



# INTERIM RESULTS

2008







# Financial Headlines

	<i>H108 £'m</i>	<i>H107 £'m</i>	<i>% change</i>
<b>Revenue</b>	<b>454.7</b>	<b>353.6</b>	<b>28.6</b>
<b>EBIT</b>	<b>31.4</b>	<b>24.2</b>	<b>29.8</b>
<b>EBIT Margin</b>	<b>6.9%</b>	<b>6.8%</b>	<b>10bps</b>
<b>Profit after tax</b>	<b>13.0</b>	<b>10.9</b>	<b>19.3</b>
<b>Free cash flow</b>	<b>(10.5)</b>	<b>(12.2)</b>	<b>13.9</b>
<b>Net debt</b>	<b>(453.8)</b>	<b>(309.8)</b>	<b>(46.5)</b>
<b>Basic earnings per share</b>	<b>6.1p</b>	<b>5.0p</b>	<b>22.0</b>
<b>Dividend per share</b>	<b>3.8p</b>	<b>3.3p</b>	<b>15.2</b>

**Strong conversion of top-line growth into profit**

Note: All numbers are before exceptional costs

## Summary H108 – EBIT

	<i>H108 £'m</i>	<i>H107 £'m</i>	<i>% change</i>
<b>Branded Volume (million litres)</b>	<b>834.4</b>	<b>696.2</b>	<b>19.9</b>
<b>Branded ARP</b>	<b>51.0p</b>	<b>50.8p</b>	<b>0.4</b>
<b>Total Revenue</b>	<b>454.7</b>	<b>353.6</b>	<b>28.6</b>
<b>Brand Contribution</b>	<b>176.1</b>	<b>148.0</b>	<b>19.0</b>
<b>Non-brand A&amp;P</b>	<b>(4.5)</b>	<b>(4.4)</b>	<b>(2.3)</b>
<b>Fixed Supply Chain</b>	<b>(46.9)</b>	<b>(34.2)</b>	<b>(37.1)</b>
<b>Selling Costs</b>	<b>(53.1)</b>	<b>(46.5)</b>	<b>(14.2)</b>
<b>Overhead and Other Costs</b>	<b>(40.2)</b>	<b>(38.7)</b>	<b>(3.9)</b>
<b>Total Fixed Costs</b>	<b>(144.7)</b>	<b>(123.8)</b>	<b>(16.9)</b>
<b>EBIT</b>	<b>31.4</b>	<b>24.2</b>	<b>29.8</b>
<b>EBIT Margin</b>	<b>6.9%</b>	<b>6.8%</b>	<b>10bps</b>

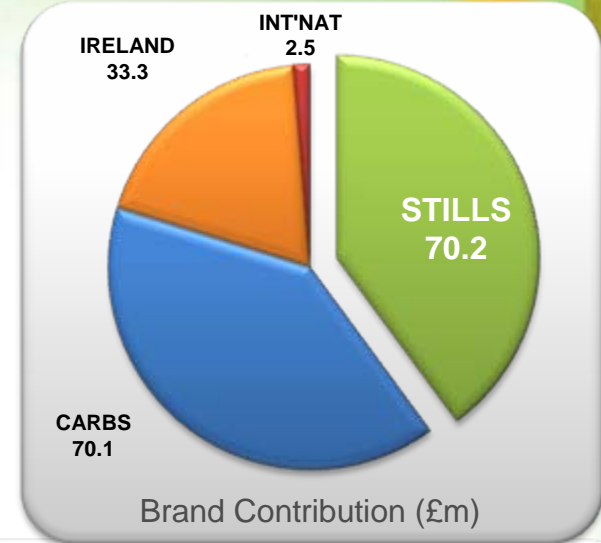
**Effective cost control leads to further margin enhancement**

Note: all numbers are before exceptional costs. Volume and ARP do not include 3rd-party drinks sales in Ireland.



# Stills

	<i>H108 £'m</i>	<i>H107 £'m</i>	<i>% Change</i>
Volume (million litres)	232.0	219.0	5.9
ARP per litre (pence)	69.7	71.9	(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



## 🍊 Strong volume and revenue performance driven by:

- Robinsons squash
- Fruit Shoot
- Drench

## 🍊 ARP impacted by product and channel mix

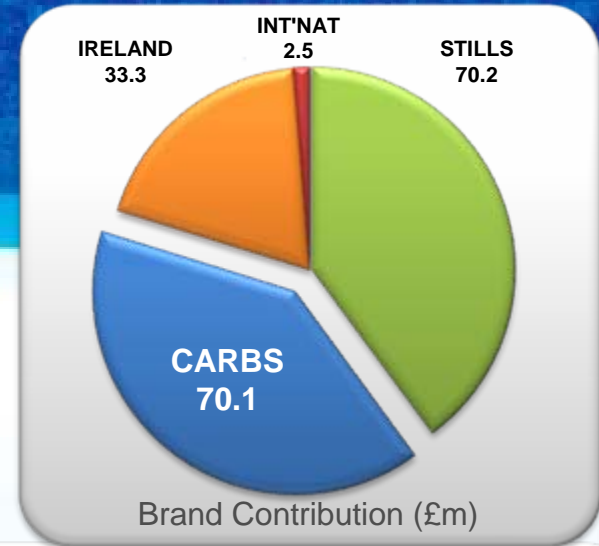
## 🍊 Margin in line with expectations:

- Distribution costs moving from fixed to variable
- Proportionally more A&P spend

**Continuing outperformance of the market**

# Carbonates

	<i>H108</i> £'m	<i>H107</i> £'m	% Change
Volume (million litres)	461.0	460.0	0.2
ARP per litre (pence)	40.2	40.1	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

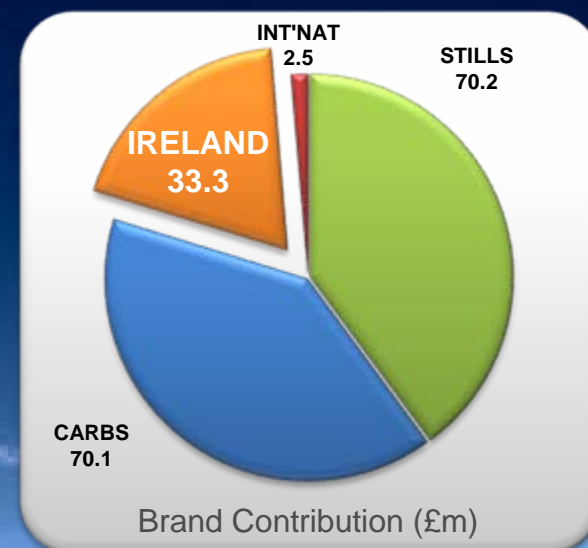


- ◆ **Marginal volume and revenue growth affected by the market downturn in Licensed On-Premise**
- ◆ **Marginal ARP growth**
  - ◆ Impact of channel mix
  - ◆ Limited number of price increases
- ◆ **Margin pressure due to:**
  - ◆ Higher overall direct costs +4.2%
  - ◆ Includes distribution costs moving from fixed to variable

**Innovation to drive further growth in H2**

# Britvic Ireland

	<i>H108 £'m</i>	<i>FY to Feb 07 £'m</i>
Volume (million litres)	129.8	266.0
ARP per litre (pence)	54.1	54.0
Revenue	99.5	208.1
Brand Contribution	33.3	74.0
Brand Contribution Margin	33.5%	35.6%
Fixed Costs	29.0	60.0
EBIT	4.3	14.0



- A strong grocery performance
- But a challenging environment in Licensed On-Premise remains
- Already achieved >€1m cost synergies to date
- €1m amortisation of intangible assets

**Good progress on synergies**

Note: Volume and ARP shown are for own-brand soft drinks sales only. The effect of the transfer of Irish trade from Britvic International to Britvic Ireland in March 2008 has been included in both columns (see March investor seminar). Figures translated at constant exchange rates. The Britvic Ireland trading entity is shown above and excludes the associated holding company, included within GB.



# International

	<i>H108</i> £'m	<i>H107</i> £'m	% Change
Volume (million litres)	11.6	9.9	17.2
ARP per litre (pence)	69.0	68.7	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



- ◆ **Excellent volume and revenue performance driven by:**
  - ◆ Strong distribution growth in the Nordic region
  - ◆ 41% revenue growth from Fruit Shoot in Holland
- ◆ **ARP driven by proportionally more sold in the Nordic region**
- ◆ **Margin increased by over 16%**
  - ◆ Market launch costs incurred in H107

**Strong growth in launch markets**

Note: The effect of the transfer of Irish trade from Britvic International to Britvic Ireland in March 2008 has been excluded in both columns (see March investor seminar)

## Overheads and other costs

	<i>H108 (GB &amp; Int'l) £'m</i>	<i>H108 (Ireland) £'m</i>	<i>H108 (group) £'m</i>	<i>H107 (GB &amp; Int'l) £'m</i>	<i>% Change (GB &amp; Int'l)</i>
<b>Non-brand A&amp;P</b>	<b>(4.5)</b>	<b>0.0</b>	<b>(4.5)</b>	<b>(4.4)</b>	<b>(2.3)</b>
<b>Total A&amp;P spend</b>	<b>(25.0)</b>	<b>(4.1)</b>	<b>(29.1)</b>	<b>(24.3)</b>	<b>(2.9)</b>
<b>A&amp;P as a % of net branded revenue</b>	<b>7.0%</b>	<b>6.2%</b>	<b>6.8%</b>	<b>6.9%</b>	<b>10bps</b>
<b>Fixed Supply Chain</b>	<b>(31.1)</b>	<b>(15.8)</b>	<b>(46.9)</b>	<b>(34.2)</b>	<b>9.1</b>
<b>Selling Costs</b>	<b>(45.6)</b>	<b>(7.5)</b>	<b>(53.1)</b>	<b>(46.5)</b>	<b>1.9</b>
<b>Overheads &amp; Other</b>	<b>(34.5)</b>	<b>(5.7)</b>	<b>(40.2)</b>	<b>(38.7)</b>	<b>10.9</b>
<b>Total</b>	<b>(115.7)</b>	<b>(29.0)</b>	<b>(144.7)</b>	<b>(123.8)</b>	<b>6.5</b>

**Continuing effective cost control**

Note: all numbers are before exceptional costs

	<i>H108 £'m</i>	<i>H107 £'m</i>	<i>% Change</i>
<b>EBIT</b>	<b>31.4</b>	<b>24.2</b>	<b>29.8</b>
<b>Interest</b>	<b>(14.2)</b>	<b>(9.0)</b>	<b>(57.8)</b>
<b>Profit before tax</b>	<b>17.2</b>	<b>15.2</b>	<b>13.2</b>
<b>Tax</b>	<b>(4.2)</b>	<b>(4.3)</b>	<b>2.3</b>
<b>Tax rate</b>	<b>24.1%</b>	<b>28.2%</b>	
<b>Profit after tax</b>	<b>13.0</b>	<b>10.9</b>	<b>19.3</b>

**Progressive earnings growth**

Note: all numbers are before exceptional costs

## Exceptional Items

		<i>H108 £'m</i>
Cash items	Restructuring costs	3.9
	Acquisition costs	2.1
Share items	Transitional Share Awards	1.7
Non-cash items	Returnable bottle impairment	0.7
	IT equipment impairment	1.7
Total exceptional items		10.1
Total exceptional items after tax		8.1

	<i>H108 £m</i>	<i>H107 £m</i>	<i>% change</i>
Operating Profit pre-exceptionals	31.4	24.2	29.8
Depreciation & Amortisation	23.8	24.0	(0.8)
EBITDA	55.2	48.2	14.5
Working capital	(31.4)	(16.5)	(90.3)
Capital Expenditure	(12.1)	(14.3)	15.4
Pension Contribution	(10.0)	(10.0)	0.0
Other	(12.2)	(19.6)	37.8
Free Cash Flow	(10.5)	(12.2)	13.9
Dividends	(16.6)	(15.1)	(9.9)
Net Cash Flow pre-exceptionals	(27.1)	(27.3)	0.7
Free Cash Flow post-exceptionals	(16.5)	(14.1)	(17.0)
Net Debt	(453.8)	(309.8)	(46.5)

**Strong Underlying Cash Management**

## **Additional revenue:**

- Total innovation this year, including V Water, to add ~1% of GB revenue
- 3-4m litres of incremental volume this year from new M&B contract

## **FY07 poor summer weather:**

- Estimated EBIT impact on FY07 of £6m (15m litres in stills; 10m litres in carbonates)
- Reduced costs in response – discretionary spend of c£5m

## **Brand Contribution margin:**

- In FY08 £2m ATL final savings from BTP (£1m achieved so far this year)
- 4% raw material inflation this year

## **Fixed Costs:**

- Outsourcing of secondary distribution network completed

## **Capital Expenditure:**

- £40-£45m gross (GB), continue to lease ~£5-6m per year

**EBIT margin growth this year of 10-15 bps (excl Ireland)**

**On track to meet our annual EBIT margin ambition**



## Track record of growth continues in:

- Volumes
- Revenue
- EBIT
- Free cashflow
- Earnings
- Dividends

## We recognise:

- A challenging Licensed On-Premise environment
- Continuing pressures in raw materials

## H2 growth driven by:

- Our innovation and product launch programme
- Stills category returning to mid single-digit growth
- Assumed average summer conditions

**A robust H1 with good prospects for H2 growth**



**PAUL MOODY**

**Chief Executive**



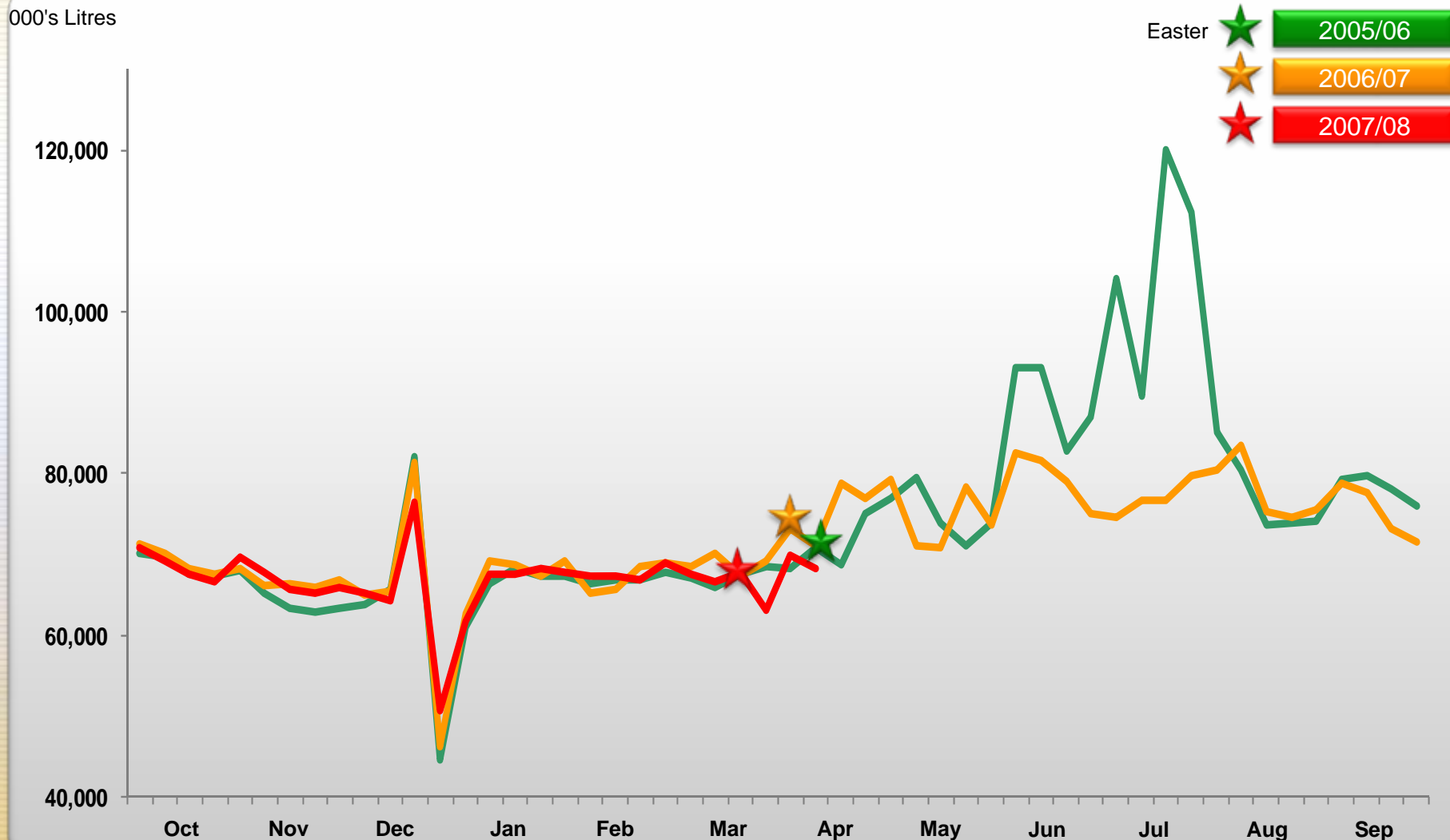
# Agenda



- **Market update and current trading**
- **Changes in consumer demands**
- **Driving profitable revenue**
  - **Core brands**
  - **Britvic International**
- **Britvic Ireland**
- **Efficiency and responsibility**
- **Summary**



# GB Stills Market Volume



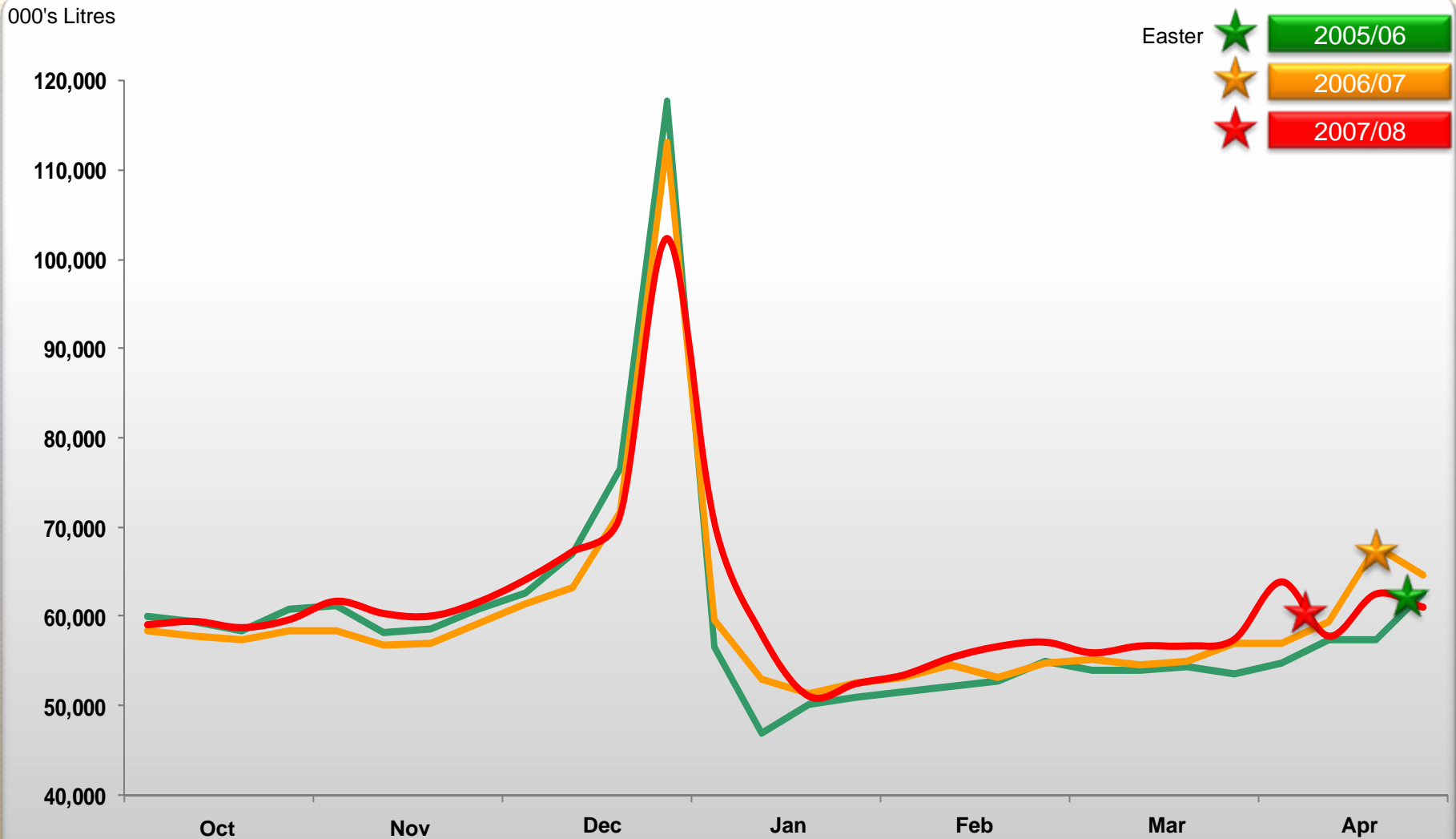
**Recategorisation of Sports drinks into Stills masks poor summer 07 effect**

# GB Stills Market Volume – excluding sports drinks



**Excluding sports drinks the poor weather effect is clearly visible**

# GB Carbonates Market Volume



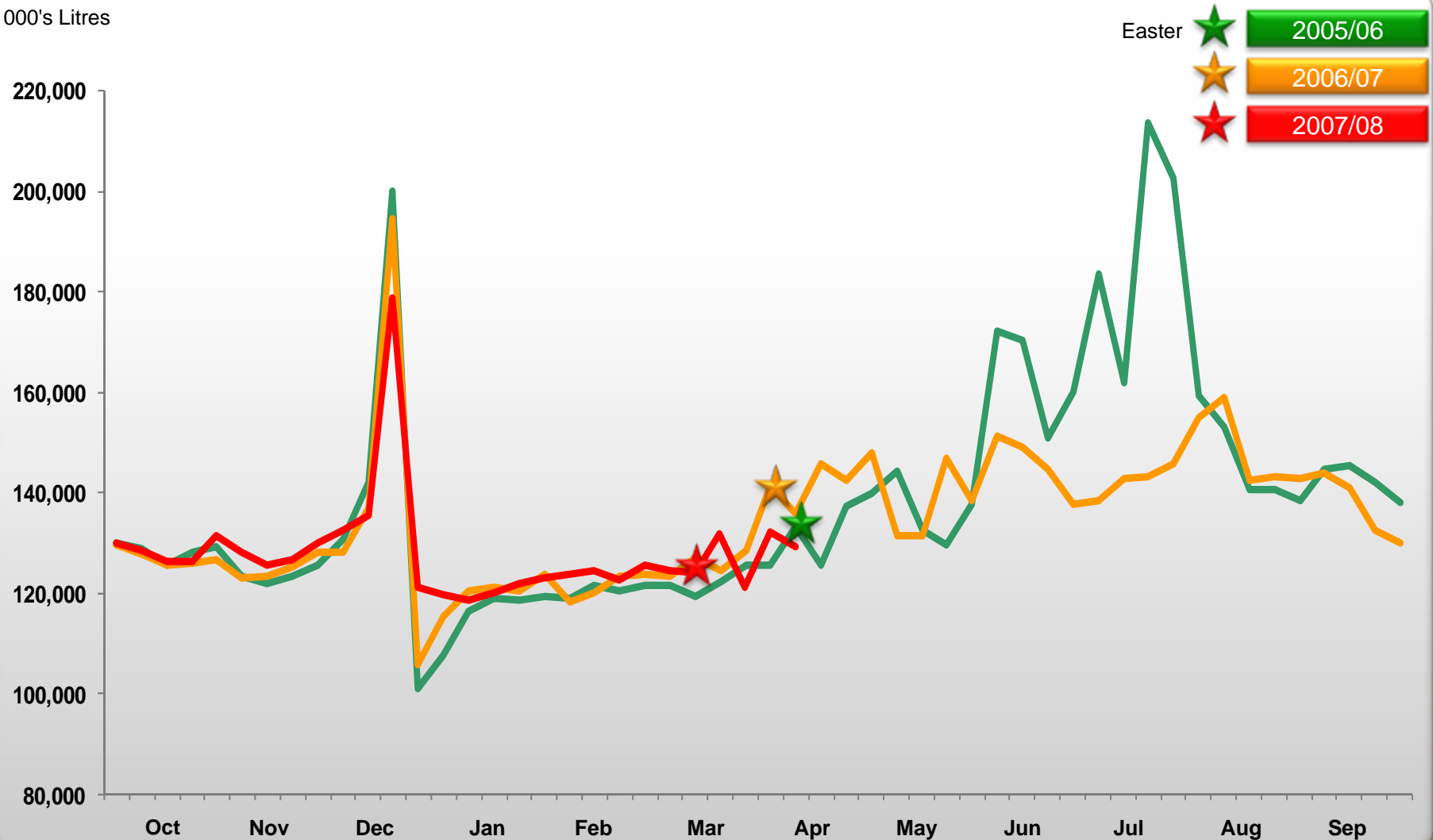
**Consistent growth of carbonate volumes throughout H1**

Source: AC Nielsen Scantrack April 2008: Take Home



# GB Soft Drinks Market Volume

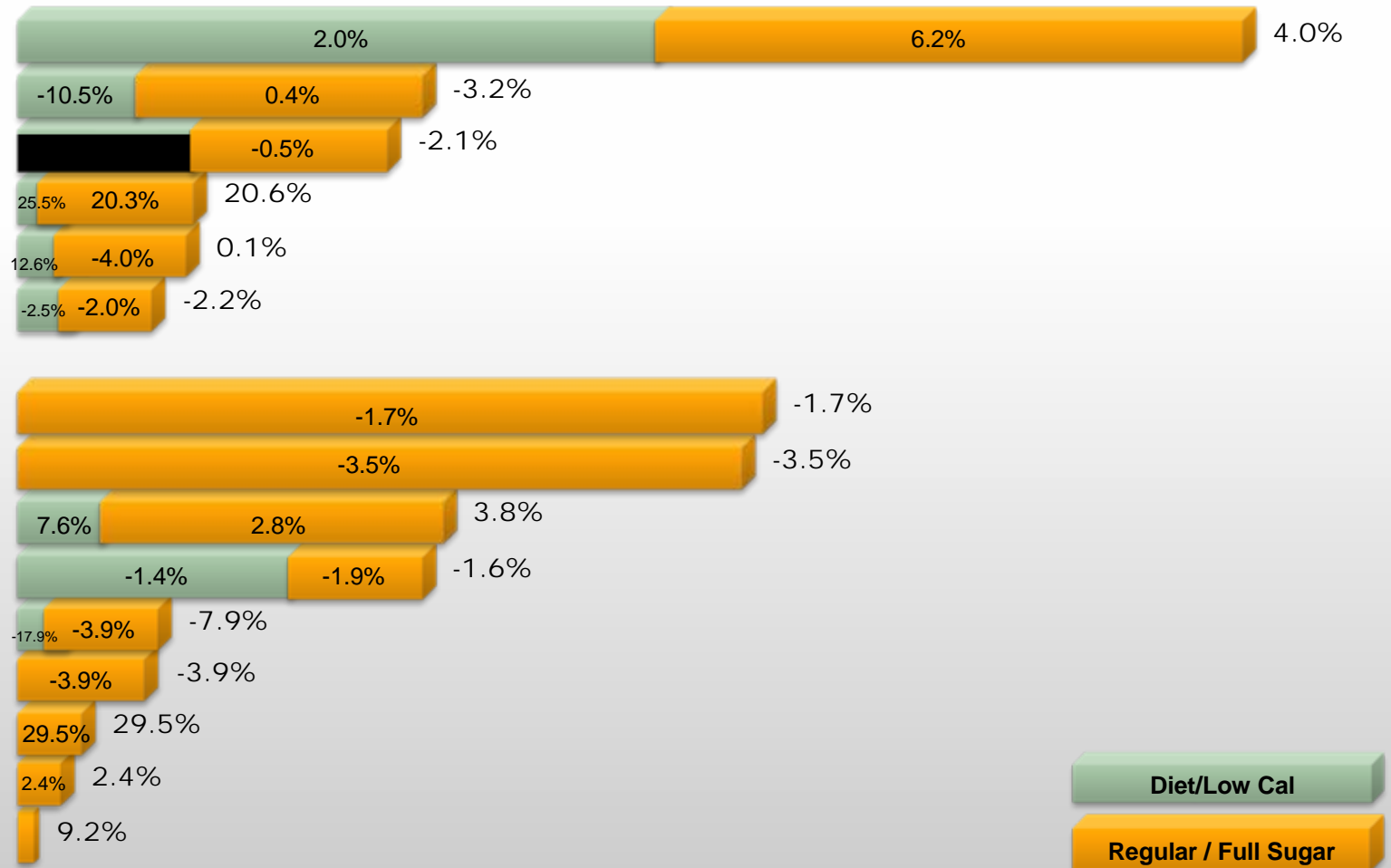
000's Litres



**Benefit from Easter dynamic not felt this year**

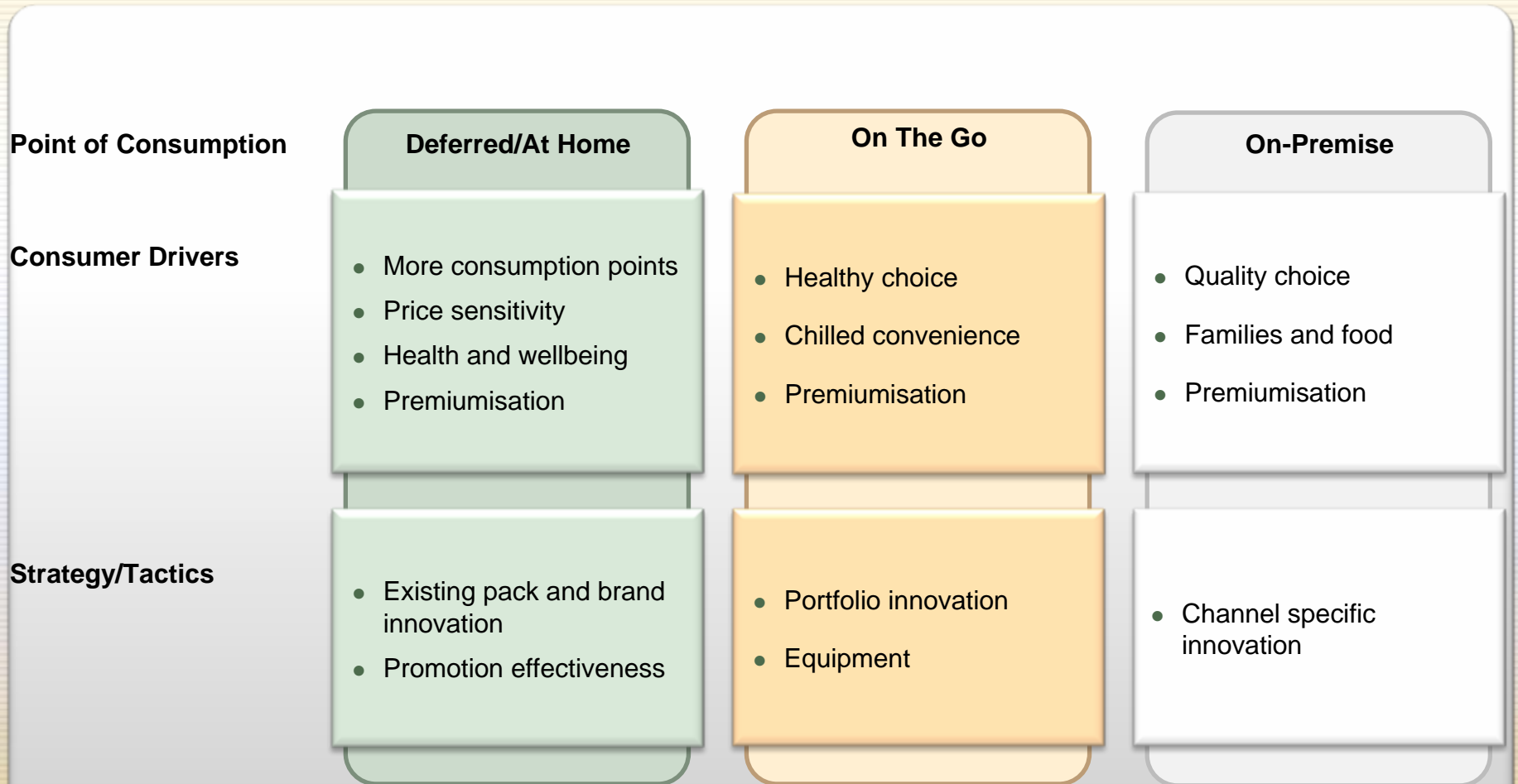
Source: AC Nielsen Scantrack April 2008: Take Home

# Relative Size of Categories & Growth – H108



**Improving picture for stills category in last six months**

# Changes in consumer demands present opportunities



**Growth strategies aligned to changing consumer demands**

# Driving Profitable Revenue : PEPSI

- **Competitive market place dominates Q1**

- Pepsi focus on value resulted in some loss in share
- Pepsi volume growth of 8.2% against cola market growth of 3.1% while maintaining value out-performance during last 12 weeks of the period\*

- **Key drivers of performance**

- A focus on market execution
- Distribution gains in Convenience & Impulse and Licensed On-Premise

- **Strong plans for H208 onwards**

- Revenue driving Innovation with Pepsi Raw and Pepsi Xtra Cold
- 'Max Kicks' – biggest ever Pepsi football themed consumer campaign



**Excellent market execution and distribution gains**



# The World's Number One Sports Drink

- Meeting our expectations
  - Rate of Sale
  - Distribution
- Wide distribution due to:
  - Power of the Gatorade brand in the trade
  - Our ability to get products into store quickly and efficiently
- Customer response very positive
  - Gatorade seen as having a high latent awareness that will drive trial
- £4m media campaign breaks in June



Gatorade strengthens our portfolio delivering a wider channel opportunity

**NOTHING WORKS BETTER**

REHYDRATE





## Fourth EBA with Pepsi in a high growth category – V WATER

- **Pepsi acquires V Water**

- Products are made with spring water with no artificials
- A focus on vitamins, herbs and hydration
- 6 variants in 500ml PET packs



There's something in the water™

- **Britvic signs a 15-year EBA to 2023**

- Develops our presence in the water plus category
- Plays perfectly to our health and wellbeing strengths
- In-house production by April 09

- **Our first entry into the fast growing functional water sub-category**

- US functional water sales growth of 131% in 2007\*



**Pepsi relationship enables closure of category gap within our portfolio**

\*Source: AC Nielsen US data



# Driving Profitable Revenue : ROBINSONS

- **Robinsons Squash strong performance against the market**
  - 3.7% growth against a squash category decline of (1.6%)\*
- **Key drivers of performance**
  - Impact from the 'no artificial colours or flavours' core range review
  - Successful first year of BBC Sports Personality of the Year event sponsorship
- **Strong plans for H208 onwards**
  - New summer long campaign celebrating the great taste of Robinsons squash
  - £3m spend incorporating new TV advertising, extensive sampling activity & digital support
  - £2.3m Wimbledon 2008 investment, supporting the 'great taste' message



**Robinsons continues to strengthen its market leading position**

# Driving Profitable Revenue : ROBINSONS FRUIT SHOOT

- **Fruit Shoot – in more households than any other kids' brand**
  - 15.1% growth against the juice drinks category growth of 3.8%\*
  - all-time highest penetration - over 5%pts ahead of closest competitor
- **Key drivers of performance**
  - Increased penetration - 700k new consumers to the brand due to:
    - Fruit Shoot core rate-of-sale increase
    - Fruit Shoot 100% TV and press campaign
- **Strong plans for H208 onwards**
  - Back on air with award-winning radio campaign to communicate 'no artificial colours or flavours'
  - Aggressive rate of sale drive in 'on-the-go' channels
  - Direct mail and sampling to recruit new users into Fruit Shoot 100%



**Fruit Shoot retains its position as the Number 1 kids' beverage brand\*\***

\*Source: AC Nielsen Scantrack: Take Home 28 weeks to WE 12.04.2008

\*\* Source: AC Nielsen Scantrack Take Home data to WE 22.03.08



# Driving Profitable Revenue : Britvic J2O

- **J2O maintains its leading position**
  - Growth of 7.5% against juice drinks category growth of 3.8%\*
- **Key flavour and format innovation contributing to strong performance**
  - Continued roll out of PET pack
  - Large packs for in-home hosting occasions – 12 pack driving distribution
- **Strong plans for H208 onwards**
  - Consolidate our position in Licensed On-Premise over the summer:
    - Drive new Apple & Blueberry variant distribution
    - glassware promotions, menu features, and display & staff incentives
  - Driving in-store presence in Take Home:
    - Apple & Blueberry sampling
    - BBQ aisle features and glass promotions



**The second largest bottled drink brand by value in Licensed\*\***

\*Source: AC Nielsen Scantrack: Take Home 28 weeks to WE 12.04.2008

\*\* Source: AC Nielsen On-Premise data to January 2008

# Driving Profitable Revenue : Fruit Shoot H2O

- **Fruit Shoot H2O achieves highest ever share of the kids' water plus market, at 55.1%**
  - Growth of 9.6% against water plus category decline of 7.8%\*
- **Key drivers of performance**
  - Continuing to maximise distribution
  - A positive response to the current marketing campaign
- **Strong plans for H208 onwards**
  - Summer investment focused on driving consumer penetration through:
    - national TV
    - cinema advertising
    - national sampling campaign
    - increased promotional support in-store



**Number 5 kids' beverage brand after only 18 months\*\***

\*Source: AC Nielsen Scantrack: Take Home 28 weeks to WE 12.04.2008

\*\*Source: AC Nielsen Scantrack Take Home data to WE 22.03.08

# Driving Profitable Revenue : Drench & Pennine Spring

- **Strong performance against the plain water market**
  - Drench growth of 102.4% and Pennine Spring growth of 3.0% against a market decline of 3.5%\*
- **Drench – a unique ‘mental hydration’ positioning**
  - Increased distribution
  - Scale launch into grocery multiples supported by:
    - aggressive brand launch programme of £5.5m
    - significantly expanded range of pack formats
- **Pennine Spring – a focus on Licensed On-Premise and Food Service channels**
  - Highest rate of purchase per point of distribution in the Licensed On-Premise channel



**Strong brand growth in the period**

\*Source: AC Nielsen Scantrack: Take Home 28 weeks to WE 12.04.2008

# Britvic International

- **Strong growth and increased investment in the Nordic region**

- Revenue growth of 95% in the period
- New listing for Robinsons increases distribution to 75%
- Launch of natural premium squash in Denmark

- **Fruit Shoot continues to deliver double digit growth in Holland**

- New tropical flavour launched in April
- Distribution now over 70%




- **New business gains**



Further expansion driven by Robinsons and Fruit Shoot

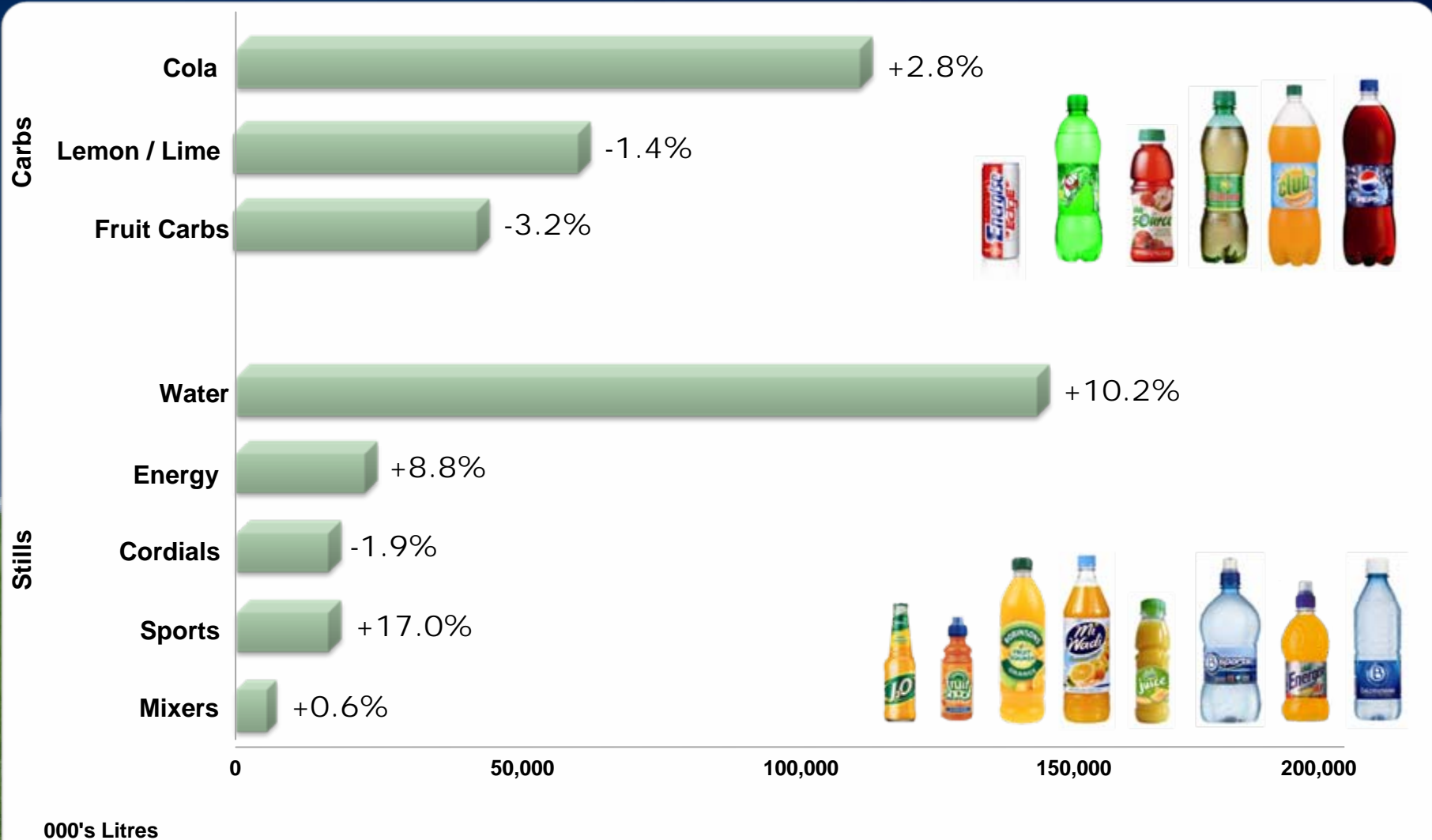


# Changes in consumer demands present opportunities

Point of Consumption	Deferred/At Home	On The Go	On-Premise
Consumer Drivers	<ul style="list-style-type: none"> <li>• More consumption points</li> <li>• Price sensitivity</li> <li>• Health and wellbeing</li> <li>• Premiumisation</li> </ul>	<ul style="list-style-type: none"> <li>• Healthy choice</li> <li>• Chilled convenience</li> <li>• Premiumisation</li> </ul>	<ul style="list-style-type: none"> <li>• Quality choice</li> <li>• Families and food</li> <li>• Premiumisation</li> </ul>
Strategy/Tactics	<ul style="list-style-type: none"> <li>• Existing pack and brand innovation</li> <li>• Promotion effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio innovation</li> <li>• Equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Channel specific innovation</li> </ul>
			

**H1 and H2 actions responding to consumer drivers**

# Ireland - Relative Size of Categories and Growth



**Combining GB and Irish brands to create a powerful portfolio in a growing market**

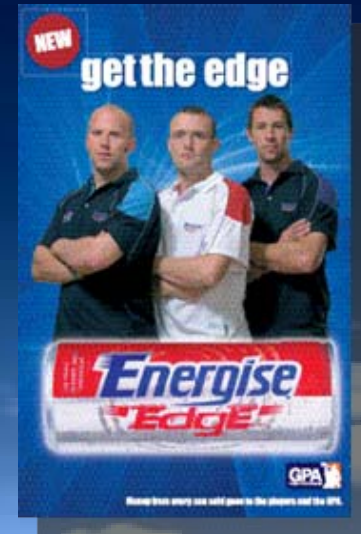
# Britvic Ireland – Driving Performance

## ● Key drivers of performance

- ◆ Continued growth of Ballygowan – the number one water brand
- ◆ Further growth of Energise Sport
- ◆ Strong 7UP performance in both Grocery and Licensed On-Premise
- ◆ J2O launch achieving distribution targets

## ● Strong plans for H208 onwards

- ◆ Continued marketing support for J20 and further support behind Club Orange, the Energise brand and 7UP
- ◆ Taking Energise Edge into Licensed
- ◆ Maximise the combined performance of Robinsons and Miwadi



**Growth through core brands by strengthening leading positions**

# Britvic Ireland – Transition and Synergies

- Britvic Ireland transition on track
- We are very confident in the estimated annual (pre tax) synergies of €14m
  - ◆ Will deliver one third this year, as per guidance
  - ◆ FY08 revenue growth on target
  - ◆ Cost synergies
  - ◆ H2 efficiency projects
    - ◆ Fleet, energy and utilities costs
    - ◆ Pallets

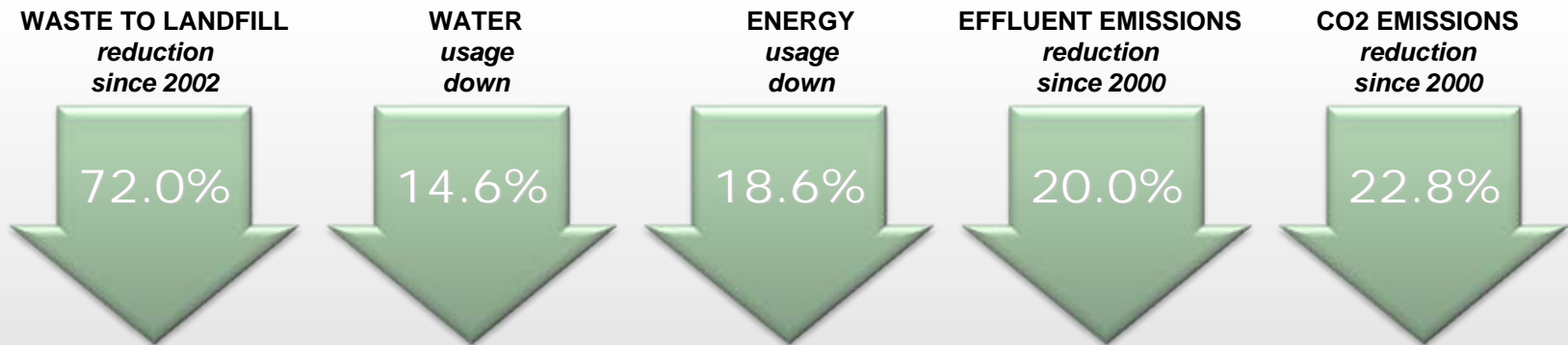


**Acquisition business plan will be delivered**

- Supply chain capacity continuously reviewed

- Factory closure in Cork
- Proposed factory closure in Hartlepool

- Environmental actions taken\*



- Environmental aims

- Make packaging lighter and more recyclable because it reduces waste to landfill and saves energy
- Reduce CO2 emissions by 20% by 2010 compared to 1990 - aspire to a 30% reduction by 2020
- Contribute to an industry-wide absolute target to reduce water usage by 20% by 2020 compared to 2007

\*Note: All per tonne of product produced, other than waste to landfill figure which is an absolute reduction.



- A resilient first half performance
- Exciting innovation
- Strengthened relationship with Pepsi
- Britvic Ireland acquisition performing to expectations
- Current trading in line with expectations

**Well positioned for the more important second half**



# Q&A

