

■ Britvic plc

Preliminary results 26 November 2013



■ Gerald Corbett

Chairman



Agenda

Financial performance & guidance

John Gibney

Progress update on our new strategy

Simon Litherland

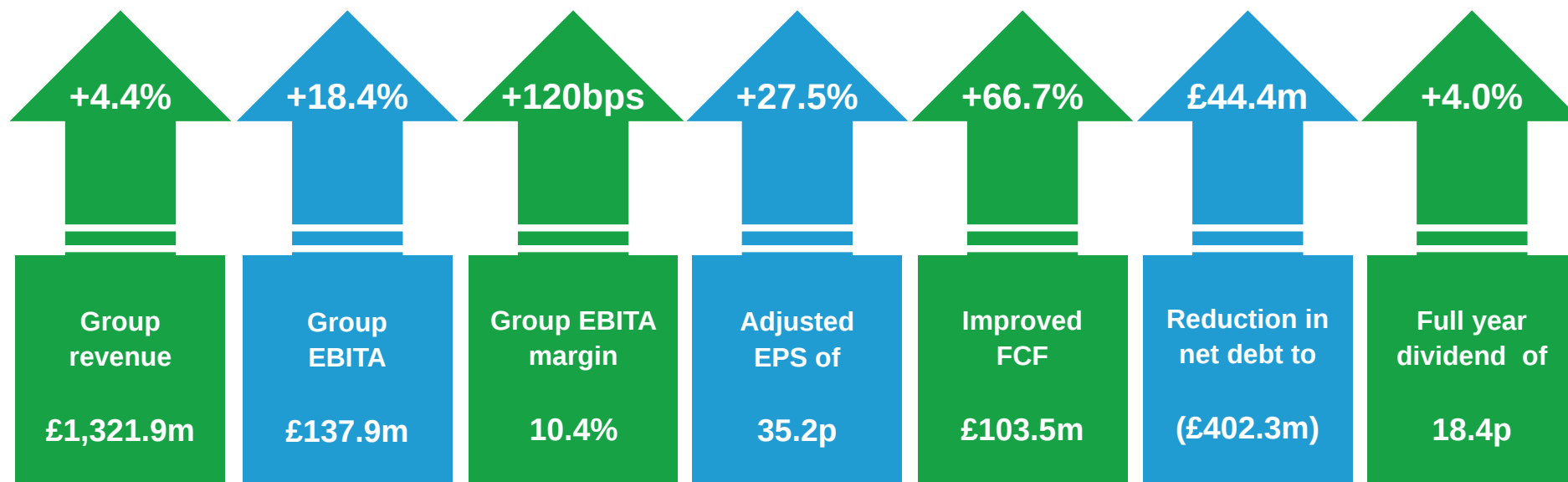


■ John Gibney

Chief Financial Officer



Group performance



Adjusted net debt to EBITDA 2.2x

EBITA is defined as operating profit before exceptional and other items and amortisation. Only amortisation attributable to intangibles on acquisition is added back, in the period this is £2.9m (2012: £2.9m AER). Adjusted earnings per share adds back the amortisation attributable to intangibles on acquisition. The share base is the weighted average number of ordinary shares in issue during the period, excluding shares held by Britvic to satisfy employee share-based incentive programmes. Numbers are on a constant currency, pre-exceptional and other items basis



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Positive weather impact in Q4 but the underlying consumer environment remains challenging

GB

- Full year market volume up 1.3%, value up 3.6%
- Q4 volume up 7.8%, value up 9.8%

France

- Full year market volume down 0.2%, value up 0.9%
- Q4 syrups volume up 8.1%, value up 10.3%

Ireland

- Full year market volume down 2.2%, value down 0.6%
- Q4 volume up 4.0%, value up 4.2%

Source: Nielsen GB take-home scantrack 28 Sep 2013, 2013. Nielsen ROI take-home scantrack 6 Oct 2013, France IRI 22 Sep 2013



GB stills

	2013 £'m	2012 £'m	% Change
Volume (m. litres)	398.7	402.9	(1.0)
ARP per litre (pence)	85.3p	79.8p	6.9
Revenue	340.1	321.7	5.7
Brand contribution	154.5	141.2	9.4
Brand contribution margin	45.4%	43.9%	150bps

**Strong ARP
and margin growth**

**Fruit Shoot back to
pre-recall market share**

Note: All numbers are on a pre-exceptional and other items basis unless stated otherwise. Numbers are no longer adjusted for the impact of double-concentrate.



Fruit Shoot returns to pre-recall levels

- A strong programme to return Fruit Shoot to its leading position
- GB take-home market value share and distribution is back to pre-recall levels
- Brand perception measures are strong
 - “Happy to give to your child”
 - “Brand you love”
 - “Worth paying for”



GB carbonates

	2013 £'m	2012 £'m	% Change
Volume (m. litres)	1,153.9	1,154.1	0.0
ARP per litre (pence)	46.5p	44.9p	3.6
Revenue	536.4	517.9	3.6
Brand contribution	200.1	188.7	6.0
Brand contribution margin	37.3%	36.4%	90bps

**Strong brand
contribution growth**

**Pepsi held volume and
gained value market share in
a competitive market**



Note: All numbers are on a pre-exceptional and other items basis unless stated otherwise.



International

	2013 £'m	2012 £'m	% Change
Volume (m. litres)	37.7	38.2	(1.3)
ARP per litre (pence)	99.5p	76.8p	29.6
Revenue	37.5	29.3	28.0
Brand contribution	14.1	8.3	69.9
Brand contribution margin	37.6%	28.3%	930bps

Fruit Shoot performing ahead of pre-recall levels in the Netherlands and Belgium

Fruit Shoot available in 32 US states in H2

Note: All numbers are on a pre-exceptional and other items basis unless stated otherwise. Concentrate sales revenue are included in both revenue and ARP but do not have any associated volume. Numbers are no longer adjusted for the impact of double concentrate.



Ireland

	2013 £' m	2012 £' m	% Change	% Change constant currency
Volume (m. litres)	199.0	201.3	(1.1)	(1.1)
ARP per litre (pence)	56.8p	54.3p	4.6	2.3
Revenue	136.9	138.7	(1.3)	(3.5)
Brand contribution	49.0	44.6	9.9	7.2
Brand contribution margin	35.8%	32.2%	360bps	360bps

Management action
driving an improved
performance

Market conditions remain
weak

Note: All numbers are on pre-exceptional and other items basis unless stated otherwise.
Numbers are no longer adjusted for the impact of double-concentrate. Volume and ARP exclude the sale of 3rd party factored brands.



France

	2013 £'m	2012 £'m	% Change	% Change constant currency
Volume (m. litres)	277.6	278.3	(0.3)	(0.3)
ARP per litre (pence)	97.6p	89.4p	9.2	6.4
Revenue	271.0	248.8	8.9	6.2
Brand contribution	67.9	59.2	14.7	11.5
Brand contribution margin	25.1%	23.8%	130bps	120bps

**Branded syrups portfolio
achieved
record market share**

**Fruit Shoot performance
accelerated, growing profit
and market share**

Note: All numbers are on a pre-exceptional and other items basis unless stated otherwise.



A&P and fixed costs

	2013 £'m	2012 £'m	% Change
Total A&P spend	70.3	62.5	(12.5)
A&P as a % of revenue	5.4%	5.1%	30bps
Non-brand A&P	7.3	7.8	6.4
Fixed supply chain	100.7	100.3	(0.4)
Selling costs	124.5	118.0	(5.5)
Overheads & other	118.1	103.2	(14.4)
TOTAL FIXED COSTS	350.6	329.3	(6.5)

Increased A&P spend
as planned

Overheads up due to recall,
International investment &
employee incentives

Note: All numbers are on a pre-exceptional and other items basis unless stated otherwise. A&P percentage excludes third-party revenue. % movements are on AER.



EBIT to earnings

	2013 £' m	2012 £' m	% Change constant currency
EBIT	135.0	112.7	18.8
Interest	(26.9)	(28.3)	4.9
Profit before tax	108.1	84.4	26.7
Tax	(25.5)	(21.5)	(18.6)
Effective tax rate	23.6%	25.5%	190bps
Profit after tax	82.6	62.9	29.5

Debt reduction results
in lower interest

Earnings growth of
nearly 30%



Note: All numbers are on a pre-exceptional and other items basis unless stated otherwise.



Cash flow

	2013 £' m	2012 £' m	% Change
EBIT	135.0	112.7	19.8
Depreciation & amortisation	47.5	45.4	4.6
EBITDA	182.5	158.1	15.4
Working capital	(6.2)	2.7	(329.6)
Capital expenditure	(34.9)	(46.7)	25.3
Pension contributions	(14.0)	(10.8)	(29.6)
Other	(23.9)	(41.2)	42.0
Underlying free cash flow	103.5	62.1	66.7
Dividends	(42.5)	(42.5)	0.0
Adjusted net debt	(402.3)	(446.7)	9.9

Note: All numbers are on a pre-exceptional and other items basis unless otherwise stated.

Adjusted net debt is defined as net debt, adding back the net benefit of debt hedging instruments that pass through reserves.



Exceptional and other items

P&L
£'m

Cash items

Corporate exceptional items related to the aborted merger with A.G.Barr	9.6
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Corporate exceptional items relating to the implementation of strategic initiatives	10.6
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Total cash items

20.2

Non cash items

Factory closure write-offs	12.9
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Other fair value movements	(7.6)
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Total non cash items

5.3

£16.1m of exceptional cash outflow in 2013



2014 Guidance

- Expected EBIT range of £148m to £156m, modelling consideration:
 - One-off £8m Fruit Shoot recall related costs in 2013
 - Net £8m benefit from strategic initiatives in 2014
 - 2013 one-off weather benefit of £4m to £5m
- Anticipate low single digit raw material inflation, with benign commodity environment offset by negative impact of f/x
- Interest rate of 5.5% to 6%, effective tax rate expected to be 24% to 24.5%
- Capital spend range of £55m to £65m, including £13m related to strategic initiatives
- FCF generation to be a minimum of £70m (pre exceptional)
 - Absolute net debt to remain flat due to impact of exceptional cash costs



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Summary

A strong financial performance for the full year

Margin and pricing growth in every business unit

Increased cash generation and reduction in net debt

Platform for strong future earnings growth



■ Simon Litherland

Chief Executive



A strong performance in 2013

- A positive financial performance – earnings and cash
- Gained market value share in all of our business units
- Fruit Shoot above pre-recall levels in all markets
- Strong H2 performance whilst implementing our significant change programme
- Good progress across all our strategic initiatives



Progress against our new strategy



Britvic has the potential to become one of the world's most admired soft drinks businesses

- Becoming the benchmark integrated branded soft drinks business for both PepsiCo and our own brands in GB & Ireland
- Fully exploiting global category opportunities in Kids, Family and Adult
- Creating a simple focused operating model, empowering our people and matching resource and capability to the growth opportunities
- Being a trusted and respected member of the communities in which we operate



A new operating model to enable simplicity, focus and accountability

Simpler organisation with clear accountabilities

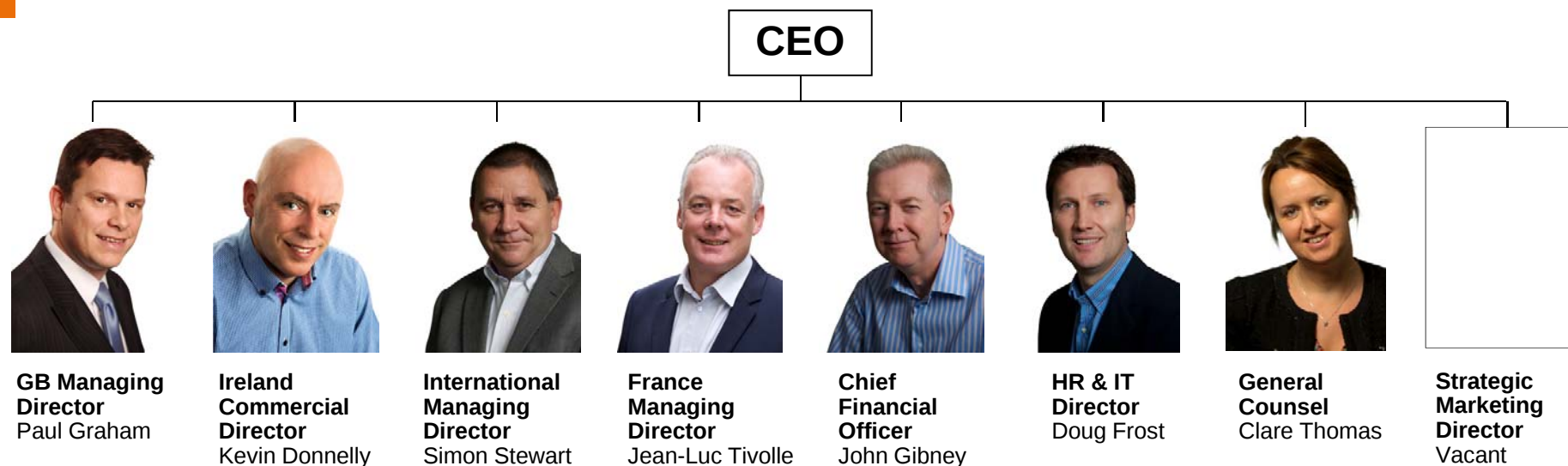
Resources aligned to strategy and growth opportunities

More efficient and lower cost

- A new executive team in place, with clearly defined accountabilities
- Consolidating GB & Ireland support functions, with a dedicated commercial focus in each country
- Operations and strategy embedded into business units
- International business unit established with dedicated team to support growth ambition
- Balance of organisational design work in progress



Our new executive team



- 5 of the 9 executive team new into role
- A de-centralised organisation; a light “plc” function
- All business units directly represented and fully accountable



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Four transformational initiatives to step change the cost base and profitability

1. Increase operational leverage through fewer manufacturing sites
2. Fundamentally change the Irish operating model
3. Transform our procurement and product optimisation initiatives
4. Implement a commercial change programme in GB



1. Increase operational leverage through fewer manufacturing sites

- Production at Chelmsford and Huddersfield sites to end by March 2014, as planned
 - Fruit Shoot line transferring to France, production commences spring 2014
 - Leeds factory lines upgrade to accommodate Chelmsford J20 production
 - Ballygowan becomes single water brand across GB and Ireland from 2014
- Improved asset utilisation
 - 7% reduction in number of production lines and two fewer factories



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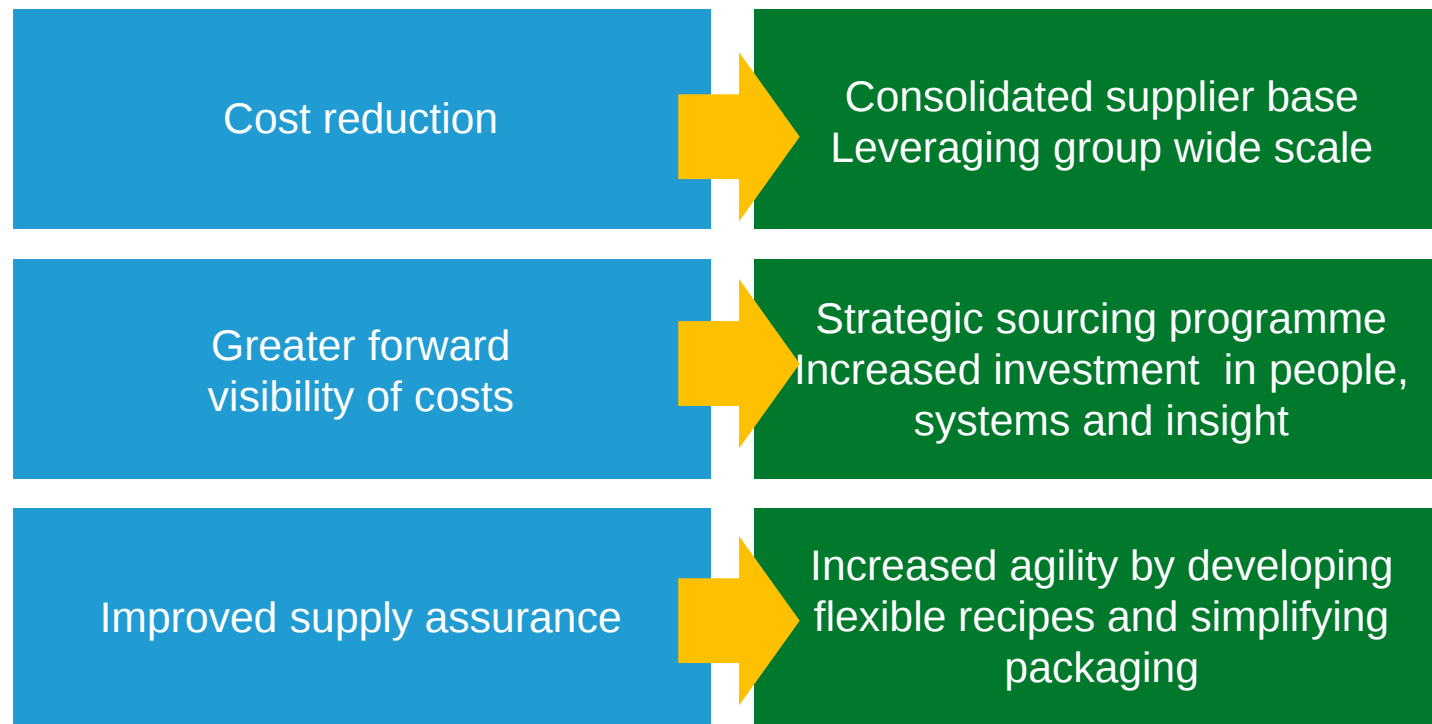


2. Fundamentally change the Irish operating model

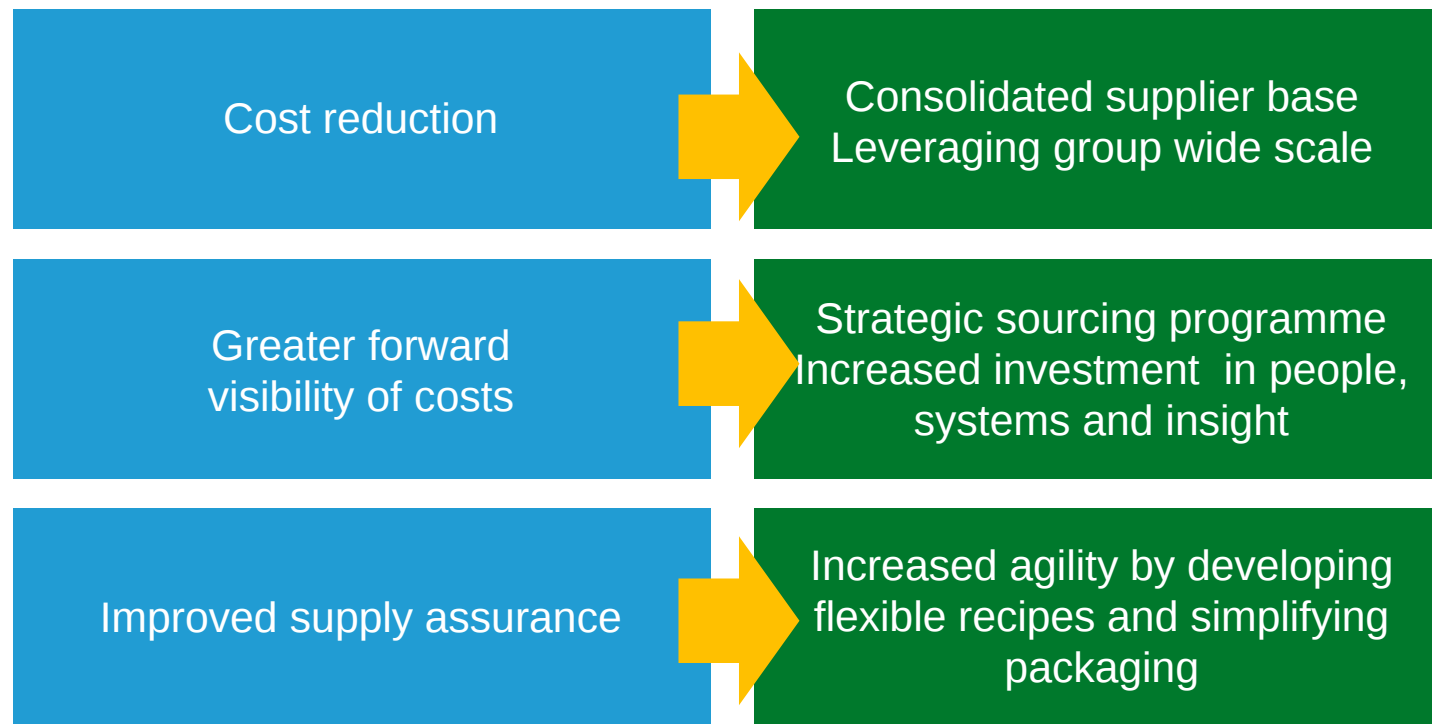
- Senior leadership teams for GB & Ireland appointed
 - In-market commercial focus maintained
 - Support functions have a GB&I responsibility
- Belfast warehouse and Thurles call centre closed on schedule
- Ballygowan factory utilisation significantly improved
 - Further capacity headroom exists
- Licensed wholesale business separated from the core business
 - “Counterpoint” established, with its own leadership team
 - Bespoke wholesaling systems and processes implemented



3. Transform our procurement and product optimisation initiatives



3. Transform our procurement and product optimisation initiatives



4. Implement a GB commercial change programme

A balanced approach to volume and value growth

Optimise revenue through disciplined customer and promotional investment

Increased A&P spend over time

Move from three to two sales channels

Improving our end-outlet contact

Resource focused on key direct customers and wholesalers



■ Maximising the international opportunity



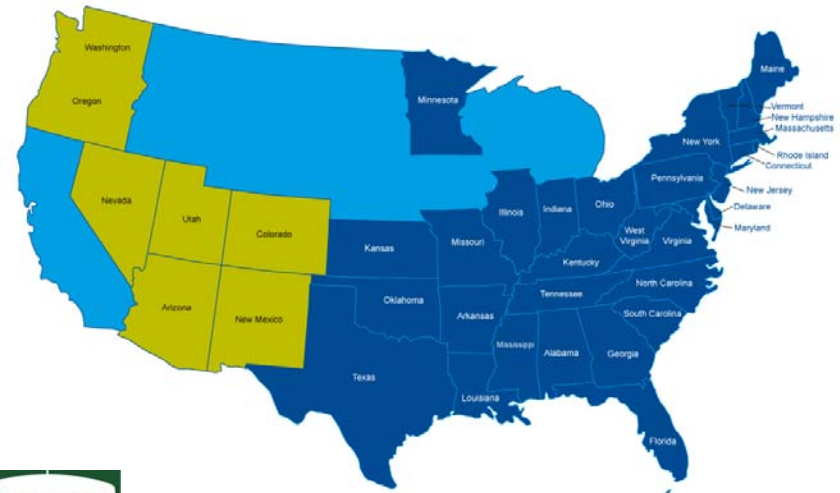
Significant progress in the US

- Long-term agreement in place with PepsiCo Americas Beverages (wholly owned Pepsi bottler)
 - Distribution extended to a further 9 states, taking the total to 41
 - Commissioning of a second manufacturing production facility by PAB
- Secures Fruit Shoot's position and focus in the PAB portfolio
- Unlocks more distribution opportunities with national retailers

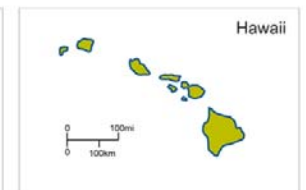


PEPSICO
Americas Beverages

BRITVIC
north america



Walmart



Driving category growth, distribution and awareness

- Gaining market share gains **and** growing kids single-serve category
 - Volume share of c25% (Great Lakes) and c20% (Mid-Atlantic) regions.
 - Accelerating distribution, now available in c60,000 outlets
- New listings secured e.g. Kroger grocery chain listing in the eastern seaboard region and high footfall family destinations
- Marketing programme underway to drive awareness and trial
- Multi-pack trial with Buffalo Rock
- Britvic North America team of 24 to support in-market partners



Building momentum in Europe

- In **Spain** listings secured in 4 of the 6 major grocery retailers
 - Regional chain listings also secured and over 7,000 Convenience & Impulse outlets listed
 - Children's TV & digital marketing campaigns
- In the **Netherlands** retail sales has exceeded €10m
 - New multivitamin variant performing strongly with significant growth opportunities
- In **France** Fruit Shoot continues to grow the category in its third year
 - Achieved 11.7% market share of kids drink category
 - Increasing A&P investment to drive awareness and trial
 - Fruit Shoot marketing linked to the Tour De France



Good progress in India

- In-market General Manager appointed
- Market specific packs and flavours developed
- Strong progress establishing supply chain
- On track for mid-2014 launch
- Major consumer campaign targeting the emerging affluent consumer, in time for Diwali
- Focus on major urban conurbations with c100,000 outlets

NARANG
GROUP



2014 - Compelling brand plans and innovation



Leveraging our category leading portfolio

Kids

- First ever multi-market campaigns for Fruit Shoot
- Partnership with Angry birds – world's most popular app game
- Continued association of Fruit Shoot with Nickelodeon



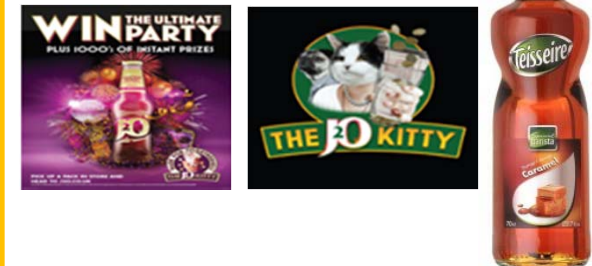
Family

- Increased year round investment on our leading dilutables brands in each market
- Major innovation to drive category growth



Adult

- Continue limited edition strategy on J2O
- New packs and occasion solutions
- Teisseire trial in UK casual dining



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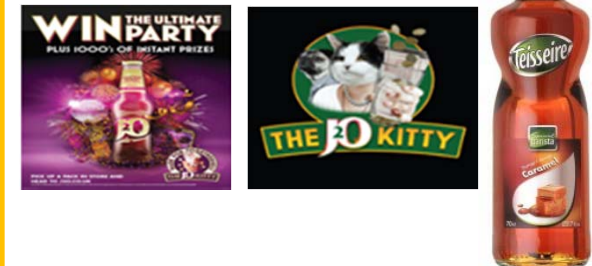
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Leveraging the PepsiCo portfolio

Great Brand Collateral

- Winning cola and No Sugar 'Switchers' by leading on Pepsi Max
- Maintain undisputed Tea leadership with Lipton
- Increased A&P on Mountain Dew



Innovation

- Build on success of Mountain Dew with "sugar free" and "AMP"
- Bringing excitement and value to dispense



Power of One

- Access to global marketing properties
- Cross-category promotions



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Robinsons innovation to unlock sustainable value growth

- Squash has high penetration but is constrained by traditional habits
 - Kids drink the most squash
 - Consumption is predominantly at home
 - As you get older the category becomes less relevant
- Opportunity to drive category growth
 - Unlock the “out of home” occasion
 - Broaden the consumer base
 - Convert consumption of plain water



Introducing “SQUASH'D”

- Ultra concentrated squash
- 20 servings from a 66ml pack
- Three great flavours
 - Apple & Blackcurrant, Summer Fruits and Orange & Peach flavours
- Marketing campaign to drive trial and awareness
- Launching spring 2014



Summary

A much improved performance in 2013

Good progress on implementing the strategy and initiatives

On track to deliver £30m savings by 2016

International opportunities are gaining momentum

