



Investor Seminar

12th March 2009

Agenda

Britvic Soft Drinks Report

- Resilient performance in a tough year
- Branded soft drinks remain a staple item

Paul Moody

4.30

Group Update

- Guidance from Q1 IMS
- Group structure; a natural progression

John Gibney

4.50

Britvic Ireland – Investing for future growth

- Enabling a business for the future
- A challenging market

Andrew Richards

5.00

Marketing

- Building our brand equity
- Meeting consumer needs through innovation

Simon Stewart

5.15

Q&A

6.05



- *Overview of the GB soft drinks category in 2008*
- *Take-Home and Licensed On-Premise performance*
- *The impact of the consumer downturn on soft drinks*



Another resilient performance... ...an even tougher year

- Sales held up well despite economic downturn and another poor summer
- Value sales down just 1% to £8.4bn
- Volumes down 2% to 7.4bn litres
- Soft drinks remained one of the most important categories in the take home and licensed sectors
- A year of two halves with marked decline in the latter half

The Soft Drinks Market

	Value and volume	% Change	% Share
Take-Home	6,085	1.0	72.5
	6,877	-2.0	93
On-Premise	2,311	-4.0	27.5
	519	-6.0	7.0
Total	8,396	-1.0	100
	7,396	-2.0	100

Value (£m) ■ Volume (in litres) ■

Source: Nielsen Scantrack, MAT 27 Dec 2008, On-Premise Audit, MAT Nov 2008

Take-Home sales held up well

- Value sales grew 1% to £6.1bn
- Volumes fell 2% to £6.9bn litres
- Value growth driven by glucose/stimulant drinks and sports drinks
- Traditional favourites – cola, squash and juice drinks did well as economic conditions worsened
- Smoothies and bottled water suffered most as a result of the consumer downturn and poor weather

	Value and volume		% change	% share
Cola	1,294	1,631	4	21
Pure juice	1,212	1,146	-1	20
Glucose and stimulant drinks	522	255	12	9
Juice drinks	480	372	-1	8
Squash	446	537	2	7
Fruit carbonates	432	531	-1	7
Plain water	417	978	-9	7
Dairy and dairy substitute	382	170	2	6
Smoothies	172	64	-20	3
Sports drinks	166	103	7	3
Non-fruit carbonates	149	224	2	2
Water plus	149	212	-6	3
Lemonade	143	481	5	2
Traditional mixers	112	171	4	2
Cold hot drinks	8	5	-11	0
Total soft drinks	6,085	6,877	1.0	-2.0

Value (£m) ■ Volume (m litres) ■
Source: Nielsen Scantrack, MAT 29 December 2008

Another challenging year for the Licensed On-Premise market

- Value sales down 4% to £2.3bn
- Volumes were down 6% to 0.5bn litres
- Soft drinks proved more resilient than alcohol as food and family occasions increase
 - *Fruit juice and juice drinks performed most strongly*
 - *Cola and lemonade remained staples*
 - *Energy drinks and bottled water felt the pinch*

	Value and volume		% change	% share
Cola	946	247	-4	41
Lemonade	422	114	-6	18
Juice drinks	245	44	0	11
Squash	170	16	-1	7
Mixers	158	26	-4	7
Fruit juice	139	23	-1	6
Energy	109	15	-7	5
Bottled water	71	19	-7	3
Flavoured carbonates (excluding energy)	52	17	-1	2
Total soft drinks	2,311	519	-4.0	-6.0

Value (£m) ■ Volume (m litres) ■

Source: Nielsen On-Premise Audit, MAT November 2008

Trend

Economy overshadowed the 3 key consumer trends from last year

- *Health and wellbeing*
- *Ethics and environment*
- *Indulgence*

Impact on soft drinks

Health and wellbeing still relevant

- *Five-a-day remained important but consumers traded down from smoothies*
- *Products with functional benefits continued to grow*

Ethics and environment

- *Consumers still cared, but not at any price*

Indulgence still an emerging trend

- *Premium soft drinks offered indulgence at an affordable price*

Soft drinks are a small-ticket item, offering affordable every day enjoyment

Trend

50% of GB shoppers cutting down on grocery spending: 28% were not, 22% were undecided

- *Looking out for price promotions*
- *Buying on promotion*
- *Thinking twice about indulgence*
- *Minimal shift to own label*
- *Maintaining brand loyalty*

Shopping trips more planned

- *Cutting back on monster shops and top-ups*

Impact on soft drinks

- *Over 60% of branded soft drinks sold on promotion*
- *Price differential between own label and branded drinks is narrow*
- *Own label has stronger appeal in generic categories NOT soft drinks*
- *Mainstream brands and popular sub categories held up best*
 - *Cola, Squash, Juice drinks*

Branded soft drinks remained a staple of the mid-sized basket

In summary

- **Another resilient performance in a tough year**

- *A year of two halves*

- **Take-Home sales held up well**
- **Licensed On-Premise market remained challenging**

- **Mainstream brands performed well**
- **Cola, Squash and Juice drinks particularly resilient**
- **Soft drinks a small ticket item, providing affordable everyday enjoyment**



Group Update

John Gibney

Finance Director

Q1 IMS Guidance 28th January 2009

- **Business reorganisation benefit in 2009**
 - **GB £1.0-1.5m in 2009, £2.0-3.0m from 2010**
 - **Ireland €1.0-1.5m in 2009, €7.0m from 2010**
 - **Exceptional costs £10m this year**
 - **€6.0m incremental synergy benefit next year**
- **Reduction in raw material inflation by 1%pts**
- **Strong GB & International trading has continued through January**

Benefits declared in Q1 IMS will underpin difficult Irish trading conditions

• Supply-chain benefits

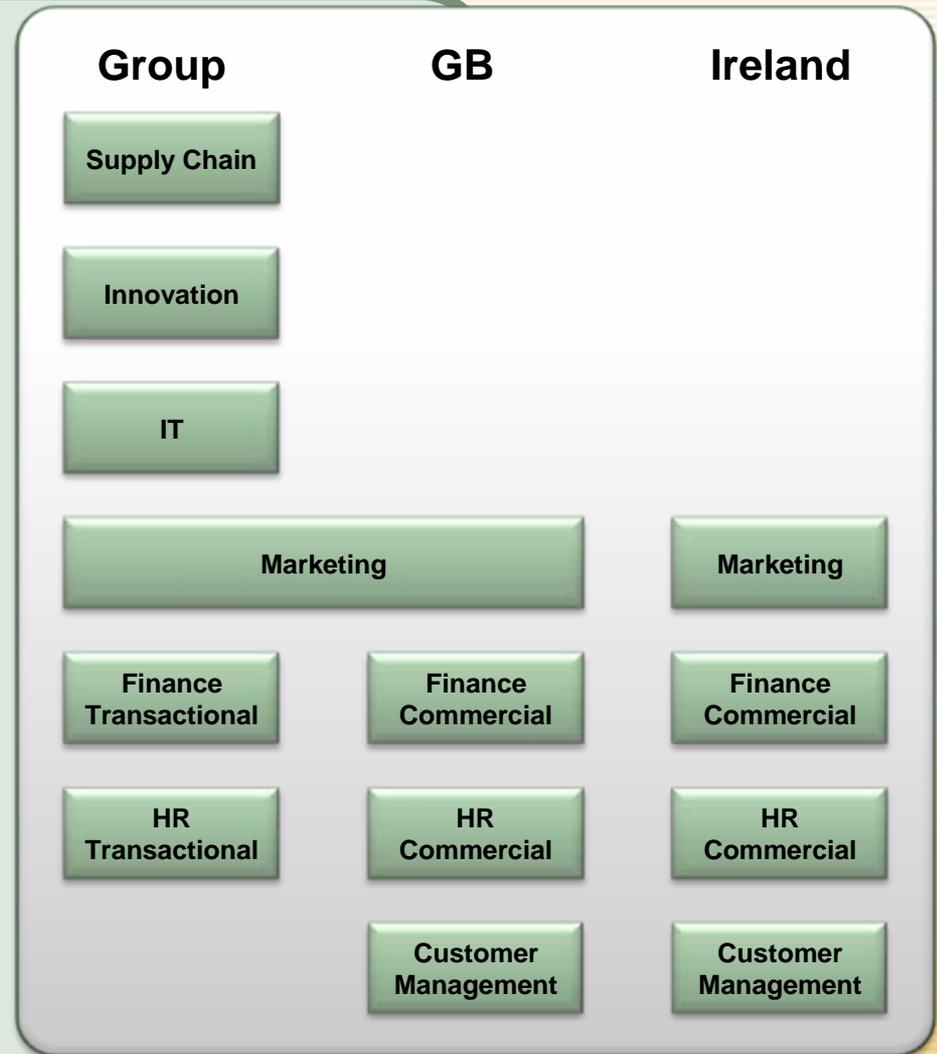
- Centralised distribution approach – closure of 3 depots with consolidation into Dublin
- Production efficiencies at Ballygowan

• Group structure benefits

- Centralisation of IT systems & support
- Group Shared Services

Britvic's New Group Structure – a natural progression

- **Group functions for Supply Chain, Innovation and IT**
- **Opportunities for front and back office efficiencies**
- **New subsidiaries can slot in easily and can be integrated more quickly**
- **Driving returns on future acquisitions**
- **Local commercial knowledge imperative**



An organisation structured for future growth

In summary

- **Cost savings and additional synergies will underpin the group performance against challenges in the Irish market**
 - *The board remains confident of its expectations*
- **Additional synergies in Ireland are a further demonstration of our ability to add value through M&A**
- **Our new group structure enables the business for future growth**



Investing for future growth

Andrew Richards

Managing Director

Andrew Richards

- **24 years commercial experience in FMCG (Cadbury's, Kraft, PepsiCo - Walkers)**
- **Joined Britvic in 1998 as Grocery Trading Director**
- **August 2000, appointed Take-Home Director**
- **In 2003, appointed to the Executive Committee as Customer Management Director.**
- **March 2009, appointed Managing Director, Britvic Ireland**

- **Creating Value in Ireland**
 - The investment case
 - Rationale for the acquisition
 - An update on synergies
- **The Irish Soft Drinks Market**
 - Changing trends
 - Challenging times
- **Drivers of Change**
 - Systems and processes
 - Strategic review
 - 2009 brand plans



Overview of Britvic Ireland

- Ireland's 2nd largest branded soft drinks business by volume
 - *Over half of volumes sold from wholly-owned brands*
 - *Similar brand and category profile to Britvic GB*
- Strong positions in all key categories
- 253m litres sold in the year to September 2008
- Major strength in Wholesaling into Licensed Channel (Own & Third-Party Brands)

Key facts:

- **800** employees
- **1** carbs/stills factories
- **1** water factory
- **2** distribution centres



Source: AC Nielsen

Rationale for the acquisition

Growth Acceleration

- Leveraging the Pepsi relationship
- Building on existing presence for Britvic brands in market
- Scope to achieve real cost savings and other synergies

Mid- To Long-term Potential...

- to drive top-line growth of the combined portfolio
- to introduce elements of the Britvic GB product portfolio to Ireland

*Exchange operational best practice
across both territories*

Acquisition & Integration Chronology

- Business acquired from C&C August 2007 €249m
- Integration, SAP implementation and capital investment €45m
- Cumulative synergies to be achieved by 2011 €27m
- A strategy to create value

2008 activities

Business Integration
Processes
Legal
Align budgets
HR
Pensions etc. ✓

Refining
and
Implementing
Synergies ✓

Cork Closure ✓

Product Portfolio
Integration
Robinsons & Fruit
Shoot
J₂O launch ✓

2009 activities

SAP implementation
Commences May 2009

Organisational
Restructure ✓

Refining
and
Implementing
Synergies

A Summary of the Synergies: Britvic Group

	FY08 (€m)	FY09 (€m)	FY10 (€m)	FY11 and thereafter (€m)
Raw materials	1.5	2.0	2.0	2.0
Indirect procurement	1.0	2.0	2.0	2.0
Logistics/Supply	0.6	5.5	8.5	8.5
Procurement in GB	0.3	0.4	0.4	0.4
Britvic International	1.1	1.1	1.1	1.1
Revenue	0.0	3.0	3.0	3.0
Selling & Admin		1.0	3.0	3.0
Other		0.9	4.5	6.5
Total	4.5	15.9	24.5	26.5

Drivers of change

SAP & I.T. Infrastructure

- GB In house knowledge and expertise will minimise disruption
- Key enabler to allow major process redesign

Capital Investment

- Major “catch up” capital programme in Dublin and Newcastle West – allowed closure of Cork facility

Organisational Restructure

- New structure aligned to new Group principles
- New processes, governance and ways of working
- A range of investment initiatives designed to enhance our ability to generate brand growth and service our customers

Current Ireland Economic Environment



Property prices *declined 13.2% in real terms in 2008*



Unemployment *expected to peak at 14% in 2009*



12% of the Population *are non-nationals and 80,000 are believed to have left in 2008*



Standard of living *expected to drop by 10%*

Category performances are challenging...



MILK -1.4%



COFFEE -7.4%



CRISPS -1.6%



ICE CREAM -13.2%

Shifting Channel Mix

13%

Economic environment in Ireland

is driving down footfall in the pub and leisure channels

10%

Declines in the Convenience Channel

are exacerbated by the collapse of the Construction Sector

Channels perceived by shoppers as “best value-for-money”

are gaining market share

15%

DISCOUNTERS

5%

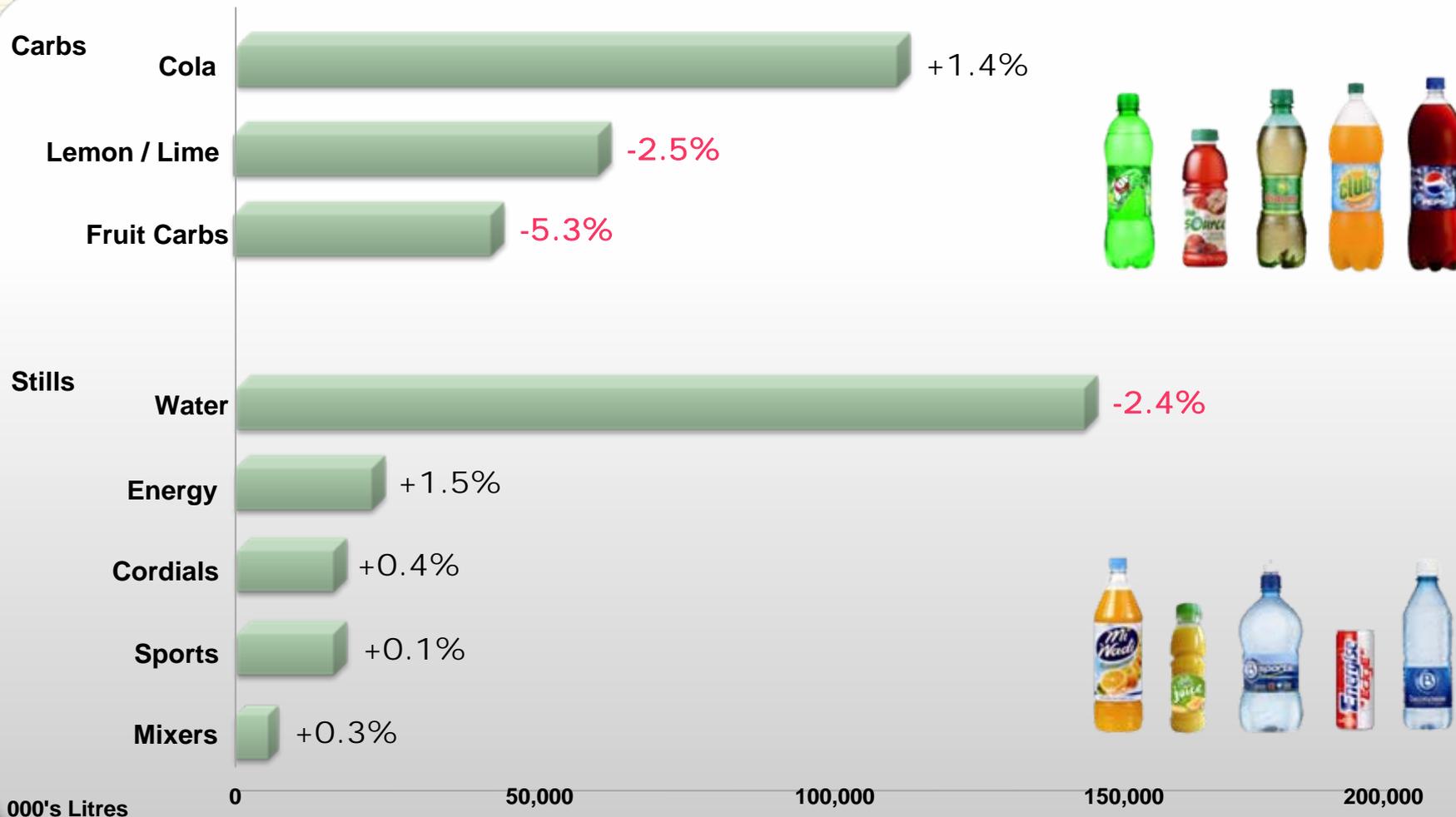
LARGE
MULTIPLES



Republic of Ireland shoppers are transferring some of their grocery spend

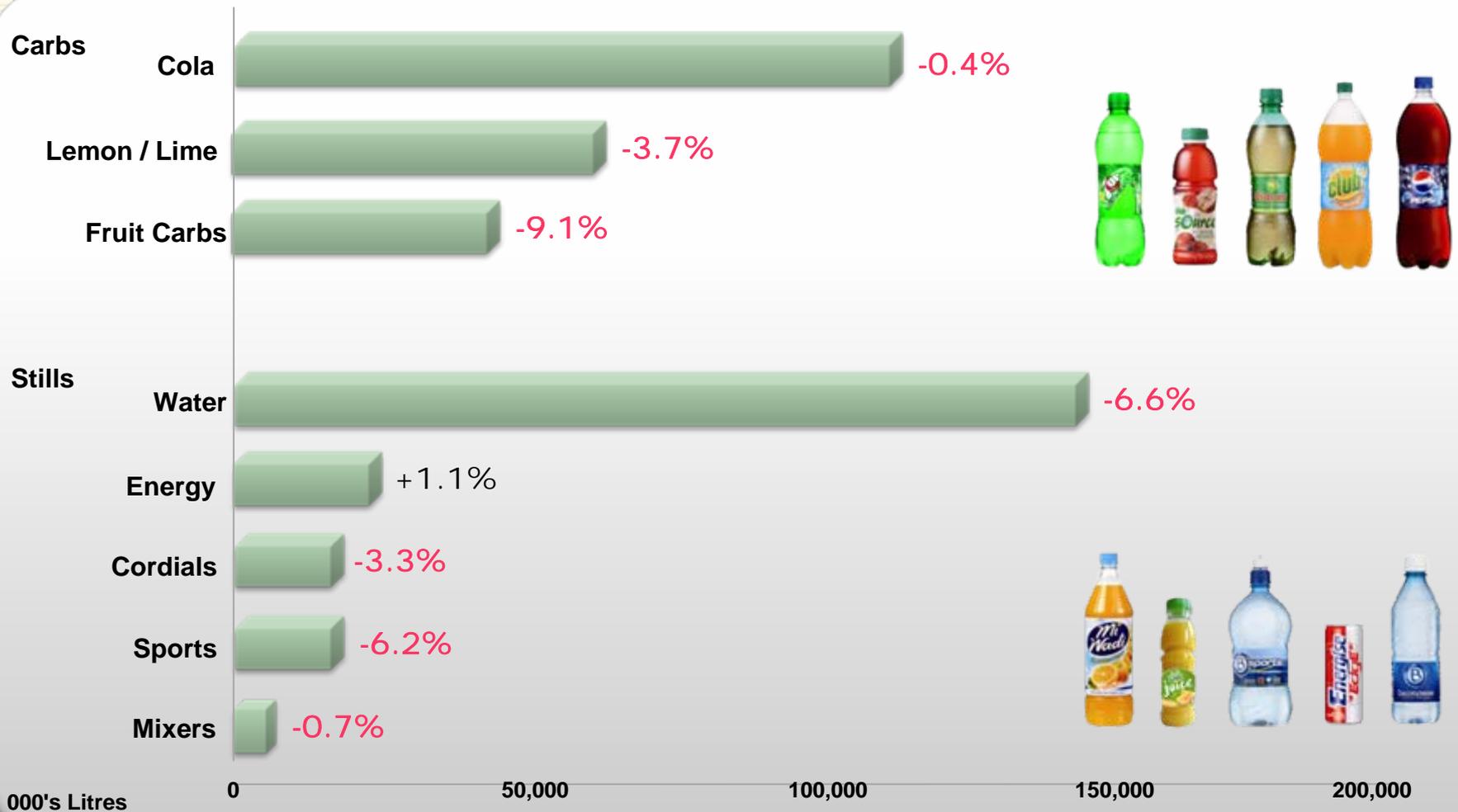
to Northern Ireland driven by FX benefits

2008 Soft Drinks Market Performance



The second half performance declined markedly

In 2009 the position has worsened



All categories except Energy are now in decline

Our strong portfolio is well placed to perform.

Britvic Ireland - Brand performance highlights from 2008

Consolidated strong leadership position in Dilutes with 70% volume market share – **Miwadi**, the brand leader, +5.9 share points in 2008



Pepsi *the fastest growing carbonate brand in 2008*



7up and Club maintaining their strong leadership positions in Lemon & Lime (No1) and Orange Carbonates (No1)



Ballygowan holding its number 1 position in Bottled Water in all channels



Britvic Juice commanding 70% of the Juice Market in the Licensed Trade



J₂O has claimed 5% share in its first year



Britvic Ireland has a broad portfolio of leading brands and is not overly dependent on any one category

In summary

- **A business with great potential**
though trading conditions are exceptionally tough
- **Strong delivery of synergy benefits**
- **An investment plan in equipment, systems and people and processes that enables the delivery of future growth**
- **An organisation that is changing**
to meet the demands of today and the future
- **Great brand position and market share**
that provides defensibility and scale to grow



Marketing

Simon Stewart

Marketing Director

Agenda

- Our evolving marketing strategy
 - A stronger commercial bias
 - Category credentials
- Core and Seed brand plans 2009
 - Our most intense year so far
 - Investing in top-line growth
- Meeting consumer needs through innovation



To provide superior
shareholder value through the
value growth of core brands and focused innovation

- Trademark Strategies
- Strategic intent
- Innovation
- Channel mix



- Provide superior consumer and customer and category insight



- Service the customer management team
- In market execution



- A focused Innovation Strategy



- A Marketing culture that drives value



Superior insight translated to superior strategy that is flawlessly executed in the market

Category thinking is core to our success

In the last three years we have invested significantly in category resource

Investment approaching an incremental £4m



Category Vision

Partnership approach

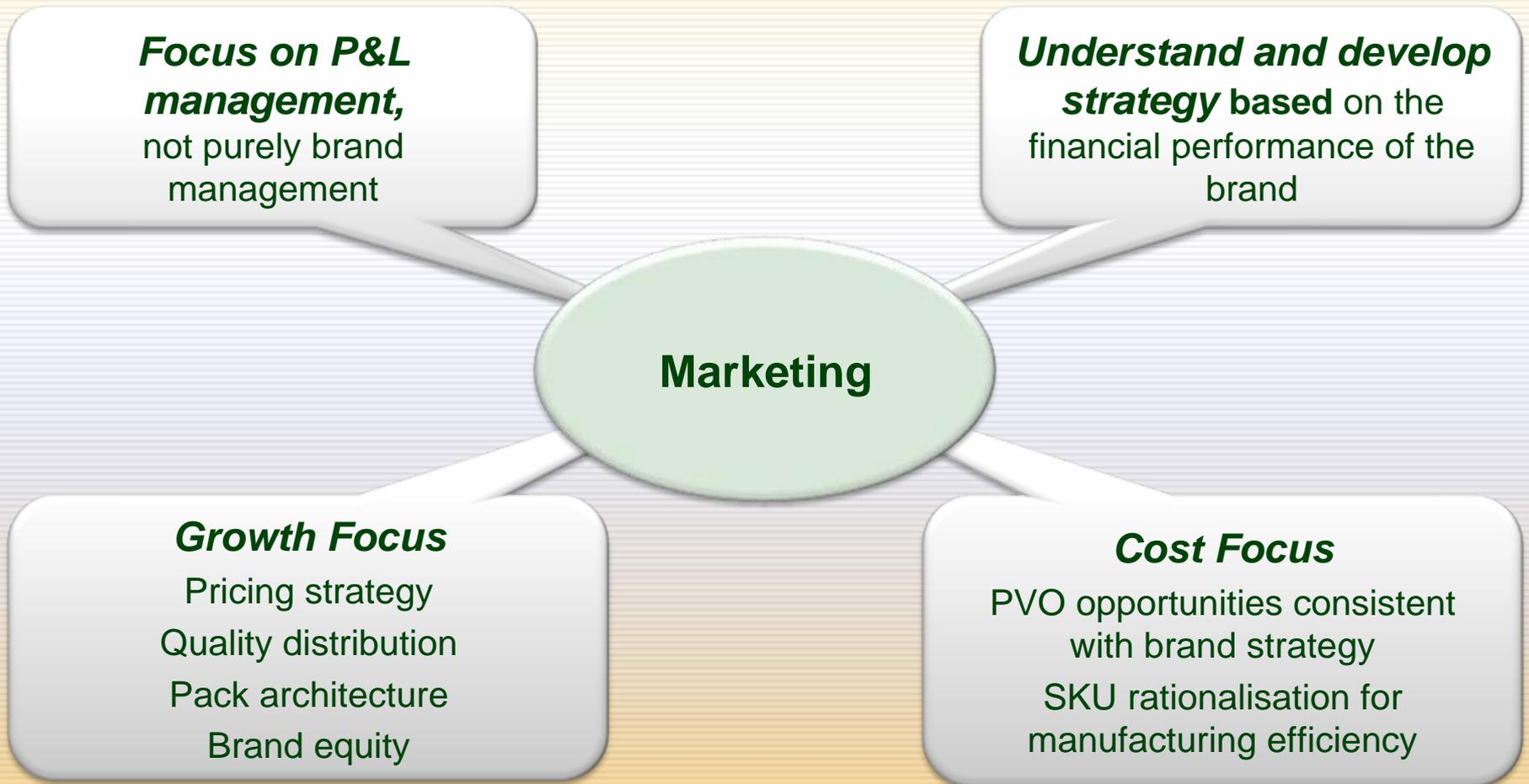
Inspiring our customers with plans which build sustainable category growth

Four key need states driving majority of Soft Drinks choice;
Hydration, Enjoyment, Nourishment and Transformation

Six macro-category strategies to unlock growth



Marketing will take more of a *Commercial bias*



Growth underpinned by top line mix management and bottom line cost focus

A Core & Seed focus

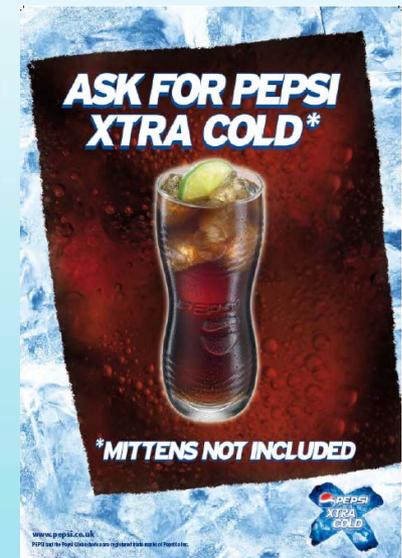




GB Core Brands



- A fantastic year for Pepsi
 - highest market share for five years
 - Bought by 1m extra households in 2008
- Adding value through innovation with Pepsi Xtra Cold and Pepsi Raw
- Driving further growth in 2009, leveraging our sporting and music credentials



Driving the cola category

Max it for a £1 Million with Pepsi

WE DON'T LIKE CRICKET
WE LOVE IT

- Twenty20 is the emerging Cricket format
- Strong synergies with the Pepsi brand values
- Headline sponsor of the Twenty20 world cup in June 2009 in England
- Major on-pack promotion
 - Win £10k every day



Announcing an 8-year deal with the International Cricket Council



Joining forces with Nokia



- “Comes with Music” is Nokia’s biggest launch of the year
- Win Nokia “CWM” handsets & music downloads
- A major on-pack and in-store execution programme



Music is part of the Pepsi DNA

Tango

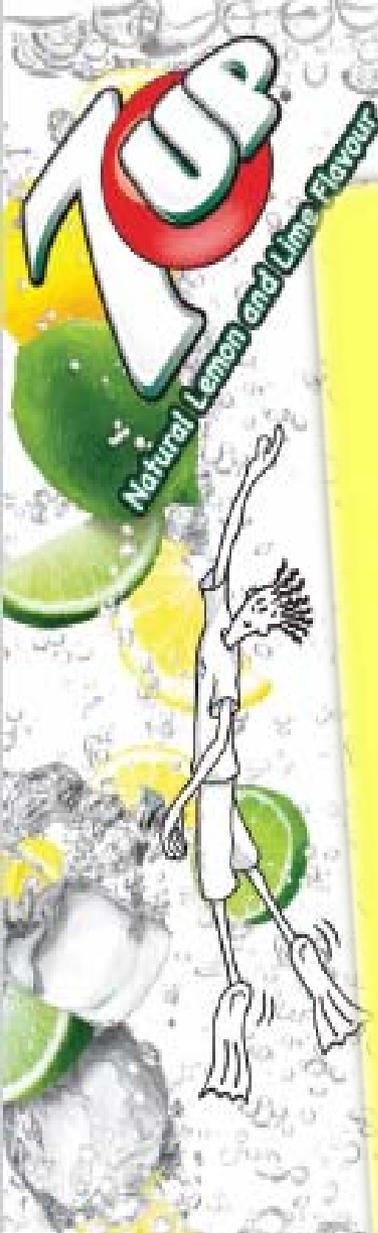


- 'Save Tango campaign' reached 200m consumers
- Achieving growth in "On-the-Go"
- Entertaining summer campaign aimed fairly and squarely at our target audience
- Vision to make Tango a teen icon again
- New packaging and media campaign aimed at core consumers

SAVE
Tango
savetango.co.uk



Rediscovering its roots



- **Driving category growth**
 - 9.3% value growth in 2008
- **A strong player in GB and Ireland**
- **New packs launching in Spring**
- **Design refresh in April**
- **Seven Natural Wonders of the World platform for summer**



Going from strength to strength

- No.1 packaged soft drink in Licensed On-Premise
- One drunk every 6 seconds
- A £300m retail value brand
- £6m marketing programme to drive consumer engagement



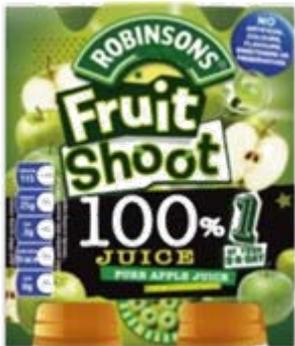
Continues to be the No1 Packaged Drink

- A modern, impactful new look from May
- A limited edition flavour for licensed
 - Grape & Kiwi
- New pack formats, accessing broader occasions
 - 250ml PET “On the Go”
 - 750ml PET Family sharing”
- Heavyweight TV from April
 - “it’s metter to bix things up”



An integrated plan to engage consumers

*Source: AC Nielsen Scantrack: Take Home 52 weeks to WE 27.12.2008, Total Brewers AC Nielsen to Nov 08



- UK's number 1 kids brand now worth more than £100m
- Adding value through innovation in juice & water
- Relaunch programme to broaden appeal with mums and kids



The biggest kids brand in the UK

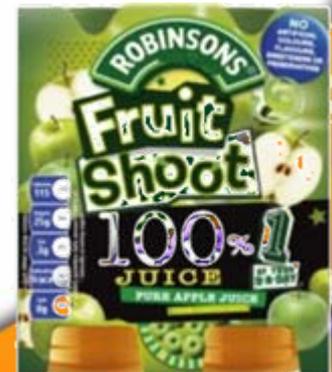


16 hours of prime
time Kids TV



Major Summer relaunch campaign

- A new pack design across the range
- Flavour reformulation
- Sponsorship of the 'The Fruit Shoot Skills Academy' programme on ITV & CITV
 - National Kids TV advertising
 - Feature advertising in Kids Magazines & digital





- **Extending Britvic's Global Reach**

- Fruit Shoot now in southern states in the US
- Already listed in Wal Mart, Winn Dixie and Bruno's
- A successful trial since January 2008

- **Overseas Opportunities**

- A partnership approach model for the future
- A real example of Licensing & Franchising opportunities

GEORGIA - ALABAMA - FLORIDA





- Strong performance against the market
 - 4.1% value growth against a flat squash category
- Drunk in 1.2million more households than last year
- The 7th most valuable grocery brand
- Driving long term value growth through year round activity and innovation



Strengthening Market Leadership



- Two major campaigns this year
- Wimbledon
 - Back on TV after a 3 year gap
 - On-pack to win tickets
 - New player sponsorship (tbc)
- Pantomime
 - A first for Robinsons
 - Engages 12m core consumers
 - More squash drunk at Christmas than cola



Year-round engagement with consumers



GB Seed Brands





- Already in nearly 70% of the “points of sweat”
- Our efforts are paying dividends, since Christmas we have achieved value share of 5.6%
- Sponsorship of the Guinness rugby premiership and key endurance events reinforces our credentials with serious athletes
- New blackcurrant flavour in 2009 broadens its appeal



Ambition is to be the number 2 sports drink by Summer 2011

NOTHING WORKS BETTER

Sources: AC Nielsen Homescan & Scantrack 12 weeks to 27.09.08 and 8.10.08



drench



- The only water brand driving penetration in the category
- Drench has added over 700,000 new households to the category
- “Brains” enjoyed the highest standout of any ad in the last 5 years
- Major on-pack promotion to win Smart cars, iPhones and other great prizes



Growing volume and value share

RAW

Natural born cola

- Available in over 1,500 managed bars
- In Boots it achieved 40% rate of sale of Max within weeks
- Now available in Waitrose front of store and WH Smith travel

Focus in 2009

- Continue to build the brands credentials
- New pack formats to drive in home availability



V Water

Value-add water

- Production brought in-house Jan 2009
- Now listed in the major multiples

Focus in 2009

- New packaging
- New advertising campaign
- Broadening the footprint beyond London



LIPTON

A portfolio gap filled

- Available in 500ml and 1.5L
- Available in 4 flavours
- No artificial ingredients
- A lower sugar alternative

Focus in 2009

- A year of consolidation to bring the brand in house
- Production brought in-house in early 2010
- A focus on convenience and grocery



Innovation is at the heart of the company

2009 will see...

Brand extensions rather than new brand launches

Innovation is a balance of consumer pull and technical push

2009 will see...

A gap closed in the “On-the-go” portfolio

*We will focus on **scale opportunities***

2009 will see...

An extension of our “natural” credentials

An exciting opportunity in squash



Squash is a huge Category
(3.4bn litres annually)



Meets most shopper & consumer needs



Value for money
Convenient
NAS & Regular



The importance of natural ingredients is growing..

squash is not satisfying this need

Resulting in some consumers buying more natural alternatives or only buying squash occasionally



Introducing Robinson's "Be Natural"



The 1st everyday family squash with only naturally sourced ingredients

3 Flavours: Orange & Passionfruit
Blackcurrant & Pear
Apple & Strawberry

600ml plastic bottle (makes 17 servings)

Only natural ingredients

90% see it as a great fit with the Robinsons brand

7 out of 10 consumers would try 'Be natural'

10p a serving



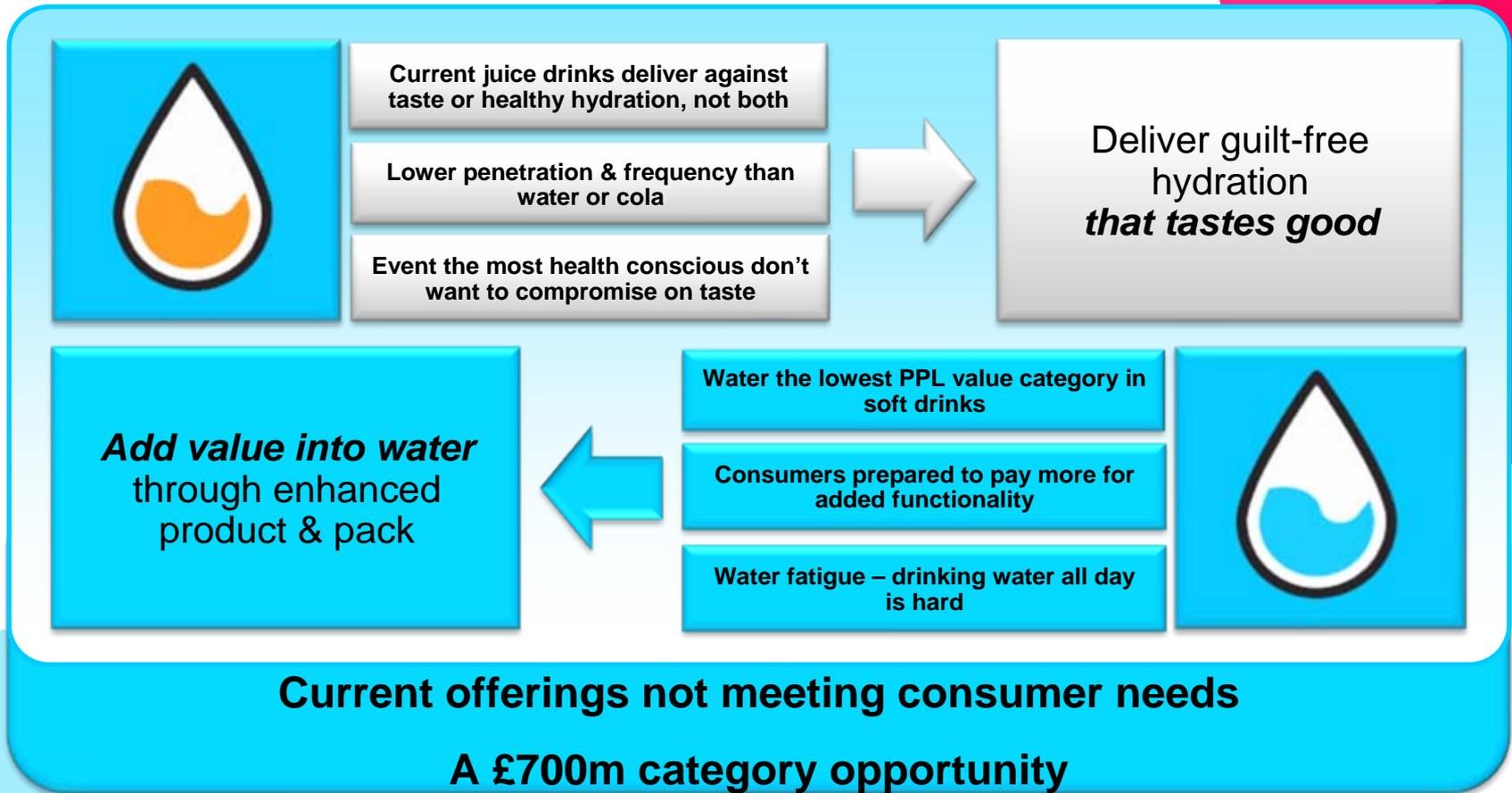
Large scale TV advertising

Maximising visibility in-store

Innovative press & digital partnerships



A Portfolio Opportunity...



Introducing juicy drench

3 modern,
familiar
combinations
spring water +
fruit juice

No artificial,
flavours,
colourings or
sweeteners

A major
category
opportunity



Crisp,
clean taste
High taste
appeal

Affordable
everyday
pricing



Real Taste

Real fruit taste
Not too sweet
Modern flavours



More 'natural'

No artificial
Closer to water
Crisp and
refreshing



Engaging Brand

Contemporary
Relevant for adults



Mainstream

Accessible pack
Widely available
Affordable

Getting talked about...

hitting 42 million consumers

- Launch into *impulse and foodservice* channels
- Impactful in-outlet *visibility and presence*
- Driving awareness through continuing the drench approach of *innovative, breakthrough communications*





In summary

- **A marketing team focused on driving value *through both brand equity and financial performance***
- **A core and seed brand focus *that in 2009 will deliver our most exciting marketing activity yet***
- **A targeted innovation plan *that addresses both consumers needs and closes portfolio gaps***

Agenda

Britvic Soft Drinks Report

- Resilient performance in a tough year
- Branded soft drinks remain a staple item

Group Update

- Guidance from Q1 IMS
- Group structure; a natural progression

Britvic Ireland – Investing for future growth

- Enabling a business for the future
- A challenging market

Marketing

- Building our brand equity
- Meeting consumer needs through innovation

Q&A

Paul Moody

John Gibney

Andrew Richards

Simon Stewart





Q&A



Appendix

Examples of packaging innovation and on-pack activity



Examples of in-store execution and brand equity investment



BRITVIC 
ple