown: Morning. Wayne Brown from Canaccord. Just four questions for me. **Firstly, John, just looking at cash and debt, there's quite a few moving parts in the cash flow, so if you can just talk us through clearly volumes are down, so if you can just give us a view as to where stock levels are and how working capital is played in the first half and then balance clearly you've spent significantly less on A&P spend, but there also seems to be a £16 million swing in the other line. I think it's pensions, but I'm not sure within the cash flow. So mirroring - - balancing all of that out and with cash exceptionals coming in the second half, what should we be looking for from a gross debt number or a net debt number at the yearend and just playing that through? And then, Simon, just on strategy, clearly the Q2 performance has been somewhat more challenging than Q1, but there's obviously been much more of a playoff in value versus volume. Is that a short-term strategy? Is that long-term view that you want to change the mindset of the company from that perspective? Just to give some sort of a phasing and a view of how we expect Q3 and Q4 to play out ad I suppose balancing that against where the Pepsi share is now versus where it was probably six months ago and if that's an issue for you or if that's necessarily a target versus the value play. And then, Gerald, I suppose from a Board perspective, six months ago the Board was obviously quite supportive of the strategy to merge with A.G. Barr, I suppose the timing of today's announcement with**

regards to the initiatives announced today, just from your perspective of the timing, we're obviously going to have a provisional hearing from the CC in the next couple of days, probably by the end of this month, just with regards to how one should think about is it correct to assume that there's mixed messages, that maybe the Board isn't as keen for the merger as they once were because just the timing versus the Competition Commission announcement and obviously today's initiatives because clearly some of these cost savings initiatives would've been announced part of an enlarged merger?

Gerald Corbett: Well that was three minutes from Wayne Brown. Shall I answer it first? Because by the times you guys have answered your questions, you would've forgotten what the questions for me was. I mean the merger with A.G. Barr was clearly a good deal for our shareholders. At the moment there is no merger. I mean it stopped when it was referred to the Competition Commission. We immediately appointed Simon. We have to get on with our lives. There is no merger. And Simon, John, and the whole team are spending all their time and energies on growing our Company and implementing the new plan. Now we've all heard great confidence about the Competition Commission and what they're going to say and this, that, and the other, but everyone was confident about the AFT weren't they? So basically we're not even going to think about it until August and we'll see where we are there then and maybe something can happen, maybe it won't happen. But the priority of the team at the moment is building a stronger, better, bigger Britvic.

Simon Litherland: Shall I start for your cash flow question, Wayne? I'll try and remember all the moving parts on that. So in terms of what's been happening around cash flow, we are articulated as part of our focus that we were going to be much more focused on cash and certainly around cash conversion from profit into (inaudible) bank. You can see that in the half one performance.

In terms of stock levels, I don't think there's anything materially different. Probably given the state of the weather that we have towards the back end of Q2, they'll be marginally higher so that we would've been planning clearly for Easter, et cetera, and we ended up with very poor weather as you know over Easter, but I wouldn't say it's marginally higher. Sorry, significantly higher than it had been previously.

In terms of the other cost line, then there are benefits in there around tax payments associated with the PFP from departure that we talked about last year, so the 12.5 million scheduled payments is in the pension line. The benefit of the tax payment or tax reduction is actually in the other cost line as well.

In terms of A&P spend, that obviously that's taking account of an EBIT line that you'll see. What we've been is being very transparent about the phasing impact of A&P. So as I said earlier, EBIT is still by 18%, even when you adjust for that A&P spend and obviously the impact of Fruit Shoot. What that does mean is we will start (inaudible) very big second half in terms of our focus on the brands.

And where we like to be in terms of yearend debt? Obviously we try to give you the elements of the spend, of where that's going to come through. Minimum free cash flow of 70 million, that's after accounting for the additional capital expenditure associated with the restructuring. There's a chart that Simon took you through there, so you'll see 8 million there. There will be additional exceptional costs to come through, so we've talked about the one-off cash costs. Twelve million of that relates to the restructuring, which again we flagged for the current year spend. On top of that, there's also obviously the cost associated with the merger, which was 8 million at the half year. Probably going to be a further 2 million. So if you take all of those into account and the dividend stream, then that would suggest that there will still be some debt pay down at the yearend, but the most mark thing on that will obviously be the acceleration of the EBITDA which will mean that the debt to EBITDA ratio will come down materially.

Simon Litherland: Okay good. And let me address your quarter two and longer-term question on value and volume. So you're quite right, quarter two was absolutely more challenging, Wayne. I think we had a really strong quarter one. I think we had volume and value growth of around 5% in quarter one. Quarter two was more challenging from a market perspective. So the latest 12 months data that we have, the market was down 2.6%. And indeed Fruit Shoot was still not fully promoted in that quarter either from a stills perspective and then of course the weather we all experienced unfortunately, but that clearly had an impact, along with increased competitive activity actually in the marketplace. So we chose not to go too low on pricing and that very much is a strategy and I think the results reflect the benefit of that, so we're not going to chase volume. We want to grow value share, but we'll do it in the right way and in a sustainable way if you like. As you'll be fully aware, it's a very highly promoted category with upwards of 70 odd per cent and in some cases 80% of brands or category volumes being sold in promotion, so our longer-term vision and view is absolutely that we have the opportunity to build greater value into our brands through improved, increased, and more effective both consumer and customer and shopper marketing programmes. And in building better value into the brand, we'll achieve higher pricing and indeed we're also very focused in ensuring that our promotional spend, which is a significant number, is effective for both us and our customers. So that's the direction of (inaudible), and I think the first half results kind of show that.

Having said that, we've taken share with Pepsi over the last five years. Last year was a particularly big year for us (inaudible) enough, and we've lost a fraction of that and we have a fantastic marketing programme for H2. If you kind of pick up the under spend in H1 and the fact that we're going to over spend versus last year by the end of the year, you can imagine the weight of activity we got coming, so really excited about that.

Ian Shackleton: Yeah, Ian Shackleton from Nomura. **Just two questions really on the International side. When we talk about the asset-light strategy in international, does that totally rule out putting more capital into (inaudible) Pepsi franchise in the new market? And the second question was: I think you use Pepsi in most markets in U.S. and Spain for the franchise rollout, you're not in India. Why is that and should we see using different partners and different markets going forward?**

Simon Litherland: Yep, certainly, Ian. So, yeah, I mean our strategy, as you say, and our focus is Kids, Family, and Adult, and the intent is an asset-light model. So by default that means we're not looking to go and build or buy a big infrastructure in different marketplaces, and that is I guess a divergence from our previously articulated strategy and that will be our core focus. Having said that, if the opportunity arises through partnership with Pepsi, that they want to extend our bottling partnership with them, then we'll look at it at the time and see if there's appropriate value for us and them in it. So it's not completely ruled out, but it's absolutely not our focus and it's not core to the strategy. Our relationships with Pepsi is extremely strong and has kind of been built over many years and we're in a fantastic place with them and the strategy works very much for us and them, so we absolutely want to be their best bottler in GB and Ireland and benchmark against any of their other global partners and likewise they're starting to build a different kind of partnership with us in the states, which is also working very well, so I can only see the partnership strengthening.

When regard to new markets, Pepsi's presence around the world is huge. In some markets, they're stronger. In some markets, they're lesser. But in most markets, we will absolutely have a conversation with Pepsi first. And depending on what their priorities in that marketplace and the stage of evolution and their business presence, it may or may not be appropriate to partner with them. But at the same time, we will look at the viable partnerships as well.

Gerald Corbett: Andrew.

Andrew Holland: Yes, Andrew Holland from Soc Gen. **Just on the cost saving 30 million, would it be fair to assume that all of that would otherwise have been covered by the 40 million synergy target with the Barr merger? Or put another way: Is any of that incremental to the 40 million that you plan for the Barr merger?**

Male Speaker: (Inaudible).

Simon Litherland: Yeah, I'll take that one, Andrew. So that kind of turnaround the other way clearly it evolves. In the merger synergy calculation, I'm involved in this as well. I would estimate that probably around 50 million of the cost synergies that we've announced today would relate to the 35 million of cost synergies we talked about on the merger, i.e., there's probably 20 million of those cost synergies still available in the event of a subsequent merger. The other way around, clearly 30 million of it - - of the cost savings we announced today, therefore around half of them will have related back to that merger.

Andrew Holland: And just one other, sorry, while I've got the mike. **Talking about your commercial change programme, and again putting that in the context of the cost savings and the reinvestment behind the brand all taking place in International, i.e., none of it in GB from what you've said,. I'm just wondering how you're going to effectively get your prices up, which I think is what you mean by commercial change strategy, without massively alienating your grocery customers to the extent that they consider delisting you.**

Simon Litherland: Yeah. No, they're always quite challenging, but we will be increasing the investment and are this year behind our core brands in GB and Ireland, so the 10 million incremental investment that we talked about is earmarked for International, both in the U.S. and other international markets. But the year-on-year growth that John articulated earlier will be very evident in GB and is very much focused on our core brands. So you're right, it is about getting more value for our brands and ultimately moving prices up, but it's as much the promoted price and the promotional mechanics that we use as the overall consumer price and we all work very closely with our customers to improve effectiveness for ourselves and them. And effectively what we're trying to do is create a more valuable, more profitable soft drinks category, which we will benefit from and so will the retailers, so we have been declared a win/win environment.

Gerald Corbett: Yeah, Jon.

Jonathan Fell: Hi, it's Jon Fell from Deutsche Bank. A couple of things. **Could you just update us a bit on Australia and what your experience has been with Fruit Shoot there? And more generally you talked about Britvic focusing on fewer strategic priorities in the future, so could you just talk a little bit about the kind of things you're going to deemphasise and why?** Thank you.

Simon Litherland: (Inaudible) first one. I'll take the second.

John Gibney: Okay, I'll take the Australia Fruit Shoot. We launched now about three years ago, so Fruit Shoot in Australia has established a very good presence in the marketplace. I think is number two kid's brand over there at the moment. It's not a huge category in Australia. We never expected it to be a significant contributor to the profitability purely because of the size of the marketplace. That said, we think there's still more opportunity that we can go after. And as we get the international division fully established, then that's clearly something we can probably drive some more potential over. So it's done what we expected it to, but we still think there's more that can come out of Australia.

Male Speaker: Yeah, I think (inaudible)…

Simon Litherland: I'll just have a go at the strategic priority. So, yeah, I mean I think there's a pretty busy agenda that we've laid out, right, and those are effectively the priorities. My view is that we will have simplicity in the business at a different level than we've have, so it'll be easier to do business in Britvic and with Britvic. We'll have clear programme management offers to help manage these changed programmes, separate from but working with the two distinct business units. And within those business units, the priorities are very clear. So in GB, it is investing behind our core brands and clearly identified accelerate brands. It is focused on our innovation in those three categories. And International, I laid out a slide where we're very clear on the steps that we want to take in International and it's kind of our choice as to how far apart we push it, but we're very mindful that there's a big programme of change to get off and a lot of value to get off, so we'll do it in a very measured way.

Gerald Corbett: Simon and (inaudible).

Simon Hales: Yes, thanks. It's Simon Hales from Barclays. Couple of questions please. **Just firstly, on the margin in International going forward, and I appreciate from what you said, John, that there's going to be volatility around the concentrate volumes looking forward and the step up in the investment that we see in that business, how should we think about the underlying margin? What's the sort of underlying run rate do you think that we can use as a sort of based forecast off? If you can help with me that, that be great. And just in terms of thinking about phasing of the Fruit Shoot impact, I just want to get my maths right, what's the remaining impact likely to be in the second half on profitability before you're back fully up to speed where you**

ahead of the summer last year. And maybe just finally, just on tax, any change to tax guidance for the full year?

John Gibney: Okay. In terms of margin, and I guess it's another way of asking the question, we're just trying to get some guidance, which I do apologise, and it will be the same for a while I'm afraid, we are still in commercial negotiation around how we enter certain marketplaces, so that's one of the reasons why we're incredibly sensitive about what we actually say. In trying to be helpful, what I would say is as you've clearly seen a marked improvement in the margin this year and that is not yet fully reflective, for example, anything like the full rollout of the 30 states, now 32 states in the U.S. So if you like, that's got to be absolutely a baseline. We don't expect the margin to move forward quite significantly from there as we continue to roll out into other markets and there's the proportionate of concerts sales versus finished product sales and, for example, the export markets starts to swing much more that way. So we will - - we are very aware of the desire to see more guidance. We will try and give you meaningful guidance when we can, but unfortunately there's not a lot more I can give you at the moment.

In terms of phasing, then the vast majority now of the Fruit Shoot impact is now within the half one number, so very little to come in second half.

And in tax, no to change to previous guidance.

Gerald Corbett: Gentleman at the front. Well we'll hear it and then repeat it.

Male Speaker: Sorry. A couple questions please. **On the A&P, (inaudible) skew towards the second half is going to be (inaudible) year-on-year, (inaudible) increase in next year and subsequent years (inaudible). In regards to cost savings, (inaudible)... And thirdly (inaudible). And then regarding the Fruit Shoot reintroduction into the GB market, has it been much slower to sort of bring it back up so to speak (inaudible)…**

John Gibney: Okay. Shall I take the first three, Simon.

Simon Litherland: Okay.

John Gibney: (Inaudible), if you like. So in terms of the skew to half two is it permanent, the answer is it's really going to depend on the marketing programmes that we put in place. This year we've got a very much second half focus on our marketing plans and that may not be the case next year. Half two will always by definition be much more full campaign than half one would be. Whether it will be to this degree or not, I think we'd have to see. But again, what we are trying to be is very transparent. So if there was a re-phasing on that in the FY14 financial year, we'll try and help you with that as well.

In terms of the increase in A&P investment 25 bps this year, is it going to be further increased going forward, Simon has articulated the A&P focus behind our brands is going to be very, very important to us, so I guess that indicates that that will be maybe an area where we'll increase in our investment in the future. We won't give you anything specific now. But obviously when we get to November, we can give you a further indication around what that looks for FY14.

And in terms of splits around the 30 million, I guess what I would say rather than actually giving you the breakdown of it, probably the most material impact there is going to be the consultation that we've announced today around the closure of two factories and the closure of the warehouse in Northern Ireland, so those plans are clearly pretty well advanced on the basis that we're now starting consultation. That would be probably the most material of the four areas that we've spoken about, which make up the £30 million. So I won't go into more detail on the others other than to say that clearly we've also been working with our advisors to challenges around that and they verified that they're happy that £30 million can be delivered over that time scale as well.

Simon, I think the last question was around Fruit Shoot reintroduction, has it been slower than we anticipated?

Simon Litherland: Yeah, great, so clearly Fruit Shoot was at market for a number of months, so it does need to be re-established and it does take time, but I'd say that it's very much on track. What we discovered when it was out of the market, the overall category did decline. And now that it's back, we have built up distribution back to pre recall levels and the visibility is coming back in the big grocers and in the impulse stores and distribution in the pop channels also back to where it was, so we've kind of successfully done that. Our promotional activity and marketing programme that we have for the balance of the year is strong, and that's always been an important element of the Fruit Shoot offering. So we are absolutely building our share back and we're very kind of comfortable and it clearly would've been great not to have it happened at all, but we're comfortable with the progress that we're making on comeback.

From a consumer perspective, consumer action is very positive, so there's been no sort of consumer damage to the brand at all. And you've also got to remember that Fruit Shoot within there, there's a core Fruit Shoot range and then there's also a Fruit Shoot Hydro and the Hydro rebuild has been slightly slower than the core range, but comfortable that we're on track is the short answer.

Gerald Corbett: Okay, well that's been long and very thorough session, entirely appropriate, and I think we're seeing the analysts again in December.

Simon Litherland: November.

Gerald Corbett: And in November, yeah okay. Thank you, everyone.

Simon Litherland: Thank you.

John Gibney: Thank you.

Please Note: * Proper names/organisations spelling not verified.
[sic] Verbatim, might need confirmation.
- - Indicates hesitation, faltering speech, or stammering.