Britvic plc Preliminary Results
2nd December 2010

Britvic plc ("Britvic") today announces its preliminary results for the 53 weeks ended 3rd October 2010 ("the period"). Numbers in this announcement are all quoted before exceptional and other items, except where stated otherwise. Year-on-year comparatives are quoted on a 52 week vs. 52 week basis and therefore exclude the incremental impact of the additional week in 2010. Britvic France was acquired on 28th May 2010. Prior year Profit and Loss numbers are stated on a constant currency basis to eliminate performance variations driven by foreign exchange translation.

	53 weeks ended 3rd October 2010 £m	52 weeks ended 26th September 2010 £m	52 weeks ended 27th September 2009 £m	% change
Group Revenue	1,138.6	1,121.1	978.5	14.6%
Ex-France	*1,053.4*	*1,035.9*	*978.5*	5.9%
France	*85.2*	*85.2*	-	-
Group EBIT	134.6	129.6	109.7	18.1%
EBIT Margin				
Group	*11.8%*	*11.6%*	*11.2%*	*40bps*
Ex-France	*12.1%*	*11.8%*	*11.2%*	*60bps*
Group Profit Before Tax	109.1	104.6	86.1	21.5%
Group Profit After Tax	80.0	76.8	63.8	20.4%
Group Profit After Tax, After Exceptional And Other Items	(48.2)	(51.4)	46.3	(211.0)%
Group EBITA (1)	144.1	139.1	118.3	17.6%
Adjusted Group Net Debt (2)	(451.2)	-	(366.4)	23.1%
Adjusted Earnings Per Share (3)	39.8p	-	33.7p	18.1%
Full-Year Dividend Per Share	16.7p	-	15.0p	11.3%
Underlying Free Cash flow (4)	67.8	-	69.7	(2.7)%
Underlying ROIC (5)	22.4%	-	17.9%	450bps

Financial Highlights (53-week unless stated):

- Group (ex-France) 52-week revenue growth of 5.9%, driven by GB/International, up by 8.6%;
- Ex-France, a 52-week EBIT margin improvement of 60 basis points;
- Adjusted (for amortisation) EPS growth of 18.1% to 39.8p.
- Full-year dividend per share up 11.3% to 16.7p;
- Adjusted Group Net Debt to EBITDA ratio of 2.4x, on a pro-rata basis;
- A non-cash exceptional impairment charge of £104.2m on the carrying value of Britvic Ireland's intangible and property assets.

Business Highlights:

- Continued market share gains across the GB brand portfolio;
- A successful innovation programme, including the GB launch of Mountain Dew Energy;
- Further expansion into mainland Europe with the successful acquisition of Britvic France for €237.0m, completed at the end of May;
- Major new launches in 2011 of Fruit Shoot in Australia, Belgium and an extension of Fruit Shoot trials in the U.S

The Board is proposing a final dividend per share of 12.0p bringing the full year dividend per share to 16.7p, an increase of 11.3% on the prior year. This reflects the Board's continuing confidence in the future prospects of the business, as well as the underlying cash generative nature of its activities.

Paul Moody, Chief Executive commented:
"Britvic has again demonstrated its ability to grow the business despite the difficult conditions in the wider economy. This performance was achieved through the breadth and quality of our brand portfolio, strong delivery of innovation and a targeted and focused programme to grow our business internationally.

We are delighted that Britvic France is performing well and its integration into the Group is on plan. We are taking further steps to restructure our business in Ireland and believe that this, along with our strong brands and leading market positions will create a platform to enable us to rebuild the profitability of this business.

Whilst we expect the consumer and cost environment to remain challenging, we are confident in our ability to compete strongly in the markets in which we operate. The Group's extensive brand and innovation plans, combined with satisfactory trading in the first few weeks of the new financial year, mean we are in good shape to deliver another robust set of results for the year ahead."

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There will be a live-webcast of the presentation given today at 9:30am by Paul Moody (Chief Executive) and John Gibney (Group Finance Director). The webcast will be available at http://ir.britvic.com/, with a transcript available in due course. There will also be a conference call today at 2.30pm (9.30am Eastern Standard Time) for investors and analysts with an opportunity to ask questions.

UK Access Number	**+44 (0)20 3140 0668**
UK Toll Free	**0800 368 1950**
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US Toll Free	**1866 928 6049**
Participant PIN Code	**143013#**

A recording of the call will be available for seven days.

UK Toll Access Number	**+44 (0)20 3140 0698**
UK Toll Free Number	**0800 368 1890**
US Toll Free Number	**+1 877 846 3918**
Conference Reference	**375238#**

Notes to editors

Britvic is one of the leading branded soft drinks businesses in Europe. Britvic is the largest supplier of branded still soft drinks in Great Britain ("GB"), and the number two supplier of branded carbonated soft drinks in GB. The Company leverages its leading brand portfolio including Robinsons, Tango, Drench, J_2O and Fruit Shoot as well as PepsiCo brands such as Pepsi and 7UP which Britvic produces and sells in GB and Ireland under exclusive PepsiCo agreements.

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 export, licensing and franchising. 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. Its market capitalisation as at 3rd October 2010 was £1.2bn.

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.

Reporting Periods

Britvic GB and Britvic International's 2010 year runs from 28th September 2009 to 3rd October 2010. 2010 is an infrequent 53-week period.

Britvic Ireland and Britvic France report on a monthly basis to 30th September 2010.

The acquisition of Britvic France was completed on 28th May 2010, and the full-year data for the Group shown in the performance table above reflects the period from 28th May to 30th September 2010 for Britvic France.

Market Data

GB take-home market data referred to in this announcement is supplied by Nielsen and runs to 2nd October 2010. Britvic GB pub & club market data referred to in this announcement is supplied by CGA and runs to 31stAugust 2010. ROI grocery market data referred to in this announcement is supplied by Nielsen and runs to 3rd October 2010. French market data is supplied by IRI and runs to 26th September 2010.

Britvic Ireland

Please note: Irish volumes and ARP shown throughout this announcement refer only to owned brands. Revenue also includes that derived from the sale of third-party brands within the licensed & wholesale division.

Definitions

(1) EBITA is defined as operating profit before exceptional and other items and amortisation.

(2) Adjusted Net Group Debt is defined as net Group debt, adding back the impact of derivatives hedging the Balance Sheet debt.

(3) Adjusted Earnings per Share amounts are calculated by dividing the (loss)/profit for the period attributable to ordinary equity holders adding back amortization, by the weighted average number of ordinary shares outstanding during the period excluding any owned 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 224.9m (2009: 214.9m)

(4) Underlying Free Cash flow is defined as net cash flow excluding movements in borrowings, dividend payments, exceptional and other items and the acquisition of Britvic France.

(5) Underlying Return on Invested Capital (ROIC) - ROIC is a performance indicator used by Management and defined as operating profit after tax 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. The measure also excludes the first-time impact of Britvic France and the impact of intangible asset impairments in Ireland in 2010.

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

Reconciliation from Statutory to Constant Currency Comparatives

Constant currency basis retranslates foreign currency denominated results of the Group at current period exchange rates to aid comparability

	2009 Reported £m	Change £m	2009 Constant Currency £m
Group Revenue	978.8	(0.3)	978.5
Group EBIT	110.1	(0.4)	109.7
Group Profit Before Tax	86.5	(0.4)	86.1
Group Profit After Tax (PAT)	64.2	(0.4)	63.8
Group PAT, After Exceptional And Other Items	46.8	(0.5)	46.3
Group EBITA	118.7	(0.4)	118.3
Adjusted Earnings Per Share	33.9p	(0.2)p	33.7p

The Preliminary Results announcement for the 53 week period ended 3rd October 2010 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Preliminary Results do not constitute Statutory Accounts within the meaning of Section 434 of the Companies Act 2006. They have, however, been extracted from the Statutory Accounts for the 53 week period ended 3rd October 2010 on which an unqualified report which did not contain an emphasis of matter reference or a statement under section 498 (2) or (3) of Companies Act 2006 has been made by the Company's Auditors

Business Review

Chief Executive's Review

In 2010 our GB business delivered revenue growth in both our carbonates and stills portfolios, and our International division again drove double-digit revenue growth. The combined GB and International business is up 8.6% by revenue on last year.

The 4 building blocks for revenue growth in GB continued to underpin our performance in 2010:

- Market volume growth of 2-3% in an average year
    - actual GB market growth of 2.3%

- Innovation expected to add 1-2% to the GB top line over a full year
    - 2010 saw this figure exceeded

- Driving On-The-Go distribution
    - On-The-Go value share up 0.6% this year (Source: Nielsen MAT October 2010)

- ARP up by at least 1% in an average year
    - An average increase of 1.2% over the last two years in GB.

The increasingly-important Britvic International business unit saw revenue growth of 15.2%, driven by an expanded portfolio, plus account wins in the export and travel sectors. Margins continue to expand, and today we are pleased to unveil exciting new franchising developments for the Fruit Shoot brand in both the U.S. and Australia.

2010 proved to be a challenging year for businesses in Ireland and we were not immune to this pressure. The Irish soft-drinks market continued to decline in value and this impacted Britvic Ireland at both a revenue and profit level. As a result of these long-term changes to the market the Board has decided to take a £104.2m write-down on the carrying value of intangible and property assets. In addition, we are reviewing the scale and go-to-market effectiveness of operations in Ireland, and will report on the outcome of this review in due course. We remain fully committed to the Irish business and firmly believe the strength of our portfolio will deliver growth when market recovery begins.

In the last year we have seen Britvic expand its operations into mainland Europe with the acquisition of Fruité Entreprises SA in May. We believe this to be an excellent acquisition for Britvic and given the strong post-acquisition trading, that was in line with our expectations, we look forward to developing the Britvic France business over the next twelve months and beyond.

The Soft Drinks Market

2010 saw a return to growth for the GB take-home market following the 0.9% volume decline in 2009. The GB take-home market was up 2.3% in volume and 6.3% in value. Both carbonates and stills experienced similar levels of volume growth but carbonates drove the value growth with an impressive 9.2% improvement on last year.

Within carbonates the Cola, Fruit and Glucose/Stimulant sub-categories all enjoyed growth. Glucose/Stimulant again saw double-digit growth, up 17.7% on last year. Encouragingly all carbonate sub-categories delivered value growth in the year.

Nearly all stills sub-categories in GB enjoyed growth in 2010. For example, Squash, and Juice Drinks saw strong value growth of 5.6% and 7.4% respectively. Dairy was the only stills sub-category in value decline, albeit by only 0.1%.

Once again it is branded soft drinks that have driven GB market growth in 2010 as private label share continues to decline.

The GB Pub & Club soft drinks market faced continuing challenges in the year, with a quarterly and MAT (to July) volume decline of 5.0%. The football World Cup failed to deliver a favourable impact, and the uncertain consumer environment looks set to continue within this channel into 2011.

In France market value grew by 3.8%, with all categories except Flavoured Water in growth. Britvic France currently materially operates only in the Syrup and Pure Juice categories, which were up by 3.3% and 3.8% in value respectively.

As Irish consumers seek value in their spending the larger grocers and European discounters have enjoyed growth. The combination of this shift in spending habits and the increasingly competitive landscape can be highlighted by the total grocery market data where volumes are up 4.3% but value is down 5.4%. In the last year we have seen significant shifts in consumer-shopping behaviours. Channels that have traditionally been a strength of the Irish business such as the licensed and convenience channels have continued to decline, losing value ahead of volume.

Britvic's Strategy Execution

Management action this year has continued to focus on five main areas:

1. Supporting And Growing Our Core GB Brands

Brand creation and development are at the heart of what we do at Britvic. Britvic GB's six core brands are Pepsi, 7UP, Robinsons squash, Tango, Fruit Shoot and J_2O, and they are the key profit drivers of our current GB business and therefore the brands to which we allocate greatest resource. Other supporting brands help to leverage customer relationships with scale and account wins. We continue to invest in our strong portfolio of brands through both innovation and media, to ensure that they are preferred by consumers. Examples of our successful core GB brand performances are shown below:

- Pepsi continued to grow its share of the Cola category this year, gaining both volume and value share in all of the regular, diet and Max variants. The campaign based around the FIFA football World Cup finals saw another engaging consumer campaign that was the platform to gain share despite the brand not being a primary sponsor of the tournament. The successful introduction of the upsized 600ml carbonates pack for the non-sugar variants led to significant growth in volume, revenue, rate of sale and points of distribution for the brand.

- Robinsons maintained its position as the number one Squash in GB, growing in both volume and value. 2010 saw the 75th anniversary of its association with Wimbledon tennis and consumer campaigns that leveraged this heritage and our recently established association with the pantomime season.

- The Fruit Shoot brand remains the number one kids drink brand (Source: Nielsen MAT to October 2010) with its range offering kids and parents a choice of variants and pack sizes to meet all occasions. The addition of the premium offering, My-5, attracted shoppers and parents who were engaged with the high-juice and quality attributes of the proposition.

- Both Tango and 7UP enjoyed double-digit market value growth this year reflecting our strength within the Fruit Carbonates category. The introduction of the 600ml pack for both brands, the reintroduction of the 440ml can for Tango and relevant campaigns for the consumer helped to deliver this growth.

2. Innovation and Product Launches

The 2010 innovation stream saw the introduction of a new brand, brand extensions and new pack formats designed to deliver ARP, revenue and margin accretion.

The iconic North American brand Mountain Dew was introduced with a new energy formulation developed specifically for the UK consumer. Initially only available in 500ml for the “on-the-go” occasion it has been especially successful, driving 70% of forecourt glucose-energy growth and 90% of overall glucose/stimulant category growth (Source: Synovate 12 weeks to Aug 2010). Although it is still early in its development it has surpassed our high expectations and we are very optimistic for its prospects in 2011.

The 600ml pack for the low / no sugar carbonates brands, referenced earlier, was introduced to provide a bigger bottle with better value across Pepsi Max, Diet Pepsi, Tango and 7UP-Free. This has been well received and has played a major part in driving our carbonates ARP and revenue growth.

The J_2O brand has been extended with the introduction of the White Blend sub-brand. The formulation has been specially developed for the “with-food” occasion and recently won a Gold Award at The Publican Licensees’ Choice Awards in the “Best New Drink” category which covers both alcoholic and non-alcoholic drinks.

Robinsons Squash saw the development of “Select”, aimed at older consumers with a range of more exotic flavour combinations. This new 850ml pack has again supported our aim of growing ARP and margin through innovation.

This year has seen a focus on the nurture of our innovation launches from 2008 and 2009. Lipton Ice Tea, Juicy Drench and Robinsons Be Natural continue to grow and establish themselves with consumers. As an example, Juicy Drench has become the most successful soft-drink launch within the Impulse channel in the last three years (Source: Nielsen March 2010).

The Gatorade brand has not fully met our expectations, and learning from this, we are undertaking a substantial relaunch of the brand in 2011, with a refocus on packaging, flavour profiles and brand equity.

3. Britvic International

Our International business has seen particular success in recent years with our products available in over 50 countries. Britvic International is now embarking on a three-pronged growth strategy across export, travel and licensing/franchising.

Its performance in the year was driven by an expanded portfolio including J_2O, Tango and Drench, plus account wins in the export and travel sectors such as Virgin Atlantic. Margins continue to expand, and we today are pleased to unveil exciting new franchising developments for the Fruit Shoot brand in both the U.S. and Australia.

As part of its licensing and franchising ambitions, we have recently entered into a long-term manufacturing and distribution agreement with Bickford’s Australia for Fruit Shoot, a brand that is increasingly demonstrating that it has worldwide potential. Bickford’s is an Adelaide-based manufacturer of premium soft drink brands. Bickford’s has complete national go-to-market capability and has a proven track record of building premium brands. Bickford's therefore represents an ideal partner for Britvic in this market.

Under the agreement, Bickford's will manufacture, market and sell the brand, with Britvic supplying key juice and flavour ingredients. Specific formulations and packaging solutions have been designed for the Australian market, following extensive market research. Britvic will also be making financial contributions to the A&P campaign to deliver consumer awareness and increase demand, consistent with the approach taken in Europe.

There is a well established and clearly defined kids' drink category in Australia. Our long-term ambition is to establish Fruit Shoot as one of the leading brands in the category, with the express intention of adding value to a category that has, certainly in the recent past, been promotionally led.

Over the past couple of years, we have also been trialling Fruit Shoot in the South-Eastern U.S. with Buffalo Rock, one of the largest independent Pepsi bottlers in the US, as part of a long-term distribution arrangement.

We are also very excited about further trialling and distribution of Fruit Shoot on the Eastern Seaboard of the U.S. in recent months with an additional bottling partner. We have been in discussion about the brand with a number of bottlers in the U.S. this year and a strong trial performance has ensured a positive response. We anticipate that the recent success will lead to a full commercial roll-out in these additional states in 2011. This performance bodes well for further expansion and engagement with other bottlers and, importantly, the potential for the local manufacture of Fruit Shoot.

Britvic has a portfolio of brands which have the potential to create value on a wider platform and we are committed to exploiting these opportunities through developing local relationships with suitable bottling partners around the world.

Finally, the exciting forthcoming full launch of Fruit Shoot in Belgium, launched under the Teisseire brand as an export-based operation, has the potential to match the success of the brand in the Netherlands. We will disclose further details of this launch in due course.

4. Britvic Ireland

The economic challenges in Ireland are well documented and have had a material impact on the performance of the Ireland business unit. Both revenue and margin have come under severe pressure as retailers and manufacturers respond to the changing consumer environment.

We believe some of these factors will have a longer-term impact on the market and this has led us to write-down the carrying value of intangible assets and properties by £104.2m as a non-cash exceptional charge. Management has been focused on ensuring that we have the appropriate business model in place to deliver future growth and ensure we are in the right shape to take advantage of the opportunities that will develop in the medium-term. We will announce details on this new significant go-to-market structure in due course.

5. The Acquisition of Fruité Entreprises SA

In May 2010 we successfully concluded the acquisition of Fruité Entreprises SA and its brands such as Teisseire – a syrup, or dilutables brand that is as familiar to French households as Robinsons is in GB. This represents our first acquisition in mainland Europe and creates the opportunity to develop both the existing French brands as well as introduce new brands. The renamed Britvic France business produces both syrups and pure juices under the Teisseire, Moulin De Valdonne, Pressade and Fruité brands as well as having a significant private-label business. In the French market private label has a bigger role to play than in GB and gives us the economies of scale to compete effectively.

The integration and trading since acquisition have performed in line with our high expectations, and we remain confident of delivering the announced €17m of synergies by 2013. The French management team have been retained and bring with them years of experience of selling soft drinks in France, and we are delighted to welcome our new colleagues to the Britvic Group.

Summary

We have delivered continued strong growth across our core GB and International businesses, consolidating our brands' leading positions in the sub-categories where they compete. The rapidly growing International division has now entered an exciting new phase in its development, and we are confident that we start the 2011 financial year with a fresh and relevant go-to-market structure in Ireland. With the acquisition of Britvic France, we are now established as a leading European soft drinks business that continues to build on its proven track record of growth.

Financial Review

The following discussion is based on Britvic's results for the 52 weeks ended 26th September 2010 ("the period") compared with the same period last year, and all numbers exclude exceptional and other items. Therefore the benefit of the 53rd week in 2010 is excluded.

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.

- *Average Realised Price (ARP)* – average revenue per litre sold.

- *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.

- *Operating profit margin* – operating profit before exceptional and other items, divided by revenue. As a more appropriate measure, the Group will focus on EBITA as its operating profit measure from 2011 and will report each business unit's performance down to the brand contribution level. EBITA will be reported only at a Group level.

- *Underlying free cash flow* – is defined as net cash flow excluding movements in borrowings, dividend payments, exceptional and other items and the acquisition of Britvic France.

- *Underlying return on invested capital (ROIC)* - ROIC is a performance indicator used by Management and defined as operating profit after tax 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. The measure also excludes the first-time impact of Britvic France and the impact of intangible asset impairments in Ireland in 2010.

Overview

Britvic produced 2.0bn litres of soft drinks in 2010.

In that period the Group grew underlying volumes by 7.4% to 1.9bn litres and underlying revenue by 5.9% to £1.0bn. ARP in the GB business grew by 0.2p whilst in Ireland it fell by 3.7p.

Operating profit (EBIT) before exceptional and other items for the period was up 18.1% to £129.6m in part due to the acquisition of Britvic France. The acquisition of Britvic France contributed £85.2m to revenue with the acquisition being completed ahead of the key summer trading period.

Britvic's guidance on operating-profit margin now takes account of the acquired Britvic France, and is therefore now defined as an average 0.5% per annum increase in the Group-EBITA margin over the medium term. This is in line with previous Group EBIT margin improvement guidance.

GB Stills	52 weeks ended 26 Sep 2010 £m	52 weeks ended 27 Sep 2009 £m	% change
Volume (millions litres)	514.4	496.8	3.5
ARP per litre	70.5p	70.5p	-
Revenue	362.7	350.2	3.6
Brand contribution	169.0	156.5	8.0
Brand contribution margin	46.6%	44.7%	190 bps

In GB Stills the volume growth of 3.5% meant an outperformance of the stills take-home market which grew by 2.5%. A flat ARP sees revenue growth of 3.6% to £362.7m. Performance highlights included:

- Fruit Shoot maintaining its position as the number one kids soft drink;
- Juicy Drench continuing to establish itself in its first full year;
- Robinsons reinforcing its position as the number one squash brand: and
- The launch of Robinsons Select and Fruit Shoot My-5, adding new consumers to the brands.

Our GB stills portfolio outperformed the market by 1.0%, with particular growth from Fruit Shoot and Robinsons. ARP was flat partly due to channel mix, though the strength of Robinsons, a lower than average ARP brand, had the biggest impact on overall ARP. With a rise in the brand contribution margin by 190bps, we saw overall brand contribution up 8.0%, with value protected. Part of this margin success was due to the significant below-the-line investment we continued to make in our go-to-market capability this year.

GB Carbonates	52 weeks ended 26 Sep 2010 £m	52 weeks ended 27 Sep 2009 £m	% change
Volume (millions litres)	1,097.4	995.7	10.2
ARP per litre	42.7p	41.8p	2.2
Revenue	468.4	416.7	12.4
Brand contribution	183.5	151.2	21.4
Brand contribution margin	39.2%	36.3%	290 bps

We delivered a volume outperformance of the market of over 8% in 2010 in GB Carbonates. Alongside this, we achieved an overall ARP growth of 2.2% and this combination of volume and pricing growth means we drove revenue growth of 12.4%.

Brand contribution of £183.5m represents growth of 21.4% on the previous year, with the brand contribution margin accelerating by 290bps, in part due to the success of our On-The-Go strategic plan and innovations launched earlier this year. This was all despite the ongoing pressures from the Pubs and Clubs channel and a football-led promotional summer. The revenue and market share success in the year did not come at the expense of value or profitability.

The margin growth of 290bps was in part due to the substantial investment we have made below-the-line in direct selling costs and overheads. This has included continued investment in our customer management team, supporting business functions as well as increasing investment at the point of purchase.

International	52 weeks ended 26 Sep 2010 £m	52 weeks ended 27 Sep 2009 £m	% change
Volume (millions litres)	35.0	28.8	21.5
ARP per litre	73.7p	77.8p	(5.3)
Revenue	25.8	22.4	15.2
Brand contribution	9.0	7.6	18.4
Brand contribution margin	34.9%	33.9%	100 bps

2010 was another year of double-digit revenue growth for Britvic International. This increasingly important part of the Group saw revenue growth of 15.2%, with a particularly strong volume performance, driven by an expanded portfolio and account wins in the export and travel sectors, such as Virgin Atlantic. ARP was diluted mainly due to the one-off impact of scale introduction of water brands into the airline sector.

As we establish our presence in core markets, the margin continues to expand, this time by a further 100 basis points. As part of the integration of our French business the Britvic International division will manage the export element of our French brand portfolio.

We are actively exploring other franchise and export opportunities across the world as noted in the Business Review above, principally with Fruit Shoot and Robinsons propositions, and we continue to invest ahead of growth in this area.

Ireland	52 weeks ended 30 Sep 2010 £m	52 weeks ended 30 Sep 2009 £m	% change
Volume (millions litres)	229.1	226.1	1.3
ARP per litre	58.4p	62.1p	(6.0)
Revenue	179.0	189.2	(5.4)
Brand contribution	64.1	70.7	(9.3)
Brand contribution margin	35.8%	37.4%	(160) bps
EBITA	8.4	13.5	(37.8)
EBIT	6.8	11.8	(42.4)

Note: Volumes and ARP include own-brand soft drinks sales and do not include 3rd-party drink sales included within total revenue and brand contribution. EBITA and EBIT are disclosed this year for the last time to show the impact of the synergies generated from the acquisition of Britvic Ireland in 2007.

It has been another tough year for the Irish soft drinks market, though this year's Britvic Ireland volume growth of 1.3% is in stark comparison to last year's 10.7% fall. The structural category deflation seen this year, as well as unprecedented levels of promotion in the market, have had an impact at both a pricing and margin level.

As a result of the shrinking Ireland market, we have utilised the spare capacity in our Irish assets to produce stock for the GB business, principally the Mountain Dew Energy and Robinson's brands.

We have regularly kept the carrying value of Irish tangible and intangible assets under review and, reflective of a rebased business model and market, we are recognising a one-off, exceptional non-cash impairment charge of £104.2m this year. This charge includes a significant write-down of the value of goodwill, intangible assets such as trade names and commercial relationships, plus write-downs for properties.

France	28 May 2010 to 30 Sep 2010 £m
Volume (millions litres)	104.5
ARP per litre	81.5p
Revenue	85.2
Brand contribution	24.1
Brand contribution margin	28.3%

Fruité Entreprises SA was acquired by Britvic on 28th May 2010 for a consideration of €237.0m, funded through a combination of debt and equity. Since that time, the Company traded strongly through favourable summer weather conditions, and generated £85.2m of revenue. Partly due to the substantial element of private label sales, the brand contribution margin is lower than the Group average, though the delivery of the previously stated €17m of cost and revenue synergies by 2013 will benefit the French margin.

Fixed Costs	52 weeks ended 26 Sep 2010 £m	52 weeks ended 27 Sep 2009 £m	% change
Non-brand A&P	(10.4)	(8.1)	(28.4)
Fixed supply chain	(94.9)	(87.3)	(8.7)
Selling costs	(116.2)	(102.6)	(13.3)
Overheads and other	(98.6)	(78.3)	(25.9)
Total	(320.1)	(276.3)	(15.9)
Total A&P investment	*(56.7)*	*(52.6)*	*(7.8)*
*A&P as a % of net revenue**	*5.3%*	*5.7%*	*(40) bps*

(* excludes 3rd Party Revenue)

Fixed costs increased by 15.9% in the period, though the ex-France increase is a reduced 9.8%. There have been a number of drivers of the increase, with the following examples:

- We have continued to invest in the below-the-line costs to support the growth in the top-line and margin. This year we have continued investment in direct selling costs, and this investment in customer management resource and point-of-purchase spend has been crucial to the success in GB.
- Within overheads there is an increase in the cost of performance incentives, foreign exchange movements and Irish pension costs. We will again invest for growth in 2011

around Group capability, appropriate structures and global ambitions for Britvic International.

Another strong top-line performance meant that A&P as a percentage of sales has fallen. It is also worth noting that the private label element of Britvic France's sales drives a lower percentage spend, though the GB business has again invested a higher pound-spend on A&P this year, this time by a further £3.2m, with the GB percentage remaining level at 5.6%. Britvic has certainly benefitted from a stronger return on A&P in recent years by using more effective channels such as viral and digital media.

Strong brands need strong investment, and the focus of our marketing strategy has evolved towards marketing at the point of purchase, with investment in customer and channel marketing activity increasing by 70% since 2007.

Exceptional And Other Items

During the 53 week period, Britvic incurred pre-tax exceptional and other costs and profits which netted to £137.9m in total, with cash exceptional items comprising £13.1m. The main exceptional and other items include:

- The £89.6m write-down in the carrying value of Britvic Ireland's intangible assets;
- The £14.6m write-down in the carrying value of Britvic Ireland's property assets;
- The £11.4m write-down in the carrying value of several non-core GB brands. Our focus on Mountain Dew Energy as our lead glucose/stimulant brand means that the small GB Red Devil brand will not be a growth brand of the future. In light of this we have written down the value of this brand that was acquired in 2002. Also we have written down the value of the Amé and Aqua Libra brands that we acquired from Orchid drinks some years ago;
- Britvic Ireland restructuring costs of £5.7m;
- Britvic France acquisition and integration costs of £8.5m.

Interest

The net finance charge before exceptional and other items for the 52-week period for the Group was £25.0m compared with £23.6m in the same period in the prior year. A low interest environment and another year of reduction in ex-France net debt have been outweighed by the debt-based funding of the French acquisition in May 2010.

Taxation

The 52-week tax charge of £27.8m before exceptional and other items represents an effective tax charge of 26.6%, an increase on last year actual of 0.8% primarily due to the profit mix effect from the performance of Britvic Ireland, as well as the higher tax regime in France.

Adjusted Earnings Per Share

Adjusted basic EPS for the period (53 week basis), excluding exceptional and other items and amortisation, was 39.8p, up 18.1% on the same period last year of 33.7p. Basic EPS (after exceptional and other items) for the period was (21.4)p compared with the actual 21.8p for the same period last year.

Dividends

The Board is recommending a final dividend for 2010 of 12.0p per share. Together with the interim dividend of 4.7p per share paid on 2nd July 2010, this gives a total dividend for the year of 16.7p per share, an increase of 11.3% on the dividend paid last year. Subject to approval at the AGM, the total cost of the dividend for the financial year is estimated to be £40.0m and the final dividend will be paid on 11th February 2011 to shareholders on record as at 10th December 2010.

Cash Flow and Net Debt

Underlying free cash flow, defined above, was £67.8m in 2010, only £1.9m behind the prior year number despite the adverse working-capital effect of a 53rd week.

Additional contributions were made to the defined benefit pension schemes of £13.2m in the year as part of the ongoing programme agreed with trustees.

At 3rd October 2010, the Group's non-adjusted net debt was £515.9m compared to £411.0m at 27th September 2009, impacted by the debt element of the Fruité acquisition. The adjusted net debt (taking into account the foreign exchange movements on the derivatives hedging our US Private Placement debt) at 3rd October 2010 is £451.2m.

Capital Employed

Non-current assets increased in the period from £576.1m to £680.0m due in the main to the acquisition of Britvic France, offset by the asset write-downs in Ireland, but also underlying capital expenditure, and an increase in the fair value of derivatives hedging the Balance Sheet debt.

Depreciation increased in the period by £2.8m to £32.9m. The increase on the prior year relates primarily to the acquisition of Britvic France. Current assets also increased from £272.3m to £366.1m. At the same time current liabilities increased from £303.3m to £366.4m driven principally by an increase in trade and other payables.

Underlying ROIC, which excludes France and the impairment of Ireland, has improved to 22.4% from 17.9% in 2009. Overall ROIC, including the part-year contribution from France and the impairment of the Irish asset base, has improved by 40bps to 18.3%.

Share Price And Market Capitalisation

At 3rd October 2010 the closing share price for Britvic plc was 481.2p. The Group is a member of the FTSE 250 index with a market capitalisation of approximately £1.2bn on 3rd October 2010.

Treasury Management

The financial risks faced by the Group are identified and managed by a central Treasury department. The activities of the Treasury department are carried out in accordance with Board approved policies and are subject to regular audit and Treasury Committee reviews. The department does not operate as a profit centre.

Key financial risks faced by the Group that are managed by Treasury include exposures to movements in interest rates and foreign exchange. The Treasury department is responsible for the management of 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 in line with policies set by the Treasury department and approved by the Board of Directors. No derivative is entered into for trading or speculative purposes.

At 3rd October 2010, the Group's non-adjusted net debt of £515.9m (excluding derivative hedges) consisted of £126.3m drawn under the Group's committed bank facilities, £445.7m of private placement notes and £1.5m of finance leases. This was netted off with around £54.0m of surplus cash and £3.6m of issue costs of loans.

In September 2010, the Group reached agreement with a number of investors in the U.S. private placement market to raise an additional $175m equivalent of funding for terms of between 7 and 12 years. This funding is subject to documentation and due diligence which is scheduled to be completed in December 2010. Where this funding is dollar-denominated this is hedged using cross-currency interest-rate swaps to meet the Group's desired funding profile and to manage the associated foreign currency risk to the Profit and Loss account.

Pensions

The Group principal pension scheme, the Britvic Pension Plan (BPP), has both a defined benefit and a defined contribution section. The defined benefit section of the BPP was closed to new members on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the BPP. The latest formal actuarial valuation for contribution purposes was carried out as at 31 March 2007 with a further valuation carried out at 31 March 2010 currently being finalised. The amount recognised as an expense in relation to the BPP defined contribution scheme in the Income Statement for 2010 was £3.6m (2009: £2.9m).

In September 2010, the Group announced that it was entering into consultation with GB employees about a proposal to close the defined benefit section of the BPP to future accrual for active members with effect from 10 April 2011.

In Northern Ireland, the Britvic Northern Ireland Pension Plan (BNIPP) was closed to new members on 28 February 2006, and since this date new employees have been eligible to join a Stakeholder plan with Legal & General. The latest actuarial valuation was carried out as at 31 December 2008, and as a result shortfall contributions of £90k per month until 31 December 2010, and £125k per month from 1 January 2011 to 31 December 2019 are being paid in accordance with the Recovery Plan.

In the Republic of Ireland (ROI), employees continued to participate in a number of C&C Group pension funds following the acquisition until transferring into two newly formed pension plans called the Britvic Ireland Defined Contribution Pension Plan and the Britvic Ireland Defined Benefit Pension Plan (BIPP) on 1 September 2008. Both Plans are held under trust and operated by Britvic Ireland Pension Trust Limited as trustee. The first formal actuarial valuation was carried out at 31 December 2009 and is still being finalised.

The amount recognised as an expense in relation to the Irish defined contribution schemes in the Income Statement for 2010 was £0.4m (2009: £0.3m)

Corporate Responsibility

Corporate responsibility ("CR") is increasingly central to the way that Britvic runs its business, not just in terms of recognising and minimising the impacts of our manufacturing operations, but also in acknowledging that through our brands and their connections with people, we are well placed to help address public issues.

Below is a snapshot of how we have performed against the targets listed in our last Corporate Responsibility Report. A comprehensive overview of our achievements last year can be found in the 2010 Corporate Responsibility Report published on the 11th December 2010. It is available in hard copy or on our Company website at www.britvic.com.

■ Remove 5000 tonnes of packaging by December 2010 based on 07/08 volumes	■ **Green**
■ Send zero food and waste to landfill by 2015	■ **Orange**
■ Complete rPET trial using UK only recycled content by 2010	■ **Green**
■ Reduce CO2 emissions by 20% by 2010 compared to 1990 (by tonne of product) and aspire to 30% by 2020	■ **Orange**
■ Complete trials on more energy efficient chillers and dispense equipment by 2010	■ **Green**
■ Contribute to an industry wide absolute target to reduce water use by 20% by 2020 compared to 2007	■ **Orange**
■ Increase community investment in line with three-year strategy	■ **Red**
■ Achieve full compliance from packaging and ingredients suppliers to our Ethical Trading Policy and complete planned audits by December 2010	■ **Green**
■ Achieve full compliance by indirect suppliers to our Ethical Trading Policy by December 2014	■ **Orange**
■ Complete evaluation of accreditation options for fruit available in commercial quantities by end of 2010	■ **Green**
■ Promote healthy and enriched lifestyles through marketing initiatives and working with partners	■ **Green**
■ Improve work-life-balance as measured by our Employee Opinion Survey	■ **Green**
■ Further reduce accident frequency rate across the business by 10%	■ **Green**
■ Improve occupational health services through increase support for musculoskeletal problems	■ **Green**

Since our last Report, we have evolved our strategy in a way that we believe will enable us to be more focused on the areas in which can have the most impact.

The new strategy is also intended to fully embed CR into the business. As such, it has been developed by means of an engagement programme.

We have been able to summarise this new strategic view in three words: Progressive, Sustainable and Responsible.

What will this mean in practice?

As a **progressive** business, Britvic will increasingly seek to harness the power of its brands to help address relevant social and environmental issues. Britvic is a brand-led and marketing-driven Company, and we believe that we are in a good position to influence consumer behaviour – for example, through the promotion of healthy lifestyles and sustainable attitudes in areas such as the recycling of packaging.

Creating a **sustainable** business means what it says. Britvic’s business operations require large amounts of energy - directly in our own manufacturing and distribution, and indirectly throughout our supply chain. Our packaging uses valuable resources - glass, plastics and metals such as steel and aluminium. These all contribute to our carbon footprint. Without water, Britvic could not operate or make its brands and so we need to use all of these resources wisely. A sustainable business is one that invests and innovates to minimise its impacts in order to ensure that it has a long-term future.

Britvic itself employs more than 2,000 people across Great Britain, and our business supports many thousands more individuals and their families throughout the world. We are **responsible** for their welfare and for the health of the communities in which they live and in which we operate. Our new strategy seeks to make a positive contribution to the lives of our employees and the communities around us

Business Resources

Britvic is one of the leading branded soft drinks businesses in Europe. Britvic is the largest supplier of branded still soft drinks in Great Britain (“GB”), and the number two supplier of branded carbonated soft drinks in GB. Britvic is an industry leader in the island of Ireland and in France. Britvic is rapidly growing its reach into other geographies through export, licensing and franchising.

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, Britvic, Cidona, MiWadi, and Energise Sport, as well as the rights to the Pepsi and 7UP brands. In France the portfolio includes the leading syrup brand Teisseire as well as Moulin De Valdonne, Fruité and Pressade.

- a successful long-standing relationship with PepsiCo that resulted in the exclusive bottling agreement (EBA) being renewed in Great Britain 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 Great Britain and Ireland, access to all new carbonated drinks developed by PepsiCo for distribution in Great Britain and Ireland and, to support the development of its carbonates offering, access to PepsiCo's consumer and customer insight, competitor intelligence, marketing best practice, brand and product development expertise and technological know-how. Britvic has added to its carbonates portfolio in 2010 with Mountain Dew Energy, having been appointed in recent years as the exclusive GB bottler of Gatorade, Lipton Ice Tea and V Water.

- a strong customer base. For example, in the British 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 pub 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 its operating territories.

Risks and Uncertainties

Risk management process

Britvic's risk management process has been adapted to support its growth strategy, focusing on growing the business through both acquisition and organic growth opportunities. Risk is an inherent part of doing business. The intention of the risk management process is not to avoid all risk as success comes from managing risk through the assessment of the balance of risk versus reward set against Britvic's risk appetite. The system of internal controls and risk management used to identify and manage the principal risks the Group faces, is described in the Corporate Governance Report. In assessing risk both the financial and reputational impact are considered, as Britvic is a brand led business. The principal risks and corresponding mitigation set out below represent the principal uncertainties that may impact on our ability to effectively deliver our strategy in the future.

(A) Risks Relating To The Group

1. An over-reliance on any specific customer or brand.

Risk – A major retailer, on-trade or off-trade, may decide to remove our products from its range and stock alternative products instead;

Mitigation – Britvic sells its products through a wide-range of channels and retailers. This broad mix of customers reduces our dependency on any one of these relationships. Likewise our portfolio and innovation launches further diversify our range thereby reducing the dependency on any one brand.

2. A termination or variation of the bottling and distribution arrangements with PepsiCo or an adverse development in the PepsiCo relationship.

Risk - At the end of the bottling agreements or earlier in specific circumstances PepsiCo may terminate our right to sell their brands;

Mitigation - Britvic reduces this risk in two ways. Firstly the majority of its revenues are generated by its wholly-owned brands. Its brand marketing focus and innovation pipeline are balanced between its wholly-owned brands and the PepsiCo franchised brands. Secondly Britvic places significant emphasis on developing its relationship with PepsiCo through both extending bottling agreements and maintaining an appropriate level of communication between the two businesses to deal with on-going operational issues.

3. Increasing commodity prices

Risk – Prices for commodities used in the production our products may fluctuate widely and have increased significantly over the last year mainly due to poor crops and scarcity. Therefore the risk is two-fold one of not being able to source enough and one of having to pay more than expected.

Mitigation – Britvic sources much of its planned requirements through forward contracts and hedging arrangements and is developing new sources of supply. Through this process it aims to minimise the impact of price fluctuations.

4. Any inability to protect the intellectual property rights associated with its current and future brands.

Risk – Failure to maintain these rights could result in the value of our brands being eroded by copycat products;

Mitigation – Through our legal team we proactively look to protect these rights by registering the relevant trademarks and enforcing these in court when a resolution cannot be reached with other parties.

5. Any increase in the Group's funding needs or obligations in respect of its pension scheme.

Risk – The required revaluations of the pension schemes may highlight a worsening deficit position that requires the Company to provide additional cash contributions to meet future needs;

Mitigation – The Group pensions function works closely with the pension trustees to ensure an appropriate portfolio is in place to fund pension requirements and spread risk as best as possible. New employees of the Company are enrolled into a defined contribution scheme that limits future liabilities. The GB defined benefit scheme for existing members has been proposed for closure from April 2011.

6. Inadequate IT disaster recovery plans.

Risk – As Britvic has grown both through acquisition and organically, so has its reliance on IT systems to function, a failure of which could halt production or the ability to deliver goods.

Mitigation – Britvic has out-sourced the management of its data centre to a professional provider with both a robust disaster recovery and business continuity planning capable of meeting both its current needs and those as it continues to grow.

7. Failure to deliver the proposed synergies in France

Risk – Failure to deliver the cost and revenue synergies from the acquisition of Fruité Entreprises.

Mitigation – An integration plan has been adopted with dedicated resources to oversee the integration, reporting regularly to the Board

(B) Risks Relating To The Market

1. A change in consumer preferences and spending on soft drinks.

Risk - Consumers may decide to switch or spend less on soft drinks;

Mitigation – By offering a range of everyday value to premium products across a range of sub-categories Britvic is not dependant on any single brand. The range has been developed to offer consumers choice in terms of flavour, cost and formulation.

2. Potential impact of regulatory developments.

Risk – Legislation may impact our ability to market or sell certain products or engage with specific consumers;

Mitigation – Britvic proactively engages with the relevant authorities through a number of organisations such as the British Soft Drinks Association (BSDA) to ensure it can fully participate in the future development of legislation.

(C) Risks relating to the Ordinary Shares

There are risks arising out of an investment in Ordinary Shares because of:

1. Actions by the Group's competitors.

Risk – Competitors outperform Britvic in the market and so grow their business at the expense of Britvic;

Mitigation – Britvic benchmarks its operations and processes against recognised best practise and invests in its people resource, processes and assets to maximise performance.

2. U.S. Holders potentially not being able to exercise pre-emptive rights.

Risk - Under certain circumstances US shareholders may not be able to take part in equity rights issues;

Mitigation - Britvic Investor Relations actively markets the Britvic investment case across both European and North American markets in order to promote diversification of where shares are held, thereby reducing the concentration in any one country.