

Britvic plc
Interim Report 2008



Chairman's Statement



Our first half results confirm the solid progress that Britvic is making, and continues the momentum established last year. In spite of a challenging market in on-premise, largely reflecting the impact of the smoking ban and some evidence of a consumer slowdown, the volumes and revenue from our major brands in GB grew in the period and we maintained our market position. Costs were controlled through our continued focus on efficiency and we successfully outsourced our retail distribution, mitigating the impact of higher energy and commodity costs. Our operating profit rose 29.8% to £31.4m.

Profit before tax rose 13.2% to £17.2m, and earnings per share rose 22.0% to 6.1p, both before exceptional items. We have increased the interim dividend by 15% to 3.8p per share, payable on 4 July 2008 to shareholders on the register on 30 May 2008.

This dividend increase reflects the robust performance of the first half year and the Board's confidence in the outlook for the full year.

Good progress has been made in integrating our Irish acquisition, now called Britvic Ireland, and the expected benefits are being realised. Our GB

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innovation programme has continued at pace with the recent widescale launches of Gatorade and Drench. The agreements with PepsiCo International on Gatorade and V Water, both signed during the period, are further examples of our ever closer relationship with our most significant commercial partner.

We remain confident of delivering a good second half, with the usual caveat for a soft drink business of the importance of the summer weather. We are investing behind great brands; we are benefiting from our innovation and product launch programme; costs are under tight control, and our new Irish business further strengthens us. Our cash generation continues to be strong and the Company is well funded with the £229m (sterling equivalent) private placement issued in February 2007, looking particularly apposite with hindsight.

Throughout Britvic I am continually impressed by the commitment and energy of our colleagues in all parts of the Company. On behalf of the Board I would like to thank them, and the executive team led by Paul Moody for all their efforts. They, our brands, our market position and our strategy give us all confidence in the future of our Company.

A handwritten signature in black ink, reading 'Gerald Corbett'.

Gerald Corbett
Chairman

Operating and Financial Review

Chief Executive's Review



In the 28 weeks ended 13 April 2008 ('the period'), the Britvic Group, including the first full 28 week contribution from Britvic Ireland, grew revenues by 28.6% to £454.7m. Britvic's GB and International businesses have grown revenue by 1.9%, a resilient performance given challenging trading conditions and tough FY07 comparatives. This result was driven by the continued out-performance of the market by our stills brands and a strong post Christmas performance in carbonates which was offset by weakness in the licensed on-premise sector and increased promotional activity across the market in Q108. Britvic Ireland has performed well in its first full period, contributing revenues of £99.5m and £4.3m of operating profit. These results, combined with a sharp focus on costs, have driven Group operating profit growth of 29.8% to £31.4m with operating profit margin improvement of 10 basis points to 6.9%. This flowed through to profit after tax (PAT) up 19.3% and basic earnings per share (EPS) up 22.0%, both before exceptional items. An improved underlying free cash flow, up 13.9% on last year, underpins the Board's confidence in paying an interim dividend per share of 3.8p, up 15.2% on last year.

The GB soft drinks market

The total soft drinks market was marginally ahead of last year during the period, with total market volumes up 0.4%. This reflected:

- A stills market which continued to be affected by the reduction in volumes as a result of the poor 2007 summer weather. By comparison to the carbonates category, the stills category is more sensitive to extremes of weather so benefits from a 'good' summer but is disproportionately adversely affected by a 'poor' summer. During the autumn the market experienced a downturn due to the lack of momentum in continued consumption that occurs after a poor summer and was further impacted by the unusually cold and early Easter. Overall the stills market was down 1.1% while Britvic continued its out-performance with volume growth of 5.9%.
- A carbonates market that performed well during the period with volume growth of 2.2%. This market performance was driven by a heavily promotionally-led cola market in Britvic's first quarter, and a 20.6% growth in the glucose/stimulant category. Excluding the glucose/stimulant category the market was up 1.0% while Britvic's carbonates volumes were up 0.2%; an underperformance explained in part by the Christmas promotional programme driven by competitor brands.

Britvic's strategy

Supporting and growing our core brands

We continue to invest in our strong portfolio of brands through both innovation and marketing, to ensure that they are preferred by consumers.

During the period the cola market overall was impacted by the decline in licensed on-premise, while in Q108 the take-home market was impacted by a strong competitive promotional programme. Whilst we maintained a focus on value there was an inevitable loss of volume share with Pepsi volume



Pepsi relationship enables closure of category gaps within our portfolio.

growth of 1.8% behind the cola market growth of 4.0%. However during the last 12 weeks of the period, Pepsi more than recovered its market share position delivering strong volume growth of 8.2%, out-performing the market growth of 3.1%. At the same time we maintained our value out-performance. This strong post Christmas performance was the result of a clear focus on better market execution, particularly in-store, through smarter co-ordination of media and promotional spend and through the use of trade-ready display units. This strategy has delivered our highest ever market share with the biggest UK grocery multiple.

The second half of the year will start to see real benefits from our value-driving innovation in licensed on-premise with Pepsi Xtra Cold and Pepsi Raw. In addition to activity during April and May across all channels and packs, the 'Max Kicks' television advertising campaign was launched. It features David Beckham and the other Pepsi Global football stars, and early indications of market and category impact are very positive. Pepsi product and equipment technical innovation has helped deliver an excellent result for us during the period with the signing of a new four year contract with Mitchells & Butlers in dispense (three years in packaged) with incremental volume of 10m litres in a full year. Our relationship with PepsiCo has been further strengthened in recent weeks with the signing of a new 15-year Exclusive Bottling Agreement ('EBA') with PepsiCo for V Water, plus the widespread launch of Gatorade, this time with the signing of a new seven year EBA.

V Water is a UK based vitamin water company which PepsiCo International acquired on 29 April 2008. The brand was launched in 2005, and has a range of six hydrating, natural, healthy and low calorie flavoured drinks. All products are made with spring water and have no artificial flavours, sweeteners, colours or preservatives. The V Water range contains a number of added vitamins,

minerals and herbal extracts including Vitamin C, Zinc, Selenium and Ginseng. V Water is a leading brand in the dynamic and fast growing functional water sub-category that sits within the 'water plus' category. Whilst we have been represented by Fruit Shoot H2O and Pennine Spring within the sub-category of flavoured water, this is our first entry into the functional water sub-category. Functional water looks set to become increasingly important as the UK consumer follows trends in the US where sales of functional water grew 131% in 2007. In the UK the sector is still underdeveloped due to limited involvement from the big brand players but it showed strong growth in the period of 306.6%, albeit off a low base. The 15-year EBA to 2023 for V Water enables us to fill a gap in our portfolio within the exciting functional water sub-category and makes us well placed to take advantage of its significant growth potential whilst playing perfectly to our health and well-being strengths. Initially, the product will continue to be co-packed with in-house production scheduled for mid-2009.

Robinsons continues to strengthen its market leading position. The squash category was down 1.6% in the period but has shown some signs of recovery following the poor summer weather in 2007. Against this Robinsons continued to gain market share with growth of 3.7%, 5.3 percentage points ahead of the market. This performance was driven by the removal last summer of artificial colours and flavours from the core range which is proving to be very successful, as well as the first year of Robinsons' sponsorship of the BBC Sports Personality of the Year. Robinsons sponsorship of Wimbledon 2008 launches a new summer-long campaign for the second half of the year, celebrating the great taste of Robinsons squash, with significant support investment.

Robinsons Fruit Shoot, our kids' juice drink brand has had a very strong period. Its volumes grew by 15.1% against a juice drinks market category growth of 3.8%. It is now in more households than

+3.7%

market share gains – Robinsons continues to strengthen its market leading position.



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any other competitor brand with penetration some five percentage points higher than the second largest brand. This performance was driven primarily through increased penetration with 700,000 new customers buying into the brand. Around two thirds of these new customers were due to rate-of-sale increases on core Fruit Shoot resulting from an on-pack 'get good' promotion with radio support. Fruit Shoot 100% supported with both TV and press, was responsible for the remainder of the incremental growth. In the second half of the year Fruit Shoot will be back on air with the award winning radio campaign to communicate the 'no artificial colours or flavours' message that plays to consumers growing preference for more natural products. Alongside this will be an aggressive rate-of-sale drive in the 'on-the-go' channels, complemented by direct mail and sampling to recruit new users into Fruit Shoot 100%.

J2O maintained its leading position over the period with growth in take-home of 7.5% against juice drink category growth of 3.8%. In licensed on-premise, J2O is now the second largest bottled drink by value, but the well-publicised slowdown in this market has resulted in volumes in the period being down in this channel. The strong performance within take-home has been driven predominantly by new flavour and format innovations. We have continued to extend availability of the PET pack launched in June 2006, while the new 12 bottle large pack, designed for in-home hosting occasions, has further driven distribution. April saw the successful launch of the new Apple & Blueberry variant. The focus for the second half of the year is to drive Apple & Blueberry into licensed on-premise as we aim to consolidate our position in this channel by focusing spend on driving consumer numbers and the visibility of the brand both behind and on the bar; as well as driving in-store presence and rate of sale in take-home.

Our three **water brands** have all performed well. Fruit Shoot H2O achieved its highest ever share of the kids' water plus market during the period at 55.1%, driven by volume growth of 9.6% against a decline in the total water plus category of 7.8%. This strong performance was driven by a continuing focus on driving distribution and a positive response to the current marketing campaign with Fruit Shoot H2O now bought by more homes, more frequently than any other kids' water brand. The campaign included TV along with cinema advertising and cinema sampling, designed to both drive awareness amongst a core target and to persuade them to trial.

During the summer investment will be focused on driving increased consumer penetration through national TV and cinema advertising, a national sampling campaign and up-weighted in store support. The campaign will reach around 70% of UK mums. Our other water brands, Drench and Pennine Spring, have both shown strong growth. The re-energising of the Drench brand last year, with new packaging to attract a wider consumer market, has been successful, resulting in increased distribution over the period particularly within the convenience and impulse channel. We are now ready to build on this success and take Drench further into the trade, building on its unique 'mental hydration' positioning with a scale launch into the grocery multiples during May. This will be supported by an aggressive £5.5m marketing programme and a significantly expanded range of pack formats. Pennine Spring continues to be focused in licensed on-premise and now has the highest rate of purchase per point of distribution in the channel.

Our **International business** has delivered strong revenue growth of nearly 20% in the period. In the Nordic region, increased investment and distribution has led to 95% growth in the period and a new listing for Robinsons in Co-op, Sweden's second largest retailer, has increased the distribution of Robinsons in the region to 75%. A new marketing campaign and increased investment in sampling in all the Nordic markets is being run to coincide with the launch of a new natural premium squash in Denmark. This product is the first to be specifically developed to meet the taste preference in the region. In Holland, Fruit Shoot goes from strength to strength with volume growth of 12% and revenue growth of 41%. A new tropical flavour was launched in April and distribution is now over 70%. New business gains have also been made in the period. EasyJet have awarded us a new four year deal to supply carbonates, juices and mixers and we have gained new listings in Alliance Retail in India, the biggest retailer in the country. Good progress has also been made with our new franchise in Malta.

Innovating/developing new products

Crucial to our future success is our ability to innovate into new growth segments of the market. This is rooted in our real understanding of consumers and their changing needs combined with the excellence of our research and development teams in exploring and implementing new technologies to deliver those consumer needs. Over the last few years our launches have been

focused on the 'consumer need' states of realness, well-being and enrichment, particularly in the larger categories and also where we have the opportunity to close category gaps in our portfolio. Our programme for 2008 maintains this emphasis.

Our major launch in take-home was in March with Gatorade, the world's number one sports drink, into a category which has grown by 49% in the UK in the last two years and is worth around £165m at retail value. We were chosen by PepsiCo to launch the new 'free-from' Gatorade as a result of our strong on-going relationship, and this was further reinforced by our investment in aseptic production technology, which has enabled us to produce the drink in-house helping to improve margins.

Marketing support will focus on establishing the brand as the most credible sports drink on the market in the eyes of the consumer. This will be achieved through a £4m above the line media spend; through encouraging trial; and through promoting engagement with the brand by educating the consumer on the benefits of Gatorade. Although very early days for Gatorade, the key performance indicators are all very promising.

In managed licensed on-premise, a sub-channel where we now have a market share of over 70%, we are in the process of launching two significant new innovations. Firstly we have designed a patented new dispense system, Pepsi Xtra Cold, which significantly improves the quality and consistency of dispensed product in terms of taste, carbonation and temperature. It has also enabled us to unlock the potential of Pepsi Max in the on-trade through bar top branding. This step-change in dispense technology was a material factor in Britvic securing an incremental 10m litres per annum from a new contract to supply the whole of the Mitchells & Butlers estate. The roll-out started in April and the new system will be operational in over 2,000 high value outlets in due course. We have also launched Pepsi Raw into the licensed on-premise channel, a natural cola developed to reach a new premium

adult market for cola. It is made from a lightly sparkling water with ingredients from natural sources, and contains no artificial colours, preservatives, flavourings or sweeteners. Its delicious and distinctive taste makes it a perfect mixer as it does not mask the taste of premium spirits. It was launched in February into selected outlets with consumer awareness being driven through targeted print and digital advertising, PR, and a dedicated team of Pepsi Raw Ambassadors.

These launches are being supported during the year by a series of minor launches and brand extensions to build market share. These include:

- Robinsons Smooth Juice single serve 250ml 'on-the-go' format in both impulse and foodservice in March.
- Passion Fruit & Mandarin and Blackcurrant & Pear premium squash made entirely with natural ingredients for the International market and launched in Denmark in April, with the intention for a full roll-out across the Nordic region in FY09.
- Lime Grove in licensed on-premise in April – three light refreshing flavours in lime with a twist of raspberry, ginger and pink grapefruit; free of artificial flavours, sweeteners and preservatives; and designed for the adult palette and in particular females.

Britvic Ireland

During the period the transition process in Britvic Ireland progressed well and the Irish business that has historically been included within International, predominantly Robinsons and Fruit Shoot, was successfully integrated into the Britvic Ireland infrastructure.

Ballygowan has consolidated its position as the number one water brand within grocery and licensed on-premise and also within its strong water cooler presence. The introduction of J2O into Ireland last year is proving to be successful with target distribution achieved. Growth for the second

55.1%

market share – Fruit Shoot H2O retains its position as the number one kids' water plus brand.



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half of the year and beyond will come not only from the growing prospects for J2O, but also by taking Energise Edge into the licensed on-premise channel, as well as a fully supported marketing campaign targeted at the Energise brand, Club Orange, the number one fruit carbonates brand in the market, and 7UP. Finally, by adding Robinsons to MiWadi within cordials, a strong position within the squash category is set to improve even further.

Our acquisition in Ireland remains on-track to deliver around one third of the €14m cost and revenue synergies this year, with the balance coming by the end of FY09. The majority of the synergies this year will be cost savings, with almost half of these driven by raw material savings and we are on-track to deliver on our sugar, concentrate and can savings. Within production, we announced in January our intention to close the Cork factory, leaving two production sites in Ireland, namely Dublin and the Ballygowan water source, although the majority of the savings from this closure will come through next year. Sharing of best practice continues to drive efficiencies in both Ireland and GB. The third party distribution agreement has now been terminated, and all distribution is now handled by Britvic Ireland's wholesale and distribution arm. We have also identified several cross-company structural costs that can drive value. During the period, over €1m of cost savings were delivered, and the level of delivery is increasing each month as we move into new agreements and contracts.

Current trading and outlook

Britvic has delivered a resilient performance in the first half with market share gains across the majority of our brands. This is a positive result given the challenging trading environment in the licensed on-premise market in particular and also in take-home where the market is still recovering from the effects of last year's poor summer. The integration of the Britvic Ireland business is progressing well and we are confident of delivering the €14m synergies previously announced.

The first half of our year has been a period of modest growth for the soft drinks market overall, with improving growth trends evident in the early weeks of the second half. We are well positioned to drive Group earnings growth through brand and product expansion, innovation, a continued close focus on cost control, and the realisation of the benefits of the outsourcing of retail distribution. The Board remains confident that we will deliver on our full year expectations.



Paul Moody
Chief Executive

€14m

Britvic Ireland on track to deliver €14m synergies.

Operating and Financial Review

Financial and Business Review

The following discussion is based on Britvic's results for the 28 weeks ended 13 April 2008 ('the period') compared with the same period last year.

Key performance indicators

The principal key performance indicators that Management uses to assess the performance of the Group in addition to income statement measures of performance are as follows:

- **Volume growth** – number of litres sold by the Group relative to prior period.
- **Average Realised Price (ARP)** – average revenue per litre sold.
- **Revenue growth** – 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 items and before the deduction of interest and taxation divided by revenue.
- **Free cash flow** – net cash flow excluding movements in borrowings, dividend payments and non cash exceptional items.
- **Return on invested capital (ROIC)** – ROIC is a performance indicator used by Management and defined as operating profit after tax before exceptional 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.

Overview

In the period total volumes were up 19.9% on the prior year with total revenues up 28.6% at £454.7m including the contribution from Britvic Ireland, acquired in August 2007. Operating profit before exceptional items for the period was up 29.8% to £31.4m with operating profit margin also showing improvement at 6.9% up 10 basis points. PBT for the period was £17.2m up 13.2% on the prior period, with EPS up 22.0%. This strong performance together with a further improvement in our cash flow trend reinforces the Board's confidence in paying an interim dividend per share of 3.8p – an increase of over 15% on last year.

GB Stills

	28 weeks Ended 13 April 2008	28 weeks Ended 15 April 2007	% change
	£m	£m	
Volume (millions litres)	232.0	219.0	5.9
ARP per litre	69.7p	71.9p	(3.1)
Revenue	161.8	157.4	2.8
Brand contribution	70.2	72.2	(2.8)
Brand contribution margin	43.4%	45.9% (2.5)%pts	

Note: The definition of stills for H1 2007 and H1 2008 is now in accordance with the minor reclassification of carbonates and stills at Britvic's March 2008 investor seminar and the numbers shown take account of that change.

Britvic has continued to out-perform the market over the period across all of our categories with volumes up 5.9% to 232m litres against a market down 1.1% over the period. ARP is down 3.1% primarily driven by an unfavourable channel mix with a decline in volumes in the higher priced outlets within the licensed on-premise channel reflecting difficult market conditions.

As a result we have seen continued strong revenue growth up 2.8% driven by the success of Robinsons squash, the extension of the Drench water brand in the convenience and impulse channel, as well as the performance of Fruit Shoot.

In March we announced that as a direct result of the outsourcing of our secondary retail distribution to KNDL in October 2007, £7.8m of costs would be taken out of the GB fixed supply chain in FY08 with between £5.8–6.3m of these fixed costs transferring to variable costs above the brand contribution line. The net cost saving of this is expected to be between £1.5–2m in FY08 increasing to £5–6m by FY09 and the impact of this is expected to broadly affect stills and carbonates

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equally. This combined with the continued strategic decision to focus an increasing proportion of advertising and promotional (A&P) spend on stills, has meant that the stills brand contribution margin is down 2.5%pts at 43.4% in the period.

GB Carbonates

	28 weeks Ended 13 April 2008	28 weeks Ended 15 April 2007	% change
	£m	£m	
Volume (millions litres)	461.0	460.0	0.2
ARP per litre	40.2p	40.1p	0.2
Revenue	185.4	184.6	0.4
Brand contribution	70.1	72.7	(3.6)
Brand contribution margin	37.8%	39.4%(1.6)%pts	

Note: The definition of carbonates for H1 2007 and H1 2008 is now in accordance with the minor reclassification of carbonates and stills at Britvic's March 2008 investor seminar and the numbers shown take account of that change.

In carbonates volumes are up 0.2% in the period compared to market volume growth of 2.2%. In the main this deficit is due to a proportionally higher impact for the Group of the downturn in the licensed on-premise channel, and more promotional activity within the take-home market than usual in Q1. The strategic decision not to aggressively respond to this resulted in some loss of share. As a result of this strategy ARP is up 0.2% at 40.2p over the period.

The brand contribution margin, down 1.6%pts at 37.8%, has held up well, given the move of fixed to variable costs as part of the outsourcing of distribution as discussed above, and an increase in direct product costs by over 4%.

International

	28 weeks Ended 13 April 2008	28 weeks Ended 15 April 2007	% change
	£m	£m	
Volume (millions litres)	11.6	9.9	17.2
ARP per litre	69.0p	68.7p	0.4
Revenue	8.0	6.8	17.6
Brand contribution	2.5	1.0	150.0
Brand contribution margin	31.3%	14.7% 16.6%pts	

Note: The export trade into Ireland managed by International and transferred to Britvic Ireland in January 2008 has been excluded from the numbers shown above. Since this transfer, International reflects the Group's travel and non-Irish export business.

The International business has delivered an excellent performance, with volumes up 17.2% and revenue up 17.6%. This has been driven by strong distribution growth in the Nordic regions where we are consolidating and growing our presence with Robinsons Hi-Juice in Denmark, Sweden and Finland, and 41% revenue growth from Fruit Shoot in Holland. ARP and brand contribution margin are up 0.4% and 16.6%pts respectively. This is due to more of the business being driven from the Nordic region, with its opportunities for more premium pricing and by taking the sale of the Amé brand in Holland in-house through our own sales force on the ground. Brand contribution margin has also benefited from lower A&P launch costs compared to last year which was impacted by the Robinsons launch into the Danish and Swedish markets.

This increase in margin is despite an increase in total direct product costs in the period of 3.8%.

Ireland

	28 weeks Ended 13 April 2008
	£m
Volume (millions litres)	129.8
ARP per litre	54.1p
Revenue	99.5
Brand contribution	33.3
Brand contribution margin	33.5%
Fixed costs	29.0
Operating profit	4.3

Note: Volumes and ARP include own-brand soft drinks sales and do not include third party drink sales included within total revenue.

Britvic Ireland, acquired in August 2007, delivered a robust performance in light of similarly challenging conditions in the Irish licensed on-premise channel to GB. At the Q1 Interim Management Statement we stressed the focus in Ireland on anti-drink driving measures, and there is now an increasing move to take-home sales, as consumers' tendency to drink and entertain at home increases. This has been fuelled by the increasing price gap between on-trade and off-trade pricing with beer on sale in Grocery at €0.80 per bottle, compared to licensed on-premise pricing of circa €4.00.

Broadly one-third of revenue comes from the sale and distribution of third party drinks, and although the contribution to profit from this operation is relatively lower, its benefit is in the strategic route to market it offers in a highly fragmented licensed on-premise channel.

Operating profit for Britvic Ireland is broadly in line with the seasonality of GB operating profit, and the cost savings that have started to be made through procurement synergies has meant that, despite the challenging input cost environment, the total raw material cost for the period was down 0.6%. Progress on the previously announced €14m annual (pre tax) synergies remains on-track, with €1.2m cost synergies being delivered in the period. An example of the synergies plan in action is the announcement in January 2008 of the decision to invest €7.6m in the Dublin manufacturing operation. The enhanced facility will accommodate volumes currently produced at the Cork site, which will result in the closure of the Cork facility within 12 months of the announcement.

Group costs and overheads

	28 weeks Ended 13 April 2008	28 weeks Ended 15 April 2007	% change	% change (GB & International only)
	£m	£m	% change	% change (GB & International only)
Non brand A&P*	(4.5)	(4.4)	(2.3)	(2.3)
Fixed supply chain**	(46.9)	(34.2)	(37.1)	9.1
Selling costs**	(53.1)	(46.5)	(14.2)	1.9
Overheads and other*	(40.2)	(38.7)	(3.9)	10.9
Total	(144.7)	(123.8)	(16.9)	6.5
Total A&P spend	(29.1)	(24.3)	(19.8)	(2.9)
A&P as a % of net revenue***	6.8%	6.9%	(10bps)	10bps

* Contained within administration expenses

** Contained within selling and distribution costs

*** Included revenue from Britvic Ireland's wholesale and distribution division.

Overall total costs are up £20.9m, explained by the impact of Britvic Ireland costs of £29.0m consolidated in for the first time. These fixed costs have been more than offset by further reductions in the GB cost base.

Non-brand A&P is in line with last year and there is no non-brand A&P within Britvic Ireland.

Excluding Britvic Ireland, fixed supply chain costs are down £3.1m as a direct result of the outsourcing of our secondary retail distribution in October 2007 as discussed above.

Selling costs in GB and International are broadly flat on last year after taking into account the £0.7m included last year in International that relates to the Irish business transferred out of Britvic International during the period into Britvic Ireland.

Excluding Britvic Ireland, overheads and other costs are down by £4.2m with almost £3m of the decrease related to a reduction in the employee bonus provision being provided for at the half year against a maximum bonus provision last year. Around £0.5m can be explained by the transfer of the Irish business during the period, and a further £0.5m relates to acquisition project costs incurred last year.

Within GB and International, we have increased our investment in total A&P in line with our target of 7% of net revenue to continue our long-term brand-building programme. We continue our strategy of a more selective focus on A&P spend in those areas where we believe we will get the best results.

Overall, we have maintained a strong control over our cost base in response to some challenging trading conditions.

Exceptional items

During the period, Britvic incurred exceptional operating costs of £10.1m. The main elements of this comprised:

- Restructuring costs of £3.9m which primarily relate to the closure of the Cork factory in Ireland, as well as the termination of the third party distribution relationship in Ireland.
- A £1.7m cost relates to transitional award shares vesting under the Performance Share Plan ('PSP').
- A £2.4m non cash item relating to returnable bottle and IT equipment impairment.

Interest

The net finance charge before exceptional items for the period for the Group was £14.2m compared with £9.0m in the same period in the prior year. Adjusting for the impact of Britvic Ireland of approximately £5.1m, interest is broadly in line with last year.

Taxation

The tax charge of £4.2m before exceptional items represents an effective tax charge of 24.1%, lower than the effective tax rate as reported in the accounts for the same period last year of 28.2%, due to the effect of the lower tax regime in Ireland.

Earnings per share

Basic EPS for the period, excluding exceptional items, was 6.1p, up 22.0% on EPS for the same period last year of 5.0p. Basic EPS (after exceptional items) for the period was 2.3p compared with 3.2p for the same period last year.

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Dividends

The Board is recommending an Interim dividend for 2008 of 3.8p per share, an increase of 15.2% on the dividend paid last year with a total value of £8.1m. The Interim dividend will be paid on 4 July 2008 to shareholders on record as at 30 May 2008.

Cash flow and net debt

There has been a 13.9% improvement in pre-exceptional free cash flow on the same period last year driven by a continued focus on capital expenditure management and working capital.

Additional contributions were made to the defined benefit pension scheme of £10m in the year (2007: £10m). At 13 April 2008, the Group's net debt, defined as current and non-current borrowings less cash, was £453.8m compared to £309.8m at 15 April 2007. The increase in borrowings of £144.0m was principally due to the acquisition of Britvic Ireland, plus the revaluation of a €100m loan drawn under the Group's bank facilities.

Share price and market capitalisation

At 13 April 2008 the closing share price for Britvic plc was 323.5p. The Group is a member of the FTSE 250 index with a market capitalisation of approximately £698.9m at the period end.

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 scrutiny. The department does not operate as a profit centre.

Key financial risks faced by the Group include exposures to movement in:

- Interest rates.
- Foreign exchange.
- Commodity prices.

The Treasury department is also responsible for the management of the Group's debt liquidity, currency requirements and cash.

At 13 April 2008, the Group's net debt of £453.8m consisted of £229.5m drawn under the Group's committed bank facility, £9.5m of drawings under uncommitted bank facilities and £228.8 of private placement notes. This was netted off with £15.2 of surplus cash and £1.2 of issue costs of loans.

Pensions

The Group operates a pension scheme, which has both a defined benefit fund and a defined contribution fund. The defined benefit section of the scheme was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the scheme. As a result of the full actuarial valuation carried out as at 31 March 2004, further contributions of £30m were made in March and December 2005 and additional contributions of £10m in December 2006 and 2007. Additional contributions of £10m per annum will be made in December 2008 to 2010 (total of £30m) in order to further reduce the funding deficit in the scheme. This payment plan has not changed in light of the most recent full actuarial valuation carried out in March 2007.

There has been an improvement in IAS 19 total company position from £5.6m net liability at 30 September 2007 to £5.1m net surplus at 13 April 2008, driven by the scheduled additional contribution of £10m made in December 2007. It should be noted that this is an accounting valuation and is subject to high volatility. No actuarial gain or loss was recognised in the six months to 13 April 2008 for the main Britvic Pension Plan.

A strategic review of the Britvic Pension Plan was recently completed, which will see future accrual rates decreasing by around a third. However, this will be offset by an increased contribution rate in the money purchase scheme, and so the net impact of these changes is anticipated to be neutral.

Business Resources

Britvic is one of the two leading branded soft drinks businesses in Great Britain and Ireland. It is one of the top two soft drinks businesses in the GB take-home channel, is the leading soft drinks supplier to the GB licensed on-trade and is a significant player with a growing presence in the leisure and catering channel.

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

- An extensive and balanced portfolio of stills and carbonates brands, including Robinsons, Pepsi, 7UP, Tango, J2O, Britvic, Fruit Shoot, R Whites and Pennine Spring. 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. The strength of Britvic's brand portfolio is underpinned by its consumer insight and product development capability which has consistently enabled it to produce innovative products, packaging formats and promotional activity designed to meet evolving consumer tastes and preferences. In August 2007 we acquired the soft drinks and distribution businesses of C&C Group plc for €249.2m (£169.5m) in cash ('Britvic Ireland'). Britvic Ireland owns a number of leading brands in the Republic of Ireland and Northern Ireland, including Club, Ballygowan water, Britvic, Cidona, MiWadi, and Energise Sport, as well as the rights to the Pepsi and 7UP brands.
- A successful long-standing relationship with PepsiCo that resulted in the Exclusive Bottling Agreement (EBA) being renewed in Great Britain in 2004 for a further 15 years, with an extension to 2023 on Admission to the London Stock Exchange. The acquisition of Britvic Ireland has further strengthened this relationship with the EBA for Ireland lasting 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.
- A strong customer base. In take-home, Britvic's customers include the 'Big 4' supermarkets (Tesco, J Sainsbury, Asda and Wm Morrison) 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 Great Britain.
- Britvic also has a well-invested and flexible production capability and a recently outsourced distribution network that, according to AC Nielsen, enabled its soft drinks to be made available to consumers at over 96% of the points of sale (on a sterling-weighted value basis) in the GB take-home and over 94% of the points of sale of the licensed on-trade channels in 2007.

Risks and Uncertainties

The Group's results of operations could be materially adversely affected by:

Risks relating to the Group

- A decline in certain key brands.
- A termination or variation of its bottling and distribution arrangements with PepsiCo or an adverse development in the PepsiCo relationship.
- A further consolidation in its customer base.
- Any interruption in, or change in the terms of, the Group's supply of packaging and raw materials.
- Any failure in the processes or the IT systems implemented as part of the Business Transformation Programme.
- Any inability to protect the intellectual property rights associated with its current and future brands.
- Contamination of its raw materials or finished products.
- Litigation, complaints or adverse publicity in relation to its products.
- Loss of key employees.
- Any increase in the Group's funding needs or obligations in respect of its pension scheme.
- Any failure or unavailability of the Group's operational infrastructure.
- Changes in accounting principles or standards.

Risks relating to the market

- A change in consumer preferences, perception and/or spending.
- Poor economic conditions and weather.
- Potential impact of the smoking ban or other regulatory developments.
- Actions taken by competition authorities or private actions in respect of supply or customer arrangements.
- Actions by the Group's competitors.

Risks relating to the ordinary shares

There are risks arising out of an investment in ordinary shares because of:

- US Holders potentially not being able to exercise pre-emptive rights.
- Potential share price volatility.
- Sterling dividend payments giving rise to currency exposure for investors whose principal currency is not sterling.
- PepsiCo's right to terminate the EBAs on a change of control which may affect the ability of a third party to make a general offer for the ordinary shares.

Responsibility and Cautionary Statements

Responsibility statements

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

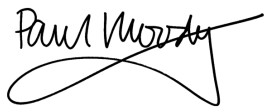
Cautionary statement

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

This report is intended to inform the shareholders of the Group's performance during the 28 weeks to 13 April 2008. This report contains forward-looking statements based on knowledge and information available to the Directors at the date the report was prepared. These statements should be treated with caution due to the inherent uncertainties underlying any such forward-looking information and any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

The Directors of Britvic plc are listed in the Group's Annual Report for the year ended 30 September 2007 on page 23. On 15 April 2008, Chris Bulmer resigned as a Non-Executive Director and was replaced by Ben Gordon.

By order of the Board



Paul Moody
Chief Executive



John Gibney
Finance Director

Independent Review Report to Britvic plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the 28 weeks ended 13 April 2008 which comprises the consolidated income statement, consolidated balance sheet, consolidated cash flow statement, consolidated statement of recognised income and expense, and the related notes 1 to 14. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 28 weeks ended 13 April 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

The maintenance and integrity of the Britvic plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial information since it was initially presented on the website.

Ernst & Young LLP
Birmingham
20 May 2008

Consolidated Income Statement

For the 28 weeks ended 13 April 2008

	(Unaudited) 28 Weeks Ended 13 April 2008			(Unaudited) 28 Weeks Ended 15 April 2007			(Audited) 52 Weeks Ended 30 September 2007		
Note	Before Exceptional Items £m	Exceptional Items* £m	Total £m	Before Exceptional Items £m	Exceptional Items* £m	Total £m	Before Exceptional Items £m	Exceptional Items* £m	Total £m
Revenue	454.7	–	454.7	353.6	–	353.6	716.3	–	716.3
Cost of sales	(208.4)	–	(208.4)	(139.9)	–	(139.9)	(286.0)	–	(286.0)
Gross profit	246.3	–	246.3	213.7	–	213.7	430.3	–	430.3
Selling and distribution costs	(151.9)	–	(151.9)	(126.5)	–	(126.5)	(241.4)	–	(241.4)
Administration expenses	(63.0)	(10.1)	(73.1)	(63.0)	(4.8)	(67.8)	(108.9)	(5.7)	(114.6)
Operating profit/(loss)	31.4	(10.1)	21.3	24.2	(4.8)	19.4	80.0	(5.7)	74.3
Finance income	0.1	–	0.1	0.8	–	0.8	0.9	–	0.9
Finance costs	(14.3)	–	(14.3)	(9.8)	(0.1)	(9.9)	(19.6)	–	(19.6)
Profit/(loss) before tax	17.2	(10.1)	7.1	15.2	(4.9)	10.3	61.3	(5.7)	55.6
Taxation 8	(4.2)	2.0	(2.2)	(4.3)	0.9	(3.4)	(17.3)	4.2	(13.1)
Profit/(loss) for the period attributable to the equity shareholders	13.0	(8.1)	4.9	10.9	(4.0)	6.9	44.0	(1.5)	42.5

*Exceptional items are explained and analysed in note 6.

All activities relate to continuing operations.

Earnings per share

Basic earnings per share 9	6.1p	(3.8p)	2.3p	5.0p	(1.8p)	3.2p	20.4p	(0.7p)	19.7p
Diluted earnings per share 9	6.0p	(3.8p)	2.2p	5.0p	(1.8p)	3.2p	20.2p	(0.7p)	19.5p

Dividends

Paid in the period

Dividends per share (pence)	7.7	7.0	10.3
Total dividend (£m)	16.6	15.1	22.2

Proposed after the balance sheet date

Dividend per share (pence)	3.8	3.3	7.7
Total dividend (£m)	8.1	7.1	16.6

Consolidated Balance Sheet

At 13 April 2008

	Note	(Unaudited) 13 April 2008 £m	(Unaudited) 15 April 2007 £m	(Audited) 30 September 2007 Restated* £m
Assets				
Non-current assets				
Property, plant and equipment		226.1	207.6	227.4
Intangible assets		266.5	95.9	246.1
Operating lease premiums		2.4	2.4	2.4
Pension surplus		19.3	–	9.1
Other financial assets		12.2	–	–
Deferred tax assets		3.7	–	3.2
		530.2	305.9	488.2
Current assets				
Inventories		57.8	35.5	45.3
Trade and other receivables		182.2	132.3	130.9
Other financial assets		1.0	0.3	0.1
Income tax receivable		–	1.1	–
Cash and cash equivalents		15.2	9.1	27.3
		256.2	178.3	203.6
Assets held for sale		–	–	4.8
Total assets		786.4	484.2	696.6
Equity and liabilities				
Issued capital	12	(43.2)	(43.2)	(43.2)
Share premium	12	(2.5)	(2.5)	(2.5)
Own shares	12	5.9	0.3	10.3
Share scheme reserve	12	(6.4)	(4.9)	(5.3)
Hedging reserve	12	(9.3)	0.5	(1.9)
Translation reserve	12	(18.6)	–	(2.9)
Retained earnings	12	51.4	87.3	41.2
Total equity	12	(22.7)	37.5	(4.3)
Non-current liabilities				
Interest bearing loans and borrowings		(459.5)	(297.8)	(417.8)
Deferred tax liabilities		(37.6)	(17.5)	(32.0)
Pension liability		(14.2)	(16.8)	(14.7)
Other financial liabilities		(0.3)	–	(3.4)
Other non-current liabilities		(1.2)	–	(1.2)
		(512.8)	(332.1)	(469.1)
Current liabilities				
Trade and other payables		(234.2)	(166.5)	(203.2)
Interest bearing loans and borrowings		(9.5)	(21.1)	(13.1)
Other financial liabilities		–	(2.0)	(0.3)
Income tax payable		(7.2)	–	(6.6)
		(250.9)	(189.6)	(223.2)
Total liabilities		(763.7)	(521.7)	(692.3)
Total equity and liabilities		(786.4)	(484.2)	(696.6)

*Restated following the update of the fair value allocation of Britvic Ireland.

Consolidated Statement of Cash Flows

For the 28 weeks ended 13 April 2008

	(Unaudited) 28 Weeks Ended 13 April 2008 £m	(Unaudited) 28 Weeks Ended 15 April 2007 £m	(Audited) 52 Weeks Ended 30 September 2007 £m
Cash flows from operating activities			
Profit before tax	7.1	10.3	55.6
Net finance charge	14.2	9.1	18.7
Impairment of property, plant and equipment	1.7	–	–
Depreciation	17.8	19.2	36.8
Amortisation	4.3	2.0	5.7
Share based compensation less cash paid	4.0	3.7	4.7
Net pension charge less contributions	(11.1)	(9.4)	(14.9)
(Increase)/decrease in inventory	(10.2)	(3.8)	0.6
(Increase)/decrease in trade and other receivables	(46.9)	(32.7)	1.3
Increase in trade and other payables	33.8	21.1	9.1
Loss on disposal of property, plant and equipment	1.7	2.8	0.4
Income tax received/(paid)	1.6	(7.1)	(11.8)
Net cash flows from operating activities	18.0	15.2	106.2
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	4.8	–	9.9
Interest received	0.1	0.8	0.9
Purchase of property, plant and equipment	(13.9)	(11.8)	(20.7)
Purchase of intangible assets	(3.7)	(2.5)	(5.5)
Acquisition of subsidiary net of cash acquired	(6.8)	–	(160.6)
Net cash flows used in investing activities	(19.5)	(13.5)	(176.0)
Cash flows from financing activities			
Finance costs	(0.1)	(0.8)	(0.7)
Interest paid	(13.7)	(11.8)	(21.2)
Interest bearing loans received	131.4	321.6	551.6
Interest bearing loans repaid	(110.4)	(302.5)	(419.4)
Purchase of own shares	(3.0)	(3.2)	(10.2)
Dividends paid to equity shareholders	(16.6)	(15.1)	(22.2)
Net cash flows used in financing activities	(12.4)	(11.8)	77.9
Net (decrease)/increase in cash and cash equivalents	(13.9)	(10.1)	8.1
Cash and cash equivalents at beginning of period	27.3	19.2	19.2
Exchange rate differences	1.8	–	–
Cash and cash equivalents at end of period	15.2	9.1	27.3

Consolidated Statement of Recognised Income and Expense

For the 28 weeks ended 13 April 2008

	(Unaudited) 28 Weeks Ended 13 April 2008 £m	(Unaudited) 28 Weeks Ended 15 April 2007 £m	(Audited) 52 Weeks Ended 30 September 2007 £m
Actuarial gain on defined benefit pension scheme	0.5	39.6	61.3
Current tax on additional pension contributions	2.8	3.0	3.0
Deferred tax on pension balance	(2.8)	(14.9)	(21.4)
Movement in cash flow hedges net of deferred tax	7.4	0.1	2.3
Deferred tax on share options granted to employees	–	(0.3)	1.1
Current tax on share options exercised	–	0.4	1.6
Exchange differences on translation of foreign operations	15.7	–	2.9
Current tax on exchange movement on foreign borrowings	2.5	–	–
Net income recognised directly in equity attributable to equity shareholders	26.1	27.9	50.8
Profit for the period	4.9	6.9	42.5
Total recognised income for the period attributable to equity shareholders	31.0	34.8	93.3

Notes to the Financial Information

For the period ended 13 April 2008

1. General information

Britvic plc (the 'Company', the 'Group') is a public limited company, incorporated and domiciled in the United Kingdom. The address of the registered office is: Britvic plc, Britvic House, Broomfield Road, Chelmsford, Essex CM1 1TU.

The Company is listed on the London Stock Exchange.

These interim financial statements do not constitute statutory accounts as defined by Section 240 of the Companies Act 1985. These have been reviewed but not audited by the Group's auditors. The statutory accounts for Britvic plc for the 52 weeks ended 30 September 2007, which were prepared under International Financial Reporting Standards ('IFRS'), have been delivered to the Registrar of Companies. The auditors' opinion on those accounts was unqualified and did not contain a statement made under section 237 (2) or (3) of the Companies Act 1985.

The interim financial statements were authorised for issue on 20 May 2008.

2. Basis of preparation

These interim financial statements comprise the consolidated balance sheet as at 13 April 2008 and related consolidated income statement, consolidated cash flow statement, consolidated statement of recognised income and expense and the related notes 1 to 14 for the 28 weeks then ended of Britvic plc ('financial information'). This financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with the International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the European Union.

3. Accounting policies

This financial information has been prepared using the principal accounting policies as set out in pages 45–52 of the Group's annual financial statements for the 52 weeks ended 30 September 2007, except for the adoption of new standards and interpretations as noted below.

The following new standard is mandatory for the first time for the year ended 28 September 2008:

- IFRS 7 'Financial Instruments Disclosures' (effective for annual accounting periods beginning on or after 1 January 2007) and the complementary amendment to IAS 1 'Presentation of financial statements – capital disclosures'. IFRS 7 introduces new disclosures relating to financial instruments. As this interim financial information contains only condensed financial statements, full IFRS 7 disclosures are not required at this stage. The full IFRS 7 disclosures, including the sensitivity analysis to market risk and capital disclosures, will be given in the annual financial statements.

The following new interpretations are mandatory for the first time for the 52 weeks ended 28 September 2008 but have had no effect on the interim financial statements:

- IFRIC 10 'Interim financial reporting and impairments' (effective for annual periods beginning on or after 1 November 2006)
- IFRIC 11 'IFRS 2 – Group and treasury share transactions' (effective for annual periods beginning on or after 1 March 2007)
- IFRIC 14 'IAS 19 – The limit on defined a benefit asset, minimum funding requirements and their interaction' (effective for annual periods beginning on or after 1 January 2008)

4. Seasonality of operations

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

5. Segmental reporting

Following the acquisition of Britvic Ireland in the prior year, the Directors now consider that the Group's primary reporting segment is geographical, as this is the basis on which the Group is organised and managed. The geographical segments are: United Kingdom excluding Northern Ireland ('GB') and Republic of Ireland & Northern Ireland ('ROI & NI').

Analysis by geography:

	GB £m	ROI & NI £m	Total £m
28 weeks ended 13 April 2008			
Gross revenue	356.2	99.6	455.8
Less: Inter-segment revenue	(1.1)	–	(1.1)
Revenue	355.1	99.6	454.7
Operating profit before exceptional items	28.9	2.5	31.4
Operating profit/(loss) after exceptional items	24.2	(2.9)	21.3
28 weeks ended 15 April 2007			
Revenue	353.6	–	353.6
Operating profit before exceptional items	24.2	–	24.2
Operating profit after exceptional items	19.4	–	19.4
52 weeks ended 30 September 2007			
Revenue	702.5	13.8	716.3
Operating profit before exceptional items	79.2	0.8	80.0
Operating profit after exceptional items	74.7	(0.4)	74.3

All activities relate to continuing operations.

6. Exceptional items before finance income/costs and taxation

Exceptional items are those items of financial performance that Britvic plc believes should be separately disclosed by virtue of their nature and size to allow shareholders to understand better the elements of financial performance in the period so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

		28 Weeks Ended 13 April 2008 £m	28 Weeks Ended 15 April 2007 £m	52 Weeks Ended 30 September 2007 £m
Cost of incentive schemes directly associated with the flotation	(a)	(1.7)	(1.9)	(3.3)
Restructuring costs	(b)	(3.9)	(1.8)	(8.1)
Returnable bottle impairment in GB	(c)	(0.7)	(1.1)	(2.1)
Profit on sale of property, plant and equipment	(d)	–	–	3.4
Acquisition costs for the purchase of Britvic Ireland	(e)	(2.1)	–	(1.2)
Pension curtailment gain	(f)	–	–	5.6
IT equipment impairment	(g)	(1.7)	–	–
Operating exceptional costs		(10.1)	(4.8)	(5.7)

- a) Cost of incentive schemes directly associated with the flotation include all-employee share schemes and management incentives. The cost relates to a transitional award granted to members of both the senior leadership team and senior management team shortly after flotation, the purpose of which was to compensate these individuals for the loss of existing long-term incentive bonuses which were discontinued upon flotation.
- b) Restructuring costs include the costs of major restructuring programmes. Principally these are redundancy costs relating to the forthcoming closure of one of the factories in the Britvic Ireland business. Other costs relate to redundancy costs and advisors' fees incurred in the outsourcing of both the secondary distribution network and the delivery and remanufacture of vending and chiller equipment to external providers.
- c) Returnable bottle impairment in GB relates to a write-down of inventories for returnable glass bottle stocks which have become redundant due to the move to non-returnable bottles in the GB segment.
- d) No items in the period.
- e) Acquisition costs for the purchase of Britvic Ireland relate to the costs incurred in acquiring the business which cannot be included in the cost of the business combination and therefore cannot be capitalised. In the current period these costs principally relate to compensation paid to a distributor formerly used in Ireland prior to the acquisition of Britvic Ireland.
- f) No items in the period.
- g) The IT equipment impairment has been triggered by the Group entering into a lease to upgrade its IT infrastructure in order to support the integration of Britvic Ireland and further growth in Britvic GB. As a result of the lease, some of the Group's existing IT equipment has been de-commissioned and has therefore been written down to nil value in the current period.

7. Business combination

On 29 August 2007, the Group acquired Britvic Ireland for a cash consideration of €255.7m (translated at £173.3m).

The initial fair value/acquisition accounting for Britvic Ireland was determined provisionally in the financial statements for the 52 weeks ended 30 September 2007. The fair value adjustments have now been updated and are shown in the table below. In accordance with IFRS 3, adjustments to the fair value of assets acquired and liabilities assumed can be made during the twelve months from the date of acquisition. The fair values shown below are still provisional and may be updated until 29 August 2008. The comparatives for the 52 weeks ended 30 September 2007 have been adjusted in these financial statements to reflect these updated fair values accordingly.

The difference between the fair value of the consideration paid and the fair value of the identifiable net assets acquired is recognised as goodwill. Included in goodwill recognised are certain intangible assets that cannot be individually separated and reliably measured due to their nature. These items include the favourable market presence which Britvic Ireland enjoys and an assembled workforce.

The sterling carrying value shown of the net assets acquired shown in the table below has been calculated using the exchange rate on the date of acquisition which was £1: €1.4758.

	Book value €m	Provisional fair value adjustments* €m	Change to provisional fair value adjustments €m	Updated carrying value €m	Updated carrying value £m
Intangible assets	–	132.9	(5.1)	127.8	86.6
Property, plant and equipment	57.0	(0.2)	3.2	60.0	40.7
Inventories	18.5	1.8	–	20.3	13.8
Trade and other receivables	46.9	(2.4)	1.5	46.0	31.2
Cash and cash equivalents	8.8	–	–	8.8	5.9
Trade and other payables	(55.0)	(1.2)	–	(56.2)	(38.0)
Pension liability	(18.2)	(5.1)	–	(23.3)	(15.8)
Deferred tax asset/(liability)	5.0	(13.0)	(2.8)	(10.8)	(7.3)
Current taxation liabilities	(2.5)	0.5	–	(2.0)	(1.4)
Net assets acquired	60.5	113.3	(3.2)	170.6	115.7
Purchased goodwill				85.1	57.6
Total cost of investment satisfied by cash consideration				255.7	173.3
Net cash outflow arising on acquisition of shares in Britvic Ireland					
Cash consideration					173.3
Cash and cash equivalents acquired					(5.9)
Cash flow on acquisition of shares in Britvic Ireland net of cash acquired					167.4

*As previously reported in the financial statements for the 52 weeks ended 30 September 2007.

7. Business combination (continued)

A description of each of the significant fair value adjustments is given below:

- Intangible assets – an assessment has identified the following classes of intangible assets: franchise arrangements, customer lists and brand names. The valuation assigned to each class, and useful economic lives of intangibles, have been determined as at the date of acquisition based on the Britvic Group's accounting policies.
- Property, plant and equipment – the assets held have been assessed based on market values of land and buildings and an impairment review of plant and machinery has been performed.
- Inventories – alignment to Britvic Group's accounting policies in respect of the basis of inventory provisions and categorisation of assets.
- Trade and other receivables – alignment with Britvic Group's accounting policy to write off marketing costs as incurred.
- Trade and other payables – alignment with Britvic Group's accounting policy to recognise a holiday pay accrual.
- Pension liability – a valuation of the pension liabilities in respect of the two schemes relating to the business has been provided by a qualified actuary.
- Deferred tax liability – recognition of deferred tax assets/liabilities in respect of the other fair value adjustments.

8. Taxation

The tax charge on profit before tax, excluding the impact of exceptional items has been calculated using an estimated effective rate of 24.1% (28 weeks ended 15 April 2007: 28.2%).

Tax charge by region

	28 Weeks Ended 13 April 2008 £m	28 Weeks Ended 15 April 2007 £m	52 Weeks Ended 30 September 2007 £m
UK	0.5	1.3	8.3
Foreign	1.7	2.1	4.8
Total	2.2	3.4	13.1

Split of tax charge/(credit)

	28 Weeks Ended 13 April 2008 £m	28 Weeks Ended 15 April 2007 £m	52 Weeks Ended 30 September 2007 £m
Current tax	3.9	4.3	16.3
Deferred tax	(1.7)	(0.9)	(3.2)
Total	2.2	3.4	13.1

Included in the above tax charge for the 28 weeks ended 13 April 2008 is a tax credit on exceptional items of £2.0m (credit of £0.9m for the 28 weeks ended 15 April 2007).

In June 2007 the UK Government enacted legislation that reduced the UK corporation tax rate to 28% with effect from 1 April 2008. This reduced rate is factored into the estimated effective tax rate and all deferred tax assets and liabilities have been restated at 28%.

9. Earnings per share

	28 Weeks Ended 13 April 2008 £m	28 Weeks Ended 15 April 2007 £m	52 Weeks Ended 30 September 2007 £m
Basic earnings per share			
Net profit attributable to ordinary shareholders	4.9	6.9	42.5
Weighted average number of ordinary shares in issue for basic earnings per share	214.0	215.5	215.5
Basic earnings per share	2.3p	3.2p	19.7p
Diluted earnings per share			
Net profit attributable to ordinary shareholders	4.9	6.9	42.5
Weighted average number of ordinary shares in issue for diluted earnings per share	217.7	218.1	218.1
Diluted earnings per share	2.2p	3.2p	19.5p
Basic earnings per share for pre-exceptional earnings			
Net profit attributable to ordinary shareholders	4.9	6.9	42.5
Add: Net impact of exceptional items	8.1	4.0	1.5
Net profit for the period attributable to ordinary shareholders (before exceptional items)	13.0	10.9	44.0
Weighted average number of ordinary shares in issue for basic earnings per share	214.0	215.5	215.5
Basic earnings per share for pre-exceptional earnings	6.1p	5.0p	20.4p
Diluted earnings per share for pre-exceptional earnings			
Net profit attributable to ordinary shareholders (before exceptional items)	13.0	10.9	44.0
Weighted average number of ordinary shares in issue for diluted earnings per share	217.7	218.1	218.1
Diluted earnings per share for pre-exceptional earnings	6.0p	5.0p	20.2p

10. Property, plant and equipment

Acquisitions and disposals

During the 28 week period ended 13 April 2008, the Group acquired assets with a cost of £13.9m (30 September 2007: £20.7m).

Assets with a net book value of £6.5m were disposed of by the Group during the 28 weeks ended 13 April 2008 (30 September 2007: £10.3m) resulting in a net loss on disposal of £1.7m (30 September 2007: £0.4m).

11. Financial instruments

Cash flow hedges

At 13 April 2008, the Group held 20 (30 September 2007: 27) US dollar and 6 (30 September 2007: 21) euro forward exchange contracts designated as hedges of expected future purchases from overseas suppliers in US dollars and euros which the Group believe to be 'highly probable' transactions. The forward currency contracts are being used to hedge the foreign currency risk of these 'highly probable' transactions. The cash flow hedges of the expected future purchases were assessed to be highly effective and, as at 13 April 2008, a net unrealised gain of £1.2m (30 September 2007: unrealised gain of £0.2m) with a related deferred tax charge of £0.3m (30 September 2007: £nil) has been included in equity in respect of these contacts.

The Group also has currency swaps whereby fixed/floating US dollar interest is swapped for fixed sterling interest. These swaps hedge the US Private Placement Notes issued in the prior financial period. The swap contracts have the same duration and other critical terms as the borrowings they hedge and have been assessed to be highly effective as at 13 April 2008. A net unrealised gain of £9.1m (30 September 2007: unrealised gain of £3.0m) with a related deferred tax charge of £2.6m (30 September 2007: deferred tax charge of £0.9m) has been included in equity in respect of these contracts.

12. Reconciliation of movements in equity

	Called up share capital £m	Share premium account £m	Own Shares £m	Share scheme reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total £m
At 1 October 2007	43.2	2.5	(10.3)	5.3	1.9	2.9	(41.2)	4.3
Total recognised income and expense for the period	–	–	–	–	7.4	15.7	7.9	31.0
Own shares issued for share schemes	–	–	4.4	(2.9)	–	–	(1.5)	–
Movement in share based schemes	–	–	–	4.0	–	–	–	4.0
Payment of dividend	–	–	–	–	–	–	(16.6)	(16.6)
At 13 April 2008	43.2	2.5	(5.9)	6.4	9.3	18.6	(51.4)	22.7
	Called up share capital £m	Share premium account £m	Own Shares £m	Share scheme reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total £m
At 2 October 2006	43.2	2.5	(0.5)	4.5	(0.4)	–	(107.0)	(57.7)
Total recognised income and expense for the period	–	–	–	–	(0.1)	–	34.9	34.8
Own shares purchased for share schemes	–	–	(3.2)	–	–	–	–	(3.2)
Own shares issued for share schemes	–	–	3.4	–	–	–	(3.4)	–
Movement in share based schemes	–	–	–	0.4	–	–	3.3	3.7
Payment of dividend	–	–	–	–	–	–	(15.1)	(15.1)
At 15 April 2007	43.2	2.5	(0.3)	4.9	(0.5)	–	(87.3)	(37.5)

The movement in the translation reserve arises on the translation of the Irish business from euro into sterling on consolidation. The movement in the euro/sterling exchange rate in the period has particularly impacted the translation of the intangible assets recognised as part of the fair value adjustments on acquisition of Britvic Ireland. It has also given rise to a significant exchange movement on borrowings the Group has denominated in euro.

13. Post balance sheet events

On 18 April 2008, the Group entered into a consultation process with certain employees regarding the proposed closure of one of its factories.

14. Pensions

Following a 60 day employee consultation period that started on 4 February 2008, the Britvic Pension Plan will change with effect from 1 July 2008. The key changes are detailed below.

Defined benefit section

- The pension accrual rate will reduce from 1/60 to 1/90 for each year of future service membership for employee members.
- A proportionate one third reduction for each year of future service membership for all Executive members.
- Increases to pensions in payment for pension earned for membership from 1 July 2008 will be in line with the Retail Prices Index up to 2.5% each year.

Defined contribution section

- The Company contribution rate for future service will be 1.5 times employee contributions for employee members.
- A proportionate increase for Executive members.

It is unlikely that the proposed changes will have a material effect on Britvic's future pension scheme obligations.

Investor Information

Dividend

The Directors have declared an interim dividend for 2008 of 3.8p per share, payable on 4 July 2008 to shareholders on the register on 30 May 2008.

Dividend mandate

Shareholders who wish dividends to be paid directly into a bank or building society account should contact the Registrar for a dividend mandate form or the form can be downloaded from the Company's website <http://britvic.com/InvDividends.aspx>

This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

Dividend Reinvestment Plan (DRIP)

Shareholders can now choose to reinvest dividends received to purchase further shares in the Company through a DRIP. A DRIP application form is available via the Registrar or for download from the Company's website <http://britvic.com/InvDividends.aspx>

Share dealing services

Equiniti, the Company's Registrar, offer a telephone and internet dealing service, Shareview, which provides a simple and convenient way of buying and selling shares. For telephone dealing call 08456 037 037 between 8.30am and 4.30pm, Monday to Friday, and for internet dealing log on to www.shareview.co.uk/dealing

Individual Savings Accounts (ISAs)

ISAs in Britvic plc ordinary shares are available through the Registrar. Further information may be obtained through their ISA Helpline, telephone 0871 384 2244.

Corporate Responsibility Report

Britvic plc has published its first online CR Report which is available on the Company's website and can be downloaded directly by visiting <http://britvic.com/CorpResponsibility.aspx>. If you do not have access to the internet and would like a printed copy, please call or write to the Consumer Care Department at the registered office address below.

Contacts

The Company Secretary is John Price. The registered office is Britvic House, Broomfield Road, Chelmsford CM1 1TU, telephone 01245 261871, fax 01245 504435, website www.britvic.com

Further copies of this Report are available from the Company's registered office or may be accessed through the Company's website <http://britvic.com/InvReports.aspx>

The Company's Registrar is Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone 0871 384 2550* (UK callers) +44 121 415 7047 (non-UK callers).

*For those with hearing difficulties, a textphone is available on 0870 600 3950 for UK callers with compatible equipment. Calls to 0871 numbers are charged at 8p per minute from a BT landline. Other telephony provider costs may vary.

Forward-looking statement

The interim report includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of Britvic and the Group to be materially different from any future results, performance or achievements express or implied by such forward-looking statements. Shareholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this interim report. 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 of this document.

Glossary

Advertising and promotional expenditure expenditure which includes brand-specific advertising and promotion costs but excludes the costs of promotional discounts and account development expenditure.

Better for you a consumer trend to seek soft drinks which are perceived to be 'better for you'.

Business Transformation Programme the phased replacement of all of the Group's major IT systems together with a re-engineering of many of the Group's key business processes.

Carbonates a soft drink category where the drink is made predominantly from carbonated water and to which juice or flavourings have been added (for example, cola, lemonade and fruit flavoured carbonates).

Consumer people who drink soft drinks.

Customer take-home outlets (e.g. supermarkets) and on-premise outlets (e.g. pubs) that sell soft drinks.

EBITDA operating profit before exceptional items, depreciation, amortisation and any gain or loss on disposal of fixed assets.

Free cash flow net cash flow excluding movements in borrowings, dividend payments and non-cash exceptional items.

IFRS International Financial Reporting Standards.

Impulse the channel within the take-home market that includes convenience stores, petrol station forecourts, off-licences, independent grocers and confectionery, tobacco, and news retailers.

Licensed on-trade the channel within the on-premise market that includes pubs, clubs and bars.

On-premise the route to market for soft drinks suppliers that includes the licensed on-trade and leisure and catering channels.

PET Polyethylene Terephthalate a type of plastic used to make soft drinks bottles.

Pure juice non-carbonated 100% pure juice or juice blend.

Product Value Optimisation a programme of initiatives designed to reduce the cost of products whilst maintaining consumer and customer satisfaction.

Soft drinks drinks containing less than 1.2% alcohol, which are predominantly served cold, including pure juices, fruit drinks, functional drinks, water, dairy drinks and flavoured carbonated drinks but excluding milk.

Squash cordial or syrup to be diluted prior to consumption.

Stills a soft drink category where the drink is non-carbonated and which may be fruit or non-fruit flavoured (for example, pure juice, squash and fruit drinks).

Take-home the route to market for soft drinks suppliers which includes the grocery multiples, impulse and wholesalers.

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