Britvic plc

Annual Report 2008

Who We Are

Britvic is one of the two leading branded soft drinks businesses in the UK and the Republic of Ireland. Many of our brands are either first or second in their respective categories. We have a strong track record of innovation in products, packaging and marketing activity. In 2007 we expanded into Ireland with a significant acquisition and we have a long-standing bottling agreement with PepsiCo for key brands such as Pepsi, 7UP and Gatorade in UK and Ireland.

Our Investment Proposition

The Company has a track record of growth. Since flotation in 2005 it has delivered compound annual growth rates in revenue of 4.1%*, EBIT of 6.9%* and EPS of 16.1%. In addition over this timeframe it has delivered underlying free cash flow in excess of £180m.

* GB and International.

Our Performance at a Glance

Group

Total Branded Revenue

+29.3%

Operating Profit

+20.9%

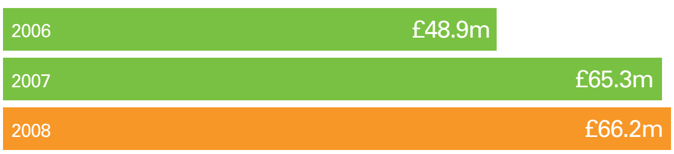
Full Year Dividend

+14.5%

Earnings Per Share

+21.6%

Free Cash Flow



+1.4%

GB and International

Revenue

+4.8%

EBIT

+7.6%

Note: All numbers pre-exceptionals.

Britvic at a Glance

Group Facts

– 1.68bn litres sold annually
– Second largest supplier of branded soft drinks in UK and Ireland
– Number one supplier in on-premise in UK and Ireland
– Number two supplier in take-home in UK and Ireland

Key Brand Facts

– Robinsons is the UK's seventh most valuable grocery brand
– J2O is the number one premium juice drinks brand
– Fruit Shoot is the number one kids' consumer brand

Source: Canadean Soft Drinks Report 2008; Nielsen On Premise Service MAT to September 2008; Nielsen Scantrack 52 MAT to 1 November 2008.

Highlights in 2007/8

– Fruit Shoot exceeds £100m in retail sales
– Pepsi Raw launched, the UK's first natural cola and winner of 2008 Beverage Innovation awards
– Lime Grove, a pressed lime and sparkling water combination, introduced to on-premise
– Gatorade, the world's best selling sports drink, rolled out across all channels
– Apple and Blueberry flavour of J2O introduced
– Pomegranate Britvic mixer introduced, a first in on-trade
– Successful pilot launch of H2OH! in Ireland
– Successful full launch of Fruit Shoot and J2O in Ireland

GB Portfolio

Squash | Pure juice | Juice drinks | Plain water | Water plus | Cold hot drinks*

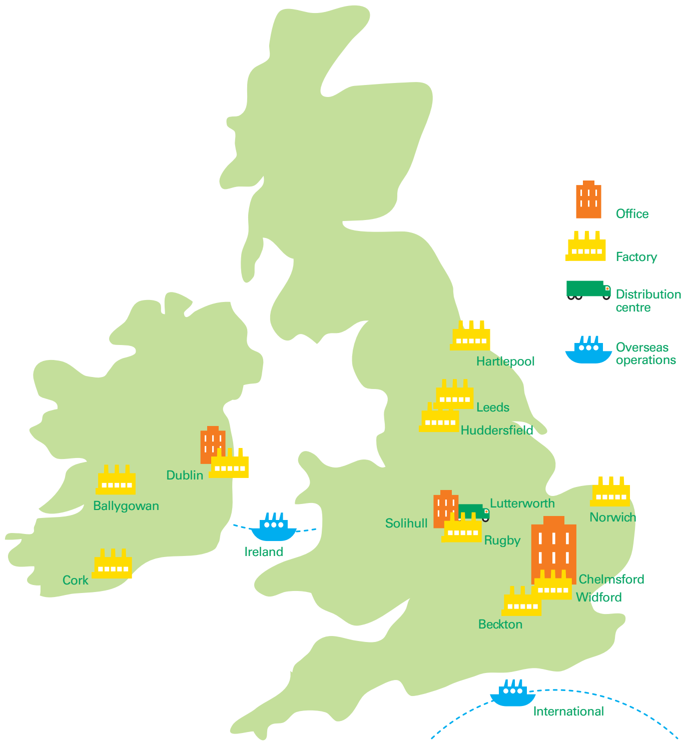
Cola | Fruit carbonates | Non fruit carbonates | Lemonade | Glucose | Mixers | Sports

* From early 2009.

Where We Are

We have production facilities located across GB, with our headquarters in Chelmsford, where Britvic first originated.

We also have bases overseas through Britvic Ireland.



We will close factories in Cork and Hartlepool in 2009 and relocate their production to other existing sites.

GB Take-Home Market

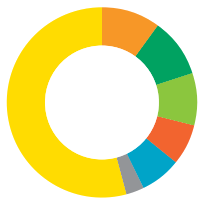
Total market

Total sales £6.1bn
- Britvic 11%
- Coca-Cola Enterprises 27%
- GlaxoSmithKline 8%
- Danone 6%
- Tropicana 5%
- All other 43%

Carbonates

Total sales £2.6bn
- Britvic 12%
- Coca-Cola Enterprises 53%
- GlaxoSmithKline 9%
- Red Bull 7%
- AG Barr 5%
- All other 14%

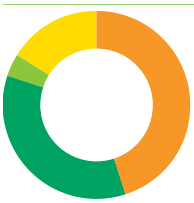
Stills



Total sales £3.5bn
- Britvic 10%
- Danone 10%
- Tropicana 9%
- Coca-Cola Enterprises 7%
- GlaxoSmithKline 7%
- Innocent 3%
- All other 54%

GB Licensed On-Trade Market

Total market



Total sales £2.3bn
- Britvic 45%
- Coca-Cola Enterprises 35%
- Red Bull 4%
- All other 16%

Carbonates

Total sales £1.5bn
- Britvic 40%
- Coca-Cola Enterprises 41%
- Red Bull 7%
- All other 12%

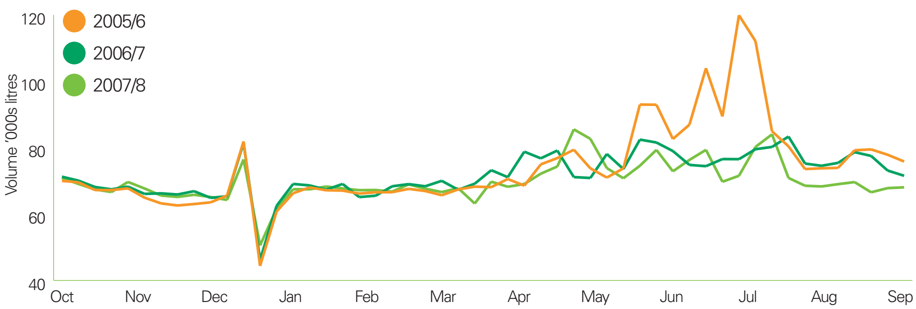
Stills

Total sales £0.8bn
- Britvic 52%
- Coca-Cola Enterprises 23%
- Hartridge 2%
- All other 23%

Source: AC Nielsen Scantrack Total Coverage MAT 27 September 2008 and AC Nielsen licensed on-trade MAT July 2008.

The Market at a Glance

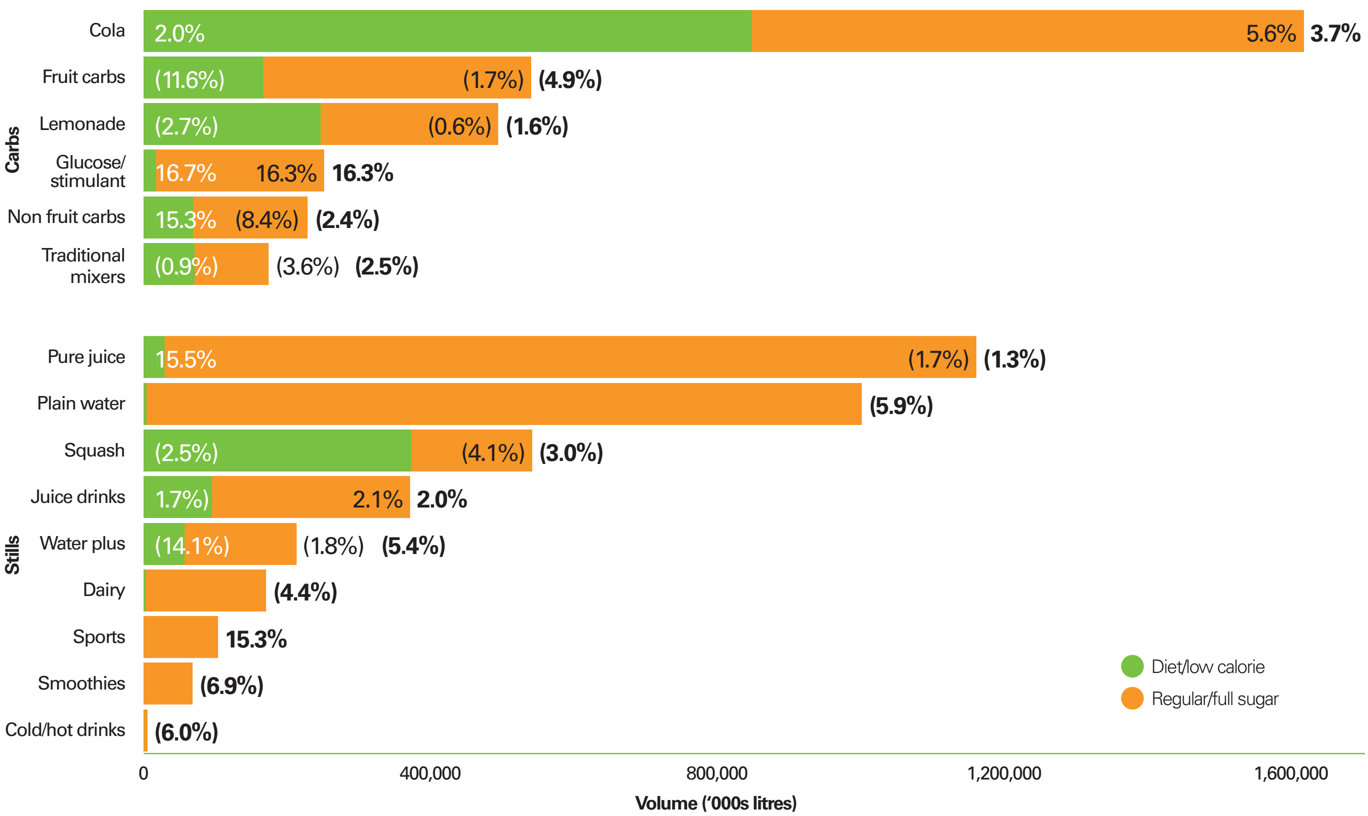
GB Market Volume



The GB soft drinks take-home market declined by 0.8% versus the previous year, though excluding plain water, the market was marginally up.

Source: AC Nielsen Scantrack September 2008: Take Home.

Relative Size and Growth of GB Market Categories



Source: AC Neilsen Scantrack Take Home 52 weeks to 27 September 2008.

Our Strategy for Growth

Britvic has a clear and focused strategy for growth:

Supporting and growing our core brands
Pepsi, 7UP, Robinsons squash, Tango, Fruit Shoot and J2O

Innovating and developing our seed brands
Drench, Gatorade, Raw, V Water and Lipton Iced Tea

Managing efficiency
By improving margins and free cash flow

Expanding into Europe
Britvic International and the first full year of Britvic Ireland

Growing the Core in GB

Our key profit drivers

Pepsi – A great year

- Market share at a five-year high, up 0.9%/1.2% (volume/value) and category in growth, up 3.7%/4.6%
- Distribution gains in convenience and impulse and licensed on-premise
- Successful Max Kicks promotion and in-store activity

Fruit Shoot – Breaks through £100m retail sales

- UK's number one kids' consumer brand now worth more than £100m
- The number one kids' water and number two branded pure juice
- Growing penetration with over 1m new consumers

Tango – Big plans for the brand

- A major refocus of Tango underway
- Ongoing communication in 2009
- We're going to make Tango famous again!

Robinsons – Strengthening market leadership

- UK's seventh most valuable grocery brand
- 4.1% value growth against a relatively flat squash category performance (+0.4%)
- Consumed in 1.2m more households than last year

J2O – The number one packaged drink

- 83% share of the premium juice drinks category
- New flavour and packaging innovations contribute to strong performance
- New PET 330ml format and large multi-packs serving different occasions

7UP – Another year of share growth

- Market share up 0.3%/0.4% (volume/value) and category in growth, up 3.5%/6.5%
- Strong brand credentials and awareness
- An additive-free formulation that engages health-conscious consumers

Sowing the Seeds in GB

Nurturing the brands of tomorrow

Drench – The number five water brand

- 170% volume growth in 2007/8 with success of unique mental hydration proposition
- Scale launch into grocery multiples supported by aggressive brand launch programme of £5.5m
- Significantly expanded range of pack formats

Gatorade – Strong start in launch year

- 4% value share from a standing start for the world's number one sports drink
- Achieved distribution levels of 79% in take-home grocery in 12 weeks to 27 September 2008
- Available in over 2,400 'points of sweat'

Pepsi Raw – Genuine cola innovation

- Early strong performance of this natural cola
- Already available in over 3,000 bars
- Moving into take-home grocery in both 250ml cans and 300ml glass bottles

V Water – Key player in potential growth category

- Functional waters are a small category with the potential for growth
- Fourth bottling agreement, reinforcing our relationship with PepsiCo
- Account wins already in WH Smith, ESSO and MOTO

Lipton Iced Tea – Fills portfolio gap

- Intention to sign another bottling agreement with PepsiCo
- Ready-to-drink tea showing European market volume growth of 43% since 2001
- Available in immediate and deferred packs

Britvic International

Geographic and brand expansion

– Further wins in the air with renewal of the Easyjet contract and extension of the Ryanair business into more markets

– Increased investment with new natural premium squash launched in Denmark

– Fruit Shoot in double digit growth in Holland, with 70% distribution, 24% year-on-year volume growth and a new tropical flavour launched in April

– Strong revenue growth of 94% in the Nordic region

– Robinsons at 75% distribution across the region

Britvic Ireland

A template for acquisitions

€21m of synergies by 2011

- 50% increase on previously announced synergies. €5m delivered in 2008

Strong market positions that continue to accelerate the Group's growth

- Number one in ROI licensed on-premise
- Number two in ROI take-home (Canadean)

Opportunities being leveraged with cross-territory brands – Robinsons, Fruit Shoot and J2O

Chairman's Statement

Gerald Corbett
Independent Non-Executive Chairman

Britvic's profit before tax, in its third year as a public company rose 14.4% to £70.1m, before exceptional items on the back of revenue growth of 29.3% to £926.5m. Earnings per share rose 21.6% to 24.8p per share, and cash flow was again strong with free cash flow generation of £66.2m, before exceptional items. We are proposing a final dividend of 8.8p per share, which will make a full year divided of 12.6p per share, an increase of 14.5%. This was another creditable set of results given the consumer environment, record commodity price rises, another poor summer and the downturn in the on-trade. Britvic is developing a solid track record of growth in all key measures – financial and market. Our objective is to make steady progress on all measures every year.

Financial results are outputs, and reflect actions taken and strategies pursued by the management. In sales terms, we again outperformed the British soft drinks market, building on the strength of our brands, and our innovation and product launch programme. We either gained market share or maintained market share in every market in which we compete. The launches of Gatorade and Drench were delivered in line with our expectations. Price realisation in the on-trade is higher than in the off-trade, but our overall average realised price improved in spite of the decline in the on-trade, reflecting the improvement in our business processes. Our approach is to keep costs tight, whilst maximising margins and cash. As the impact of the adverse trading environment became clear, management was again able to configure the business to deliver an improving underlying operating profit margin, whilst continuing to invest in our brands.

In Great Britain, the performance of the core brands, mostly notably Pepsi, Robinsons and Fruit Shoot has been strong, and we have driven revenue growth through continuing to take volume and value share. The signing of three further bottling agreements with PepsiCo, our major commercial partner, is a demonstration of the strong and growing relationship that now goes back over 20 years. We are committed to their success, and they to ours.

Britvic Ireland, in its first full year as part of the Britvic Group, is now fully integrated with the rest of our operations. The market in Ireland, particularly in the licensed on-premise channel, suffered from the sharp decline in the Irish economy. Importantly the business held or grew share across key categories. The market position, together with a well-invested sales and supply chain infrastructure, mean that Britvic Ireland is well placed to take advantage of future recovery in the market. The upgrade to the synergies, now totalling €21m by 2011, is a positive sign for the future. Indeed our experience in Ireland and the value we have been able to add to the business give us encouragement to continue, albeit at a prudent rate, our international expansion.

The strength of our market positions, our portfolio of leading brands, and our innovation and product launch programme give us confidence as we approach the full effects of the consumer downturn in 2009. This confidence and our cash flow underpin the Board's decision to propose the strong final dividend. The new year has begun satisfactorily for Britvic in a tough market and we fully expect to be able to yet again demonstrate the resilience of our business.

During the year, Chris Bulmer, the Chairman of our Remuneration Committee, stepped down. Chris made a great contribution to our affairs since the flotation and we wish her well in her new life in Australia. Ben Gordon, the Chief Executive of Mothercare plc, has joined the Board, and our Senior Independent Director, Bob Ivell, has taken over as Chairman of the Remuneration Committee.

It has been three years since we floated and became a public company. The time has passed quickly, but after an early set back our executive team has demonstrated what a sound and robust business we have. On behalf of the Board I would like to thank them and all Britvic employees for their hard work and commitment during the year. This strong result is to their credit, and gives us all confidence in a positive future.

Chief Executive's Review

Paul Moody
Chief Executive

In the 52 weeks ended 28 September 2008, Britvic's brands have performed extremely well, growing market volume and value share in key categories, despite the tough trading conditions that have been driven by the downturn in the economy. The continued outperformance of the market has delivered strong revenue growth of 29.3% to £926.5m including a first full 52-week contribution from Britvic Ireland of £200.7m. GB and International revenues of £725.8m showed good growth of 4.8% in the 52-week period.

We have continued to deliver on our point-of-purchase and innovation strategies, delivering healthy growth in revenue whilst proactively managing the cost base. Group operating profit is up 20.9%, while profit after tax ('PAT') and earnings per share ('EPS') are both up by more than 20%. These strong results showed resilience and were delivered despite repeated poor summer weather and tougher trading conditions, combined with the toughest raw material and energy cost pricing environment for many years.

Free cash flow was £66.2m, £0.9m ahead of the underlying prior year number, driven by the ongoing focus on disciplined cash and capital expenditure management. Return on Invested Capital ('ROIC') including Britvic Ireland has increased by 70 basis points reflecting the strong management of the Group's asset and cost base. The Board is proposing a final dividend per share of 8.8p bringing the full year dividend per share to 12.6p, an increase of nearly 15% on the prior year.

29.3%
Growth in revenue

The soft drinks market

The UK soft drinks market fell by 0.8% in volume over the period. This was mainly due to the impact of the consumer slowdown and a second consecutive year of adverse summer weather.

Though relatively resilient, the soft drinks market has not been immune to the slowdown in consumer spending in 2008. In context, food and soft drinks currently account for only 9% of UK household expenditure. Within that less than 40% of dry grocery spend is on soft drinks. Consumers this year traded from premium into value soft drinks categories, such as into cola and juice drinks and away from more expensive price-point categories such as smoothies and pure juice. Squash has seen an increase in penetration, suggesting that some people are moving away from the more expensive soft drink categories and back towards more 'staple' offerings.

The move out of carbonates by UK consumers experienced in the first half of 2006, was again countered in 2008 by the gradual return into carbonates by consumers taking a rational and balanced approach to their soft drinks repertoire. This was accentuated by consumers looking for value propositions, particularly in large-pack carbonates and resulted in the carbonates market increasing in volume terms by 1.4%, driven by the cola and glucose/stimulant categories.

“We have continued to deliver on our innovation, point-of-purchase and innovation strategies, delivering healthy growth in revenue whilst proactively managing the cost base.”

8.1%

Increase in Britvic GB stills volume

The stills category declined by 2.7% this year. A notable sub-category in material decline was plain water, which was adversely impacted by the poor summer weather, the environmental and sustainability debate and by the downturn in consumer spending. However, there was notable growth within ambient juice and sports drinks, whilst dairy and smoothies accelerated their declines over the course of the year.

Against this general market background, Britvic has outperformed the market in its key categories during the period:

- The cola market was up by 3.7% in volume, while Pepsi outperformed this with an 8.1% market volume increase resulting in a 0.9 percentage point increase in market volume share and a 1.2 percentage point increase in market value share.
- The squash market was down 3.0% in volume terms. Robinsons squash outperformed this with a 6.5% market volume increase resulting in a 3.8 percentage point increase in market volume share and a 1.5 percentage point increase in market value share.
- The children's on-the-go market was up by just 0.3% in volumes terms, while core Fruit Shoot outperformed this with a 14.7% market volume increase resulting in a 3.9 percentage point increase in market volume share and a 3.2 percentage point increase in market value share.

During the period Britvic GB stills volumes were up 8.1%, and GB carbonates volumes were up 4.2%.

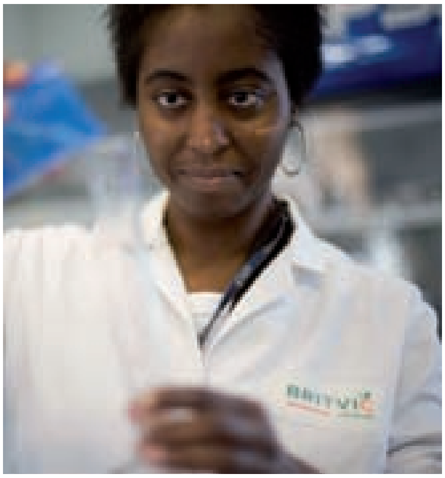
Britvic's strategy

Management action has focused on four main areas:

Supporting and growing our core brands

Britvic GB's six core brands are Pepsi, 7UP, Robinsons squash, Tango, Fruit Shoot and J2O. They are the key profit drivers of our current business and therefore the brands to which we allocate greatest resource. Other supporting brands help to leverage customer relationships with scale and account wins. We continue to invest in our strong total portfolio of brands through both innovation and media, to ensure that they are preferred by consumers. Examples of our successful core GB brand performances are shown below:

The Pepsi brand has continued its volume and value share gains of the cola market, an increase of 0.9 and 1.2 percentage points on last year respectively. The success enjoyed by the brand in the period reflects strong promotional execution across all key customers and the highly successful Pepsi Max Kicks campaign that, in conjunction with the successful investment in trade-ready display units, has led to real success for the brand this year. The growth in market share was also achieved against a background of continued competitor activity and with no adverse impact on average realised price ('ARP') despite our growing presence in the discounters sector. Our close working relationship with the brand owner, PepsiCo, has been instrumental in achieving this performance.



21%

Overall increase in International revenue

Robinsons squash has consolidated its number one position even further with volume and value share gains in the squash market, an increase of 3.8 and 1.5 percentage points on last year respectively. Robinsons' best ever Wimbledon, plus excellent brand equity programmes and in-store execution mean that the seventh most valuable grocery brand in the UK goes from strength to strength and is very well-placed for what could be a tougher year ahead. Share gains are a continuing consequence of the large-pack production facility which has unlocked our ability to drive large-pack performance through increased promotional competitiveness. In the tail-end of 2007 Robinsons also launched the re-designed 'no artificial colours and flavours' family squash range with the 'Raise them on Robinsons' campaign, aimed at ensuring that the brand retains its authoritative category-leading position. This year the brand sponsors the BBC Sports Personality of the Year event for the second time, after a very successful first year. Again, the sponsorship is supported by an on-pack promotion across everyday squash in the first quarter of the year.

In Ireland, core brands have played a significant part in the robust performance of the business in a challenging trading environment. 7UP retains its position as the number two soft drinks brand in the market, whilst core brands such as Club, Miwadi and Ballygowan have been complemented this year by the full integration into the portfolio of Robinsons squash, Fruit Shoot and J2O.

Our International business has again achieved high-growth results, with overall revenue growth of 21%, and an improved ARP, up 4.9%. During the year Robinsons increased its revenue by 94% in the Nordic region driven by increased distribution, a strong advertising campaign in Denmark and Finland, heavyweight in-store sampling campaigns in all three markets, and the launch of Robinsons premium squash. In the Netherlands Fruit Shoot has established itself as the fastest growing kids' juice brand, and the 'Go Explore' advertising campaign received a prestigious industry EFFIE award. Beyond these successes we have continued to expand Britvic's footprint in the key tourist areas of Spain and the Mediterranean, and have achieved early success in the Middle East and India. These markets represent a strong opportunity for future development and growth.

> "The two major new innovation launches this year were Gatorade and Drench, and both have performed extremely well."

79%

Gatorade take-home distribution level

Innovating/developing new products

A number of new brands, brand extensions and new packaging concepts were launched in the year in Britain, with the aim of establishing Britvic in the growth segments of the GB market. All were launched as planned and all are performing in line with our high expectations.

The two major new innovation launches this year were Gatorade and Drench, and both have performed extremely well.

In the 12 weeks to 8 October 2008, Gatorade achieved distribution levels of:

- 79% in take-home including all major multiples.
- 45% distribution in convenience and impulse.
- Availability in over 2,400 'points of sweat' (gyms, leisure centres, sports clubs) including Esporta and Total Fitness.

Continued investment in high profile platforms and the introduction of a new blackcurrant flavour are set to further entrench Gatorade's position in the market in 2009.

Drench also had a strong start as it moved into the take-home grocery sector:

- Awareness from 8% to 35% in four weeks.
- Huge internet interest (2.5m YouTube hits).
- Distribution steadily building in both take-home grocery and convenience and impulse.

There were a number of other smaller supporting launches during the year, such as Pepsi Raw and Lime Grove. Again these successful launches helped build both momentum and Britvic's record of great innovation.

Britvic has agreed to sign a further Exclusive Bottling Agreement ('EBA') in Great Britain with PepsiCo for the Lipton Iced Tea brand, which will follow similar business model dynamics to other EBAs.

Managing efficiency – improving margins and free cash flow

Despite the tough cost environment in 2008, we continued to drive costs out of the business.

We continue to drive our Product Value Optimisation ('PVO') programme and have delivered a further £2m of savings in the year in GB, in addition to the £2m delivered in each of 2006 and 2007.

Added to this we realised initial incremental annualised savings of £3m as a consequence of the outsourcing of the secondary distribution network and vending and chiller re-manufacturing operations. We anticipate a total saving of £5-6m by the end of financial year 2009. We have also realised the early planned cost savings programme in Ireland. This includes the closure of the Cork factory in early 2009 and the production of Robinsons squash for the Irish market in Dublin from the same time.

We also continued to underpin our Group performance by an effective management response to the difficult trading conditions by flexing our operations and spend.

"Our focus on managing costs and driving efficiency has been relentless."

30

Basis point increase in GB and International operating profit margin*

* Numbers pre-exceptionals.

Expansion into Europe – the first full year of Britvic Ireland

Britvic Ireland was acquired in August 2007 on the rationale of strong potential top-line growth and an exceptional synergies case.

During 2008 the sharp downturn in the Irish economy has adversely impacted on revenue growth.

Though Britvic Ireland continues to hold or maintain share in key categories, the effect of the Irish recession has had adverse impacts on both the take-home and licensed on-premise markets, and therefore on Britvic Ireland's performance. However, with the strong management team, refined infrastructure and exceptional brands, Britvic Ireland produced a robust performance and is well placed to capture future growth in the market. In euro terms, this business made EBITA of €19m in 2007. Despite the very difficult trading conditions in Ireland, this business has contributed EBITA of €21m in 2008, a growth very much facilitated by the synergy benefits now available to Britvic Ireland as part of the larger Group.

We recently upgraded the synergies case to €15m by the end of financial year 2009, with a new target of €21m by the end of financial year 2011. These additional synergies were based largely off the implementation of SAP in Ireland from the second quarter of financial year 2009.

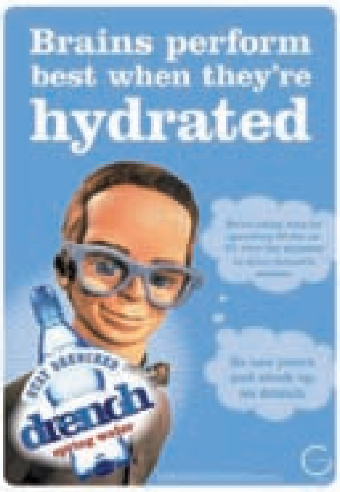
Despite the unprecedented economic conditions in Ireland, the business fundamentals remain strong:

- Enhanced post-acquisition market share (value): number one in the licensed trade and number two in grocery.
- Enhanced PepsiCo relationship – successful pilot launch of H2OH!
- Successfully leveraging cross territory brands:
  - Robinsons takes Britvic Ireland squash share to over 70%.
  - Successful full launch of Fruit Shoot and J2O.
  - Alignment of business model and systems with Britvic GB.
- €7.6m investment completed at the Kylemore production facility in Dublin.

Summary

We have grown market share across all of our key categories with a strong performance from our core and seed brands despite difficult trading conditions throughout the year.

Our focus on managing costs and driving efficiency has been relentless, and in addition to the positive contributions from our Business Transformation and PVO programmes, the outsourcing of our secondary retail distribution network has been implemented in line with our plan and expectations. Consequently we have delivered a 30 basis point increase in GB and International operating profit margin, more than double that of our annual ambition.



Financial and Business Review

2.5m

views of the Drench 'Brains' advert on YouTube

The following discussion is based on Britvic's results for the 52 weeks ended 28 September 2008 ('the period') compared with the same period last year, and all numbers exclude exceptional items.

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 – increase in number of litres sold by the Group relative to prior period.
- Average Realised Price ('ARP') – average revenue per litre sold.
- Revenue growth – increase in sales achieved by the Group relative to prior period.
- Brand contribution margin – revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product, divided by revenue. Such costs include brand specific advertising and promotion costs, raw materials, and marginal production and distribution costs. Management uses the brand contribution margin to analyse Britvic's financial performance, because it provides a measure of contribution at brand level.
- Operating profit margin – operating profit before exceptional 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, Britvic outperformed the soft drinks market in all of its key categories with strong revenue growth up 29.3% to £926.5m, including the 52-week contribution from Britvic Ireland. GB and International revenue growth was 4.8% to £725.8m with total volumes up 5.7%.

Operating profit before exceptional items for the period was up 20.9% to £96.7m with Group operating profit margin down 0.8% due to the diluting effect of the full 52-week contribution of Britvic Ireland. However GB and International operating profit was up 7.6% at £82.0m with operating profit margin up to 11.3%, increasing strongly by 30 basis points on the prior year. Pre-exceptional profit after tax (PAT) for the period was £53.0m, up 20.5% on the prior period, with EPS up 21.6%.

Note: Numbers shown reflect the transfer of trade through Britvic Ireland and the reclassification of carbonates and stills (see March 2008 investor seminar).

"In GB stills we have seen an outstanding outperformance against the market across all key categories during the period, with revenue growth of 4.8% to £331.4m."

8.1%

Increase in GB stills volume against a market which was down 2.7%

GB stills	52 weeks ended 28 September 2008 £m	52 weeks ended 30 September 2007 £m	% change
Volume (millions litres)	479.6	443.5	8.1
ARP per litre	69.1p	71.3p	(3.1)
Revenue	331.4	316.3	4.8
Brand contribution	146.7	145.7	0.7
Brand contribution margin	44.3%	46.1%	(1.8)%pts

In stills we have seen an outstanding outperformance against the market across all key categories during the period with revenue growth of 4.8% to £331.4m. Volumes were up 8.1% against a market which was down 2.7%, having been impacted by the downturns in consumer spending and the plain water category.

This strong performance in Britvic's stills portfolio was driven by:

- The core brands of Fruit Shoot and Robinsons squash consolidating their positions as market leading brands.
- H2O, our kids' water brand continuing to grow strongly with a 9.9% market volume growth.
- The major launches of the seed brands Drench and Gatorade.

ARP was down 3.1% to 69.1p. The decline has been primarily driven by an unfavourable channel mix with a decline in volumes in the licensed on-premise market reflecting the market dynamics. Our sales in this channel are predominantly 'single serve' where the ARP is therefore inherently higher. The growth of our water volumes, where ARP is lower, also causes a diluting effect on stills ARP.

Brand contribution margin is down 1.8%pts to 44.3% due to:

- The shift of fixed costs into marginal costs as part of the outsourcing of secondary retail distribution.
- The continued strategic decision to focus an increasing proportion of advertising and promotional ('A&P') spend on stills in the year, e.g. Gatorade and Drench.
- The increase in raw material costs.

However, we continue to minimise costs using a variety of tools including the PVO programme where product cost is reduced with no detriment to the brand quality or equity. PVO saved around £1.0m in 2008 stills, on top of the previous cumulative total across carbonates and stills over 2006 and 2007 of £4m.

4.1%

Increase in GB carbonates revenue

GB carbonates	52 weeks ended 28 September 2008 £m	52 weeks ended 30 September 2007 £m	% change
Volume (millions litres)	922.8	885.2	4.2
ARP per litre	40.7p	40.7p	0.0
Revenue	375.5	360.6	4.1
Brand contribution	143.6	145.4	(1.2)
Brand contribution margin	38.2%	40.3%	(2.1)%pts

Carbonates have delivered another strong performance over the period with revenue growth of 4.1% to £375.5m. This performance has been driven by further market share gains by brand Pepsi. Revenue also benefited from the further distribution gains in the increasingly important discounters sector made in the period which shows a similar ARP and margin profile to the rest of the business.

ARP was flat, although we continued to focus on promotional effectiveness, especially with well-executed in-store point of sale delivery.

Brand contribution margin decreased by 2.1%pts due to the effects of:

- The shift of fixed costs into marginal costs as part of the outsourcing of secondary retail distribution.
- The increase in raw material costs.

Again, we continue to minimise costs using a variety of tools including the PVO programme, which in itself saved around £1.0m in 2008 carbonates on top of the previous cumulative total across carbonates and stills over 2006 and 2007 of £4m.

21.2%

Revenue growth in International business

International	52 weeks ended 28 September 2008 £m	52 weeks ended 30 September 2007 £m	% change
Volume (millions litres)	26.1	22.6	15.5
ARP per litre	72.4p	69.0p	4.9
Revenue	18.9	15.6	21.2
Brand contribution	4.9	3.8	28.9
Brand contribution margin	25.9%	24.4%	1.5%pts

* Numbers pre-exceptionals.

Our International business continues to deliver a strong performance with revenue growth of 21.2% to £18.9m. Although the export business in Ireland was transferred to Britvic Ireland in March, the remaining International business goes from strength to strength. The performance has been driven by the consolidation of our strong market position in the Netherlands, Denmark, Sweden and Finland as well as significant account wins in the Middle East and India.

The increase in brand contribution margin of 1.5%pts can be explained by the growing contribution from major country launches in 2006 which attracted high launch costs that year.

"Britvic Ireland, acquired in August 2007, delivered a robust performance in light of tough trading conditions."

7.3%

Britvic Ireland EBIT margin – which improved in a difficult trading environment

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

Ireland	52 weeks ended 28 September 2008 £m
Volume (millions litres)*	253.1
ARP per litre*	56.9p
Revenue	200.7
Brand contribution	70.2
Brand contribution margin	35.0%
EBIT	14.7
EBIT margin	7.3%

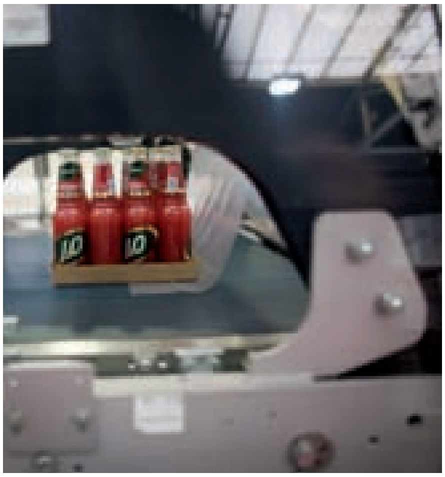
Britvic Ireland, acquired in August 2007, delivered a robust performance in light of tough trading conditions in both the licensed on-premise and take-home channels. Revenue was up 6.2% on a like-for-like basis, due to exchange rate movements. However, underlying euro revenues were down 6.4%, though volume decline was restricted to 3.4%. We see a continued tough trading environment in licensed on-premise, although the take-home market has recently stabilised.

GB and International costs and overheads	52 weeks ended 28 September 2008 £m	52 weeks ended 30 September 2007 £m	% change
Non-brand A&P	(7.7)	(7.0)	(10.0)
Fixed supply chain	(60.2)	(66.2)	9.1
Selling costs	(87.3)	(85.0)	(2.7)
Overheads and other	(58.0)	(60.5)	4.1
Total	(213.2)	(218.7)	2.5
Total A&P spend	(45.4)	(46.1)	(1.5)
A&P as a % of net revenue	6.3%	6.7%	(40bps)

GB and International A&P spend was 6.3% of branded revenue, below our long-term ambition of 7%. This was driven by a tactical decision to reduce spend in the latter part of the year in light of the poor weather conditions, as was the case in financial year 2007. However, combined with PepsiCo's contribution to A&P, gross spend as a percentage of sales was maintained at 7.7%.

The reduction in fixed supply chain costs of around £6m is due to the outsourcing of the secondary distribution network, outlined in March 2008, where fixed supply chain costs now become variable costs. This programme is expected to save £5-6m in total operating cost by the end of financial year 2009. Overall, therefore, we have maintained very strong and disciplined control over our cost base in response to challenging trading conditions.

Selling costs are marginally higher due to the filling of sales-based vacancies in the year. Overheads and other costs were lower principally due to a lower bonus provision compared to that of the prior year.



21.6%

Increase in basic earnings per share

Exceptional items

During the period, Britvic incurred pre-tax exceptional operating costs and profits which net to £18.3m in total. The main elements of this comprised:

- Cash items, namely restructuring costs which relate mainly to the closure of the Cork factory in Ireland, as well as the termination of the third party distribution relationship as part of the synergies case.
- Transitional share awards – this represents the final year of the three-year scheme we announced in 2006 to aid the transition from long-term incentive plans which terminated on separation from IHG.

Non-cash items relate not only to the move from returnable to non-returnable bottles in the on-trade, but also a required reconfiguration of our IT platform to accommodate the Britvic Ireland business.

In addition, we have included an impairment of £3.0m, this relates to both the Cork factory site and the Hartlepool site, whose closure in early 2009 we announced earlier this year.

Interest

The net finance charge before exceptional items for the period for the Group was £26.6m compared with £18.7m in the same period in the prior year. The impact of debt incurred to finance the acquisition of Britvic Ireland was approximately £10.4m versus £0.9m in the previous year. Though the Group had a €100m loan in place through the year, the average weighted coupon on the remaining sterling-based debt was 6.3%.

Taxation

The tax charge of £17.1m before exceptional items represents an effective tax charge of 24.4%. The effective tax rate as reported in the accounts for the previous year was 28.2%. Including the effect of exceptional items, the effective tax rate was 38.6%, which is higher than last year's rate of 23.6% primarily due to the impact of the abolishment of IBAs.

Earnings per share

Basic EPS for the period, excluding exceptional items, was 24.8p, up 21.6% on the same period last year of 20.4p. Basic EPS (after exceptional items) for the period was 14.9p compared with 19.7p for the same period last year.

Dividends

The Board is recommending a final dividend for 2008 of 8.8p per share. Together with the interim dividend of 3.8p per share paid on 4 July 2008, this gives a total dividend for the year of 12.6p per share, an increase of 14.5% on the dividend paid last year. Subject to approval at the AGM, the total cost of the dividend for the financial year will be £26.9m and the final dividend will be paid on 13 February 2009 to shareholders on record as at 5 December 2008.

Cash flow and net debt

Free cash flow was £66.2m, £0.9m ahead of the underlying prior year number, driven by a continued focus on cash and capital expenditure management. Additional contributions were made to the defined benefit pension scheme of £10m in the year as part of the ongoing programme agreed with trustees. At 28 September 2008, the Group's net debt was £401.4m compared to £403.6m at 30 September 2007, a minor improvement on last year but impacted by a £28.8m adverse movement due to the revaluation of foreign currency-denominated debt. However, this accounting treatment is offset to the tune of £19.4m through reserves due to the effective hedging in

> "Free cash flow was £66.2m, £0.9m ahead of the underlying prior year number, driven by a continued focus on cash and capital expenditure management."

place on our US dollar denominated debt. At constant exchange rates from year-end 2007, 2008 net debt would have been £379m.

Capital employed
Non-current assets increased in the year from £488.2m to £519.1m due in the main to the retranslation of euro-based intangible assets recognised on the acquisition of Britvic Ireland and the fair value of derivatives.

Depreciation decreased in the year by £1.4m to £35.4m. The reduction on the prior year reflects the level of disposals made in the year.

Current assets also increased from £203.6m to £216.3m.

At the same time current liabilities increased from £223.2m to £266.5m, driven principally by an increase in trade and other payables.

ROIC, including Britvic Ireland, has improved to 15.5% from 14.8% in 2007 reflecting the continued focus on costs, cash flow and the proactive management of the Group's asset base.

Share price and market capitalisation
At 28 September 2008 the closing share price for Britvic plc was 214p. The Group is a member of the FTSE 250 index with a market capitalisation of approximately £462m 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 reviews. 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 and liquidity, currency risk and cash management.

At 28 September 2008, the Group's net debt of £401.4m consisted of £172.3m drawn under the Group's committed bank facility and £243m of private placement notes. This was netted off with around £12.9m of surplus cash and £1.0m of issue costs of loans.

Pensions
The GB business operates a pension scheme, the Britvic Pension Plan ('BPP'), which has both a defined benefit and a defined contribution section. The defined benefit section of the BPP was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the BPP.

Following a 60 day employee consultation period that started on 4 February 2008, the BPP changed with effect from 1 July 2008. The key changes are detailed below.

Defined benefit section:

- The pension accrual rate reduced from 1/60 to 1/90 for each year of future service membership for employee members.
- The pension accrual rate for Executive members was reduced proportionately by one third reduction for each year of future service membership.
- Increases to pensions in payment for pension earned for membership from 1 July 2008 are in line with the Retail Price Index, up to 2.5% each year.

Defined contribution section:

- The Company contribution rate for future service was increased to 1.5 times employee contributions for employee members.
- A proportionate increase for Executive members.

The changes have not had a material effect on Britvic's future pension scheme obligations.

The latest formal actuarial valuation for contribution purposes was carried out as at 31 March 2007 under the Scheme Specific Requirements and, as a result, annual contributions of £10m in respect of the funding shortfall outlined in the Recovery Plan will continue to be made by 31 December in each of the years 2008-2010 in order to eliminate the funding deficit in the Plan.

The amount recognised as an expense in relation to the BPP defined contribution scheme in the income statement for 2008 was £2.0m (2007: £1.4m).

Business Resources

Britvic is one of the two leading branded soft drinks businesses in GB 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 and Fruit Shoot. The breadth and depth of Britvic's portfolio enables it to target consumer demand across a wide range of consumption occasions, in all the major soft drinks categories and across all relevant routes to market. 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. Britvic Ireland owns a number of leading brands in the Republic of Ireland and Northern Ireland, including Club, Ballygowan, Britvic, Cidona, MiWadi, and Energise Sport, as well as the rights to the Pepsi and 7UP brands.
- 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. Britvic in 2008 also signed further PepsiCo EBA's for Gatorade and V Water.
- A strong customer base. In take-home, Britvic's customers include the 'Big four' 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 GB.
- 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 90% of the points of sale of the licensed on-trade channels in 2008.

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 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:

- Actions by the Group's competitors.
- 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.

Corporate Responsibility

John Gibney
Finance Director

It has been a busy year and our Corporate Responsibility programme has moved on considerably.

Our Corporate Responsibility (CR) strategy was launched in 2006 shortly after our flotation. It was designed to create internal management structures, identify gaps in our activities and bring together existing work in a coordinated fashion.

The strategy has achieved its purpose, establishing firm foundations for our work and setting off activity relevant to our business and our stakeholders. We are proud of our achievements to date, many of which are set out in our first comprehensive CR report, published in May 2008.

Moving forward

We have now evolved our strategic thinking and our approach. We have worked with stakeholders inside and outside our business to establish our vision for corporate responsibility at Britvic. 'Progressive brands – responsible business – dedicated people' reflects our values now and going forward, and focuses on our three key audiences: consumers, customers and employees.

Our vision is underpinned by four strategic goals, each one indicating an area of material relevance to Britvic. These goals are to:

- Optimise the environmental performance of our packaging.
- Increase the efficiency of our operations.
- Support our local and global communities.
- Support healthy lifestyles and employee well-being.

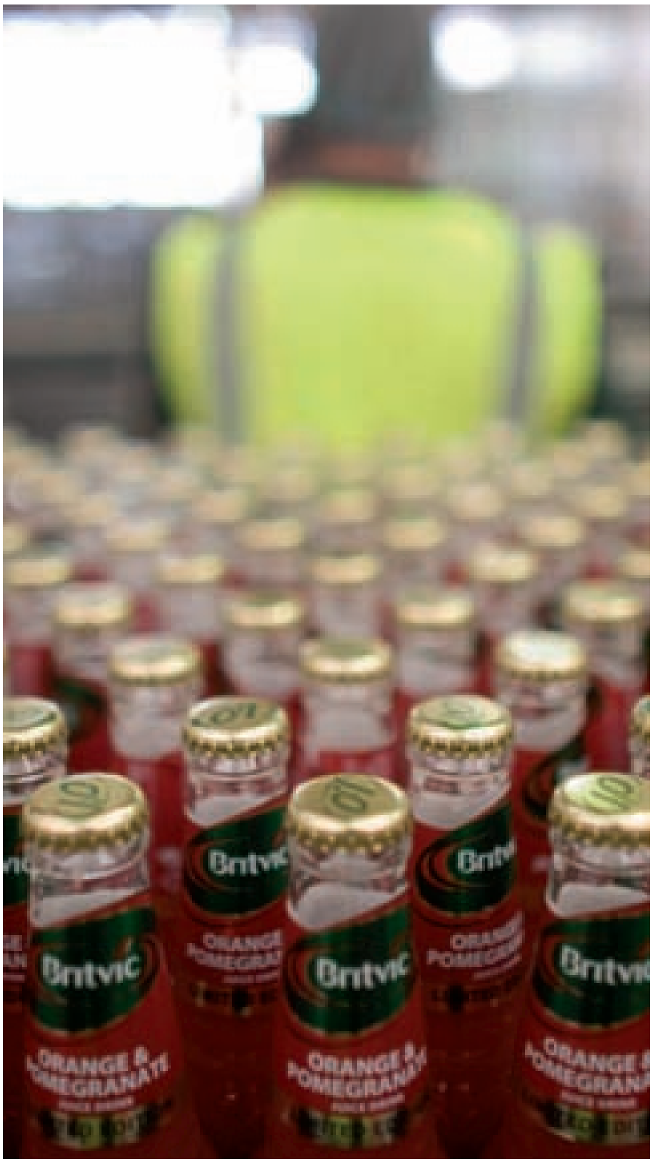
Each of these strategic goals is supported by short and longer term targets. Some of these have already been announced, such as our zero waste to landfill commitment by 2015, while others will be confirmed as the programme unfolds into 2009. The programme ensures a robust response to the environmental and social challenges of today and tomorrow.

Achievements since May 2008

It has been a busy six months and our programme has continued to progress well. Here are some of the highlights:

- Reducing packaging waste: our commitment to reducing the environmental impacts from our packaging is long-standing. This year we redesigned our Robinsons 1 litre bottle, reducing the weight by 2gms. This alone saved 330 tonnes of PET per year and built on a previous redesign in 2007 that also saved another 250 tonnes annually.
- Cutting roadmiles: our logistics team have been hard at work maximising the efficiency of our fleet. This year we have saved 500,000 road miles through better planning and we have also started using the rail network for some shipments to Scotland. We have just committed to upgrading our primary haulage fleet to the latest Euro [5] standard, which will be fully implemented in due course.
- Reducing emissions: our factory teams have worked for many years to reduce our energy consumption. They have had many successes, and despite our business growing by 45% over the past 11 years, our energy consumption is almost back to 1997 levels. This is a considerable achievement, particularly considering that in that time we acquired two additional factories and brought all of our bottle-blowing in-house.

“Despite our business growing by 45% over the past 11 years, our energy consumption is almost back to 1997 levels.”



We have been looking at ways to reclaim water and convert it back into the production processes at our factory in Widford.

By using these new methods we have saved around 1,000kg of steam per hour, reduced our water usage by 62%, and cut our CO_2 emissions by 19 tonnes per annum.

We have similar water saving initiatives at our other production sites. For example, a team at our Leeds factory managed to save 25m litres of water each year on just one production line. They identified two ways of adapting the existing machinery with some simple devices, at a cost of just £750.

Not all opportunities are so straightforward but our teams continue to investigate improvements wherever they can be found.

Corporate Responsibility continued

Target	2008 Target	2008 Result	2007 Result
Energy kWh per tonne produced	(2%)	(1.5%)	(9.4%)
Effluent M^3 per tonne produced	(2%)	(15.8%)	(7.2%)
Water M^3 per tonne produced	(2%)	(3.6%)	(6.0%)
Landfill solid waste Kg per tonne produced	(7%)	(19.5%)	(15.7%)
Accidents frequency rate Per 100,000 hours worked	(10%)	(23.2%)	(27.9%)

- Flexible tools for employees: anyone at Britvic can now connect their laptop from home or on the move via wireless broadband, and use IT systems just as if they were working at one of our sites.
- Increased giving: our commitment to employee supported causes remains strong. We have increased donations in cash and product, plus actively encouraged employee volunteering during working hours.
- Enhancing safety: our Accident Frequency Rate, already well below the industry benchmark, has continued to improve with further reductions in 2007/8.
- Working with suppliers: we continue to implement our Ethical Trading Policy with suppliers of ingredients and packaging, including priority areas within our fruit supply chain.

Commitment to partnership

Central to our strategy is a commitment to partnership with likeminded organisations – be they suppliers, charities, regulators or customers. We recognise that we can often be more effective when working together with skilled partners.

We have already committed to various industry initiatives via our sector trade associations (BSDA and FDF) and non-governmental organisations such as WRAP and Envirowise. We have set up a small community fund with the Essex Community Foundation and have recently joined forces with the food and drink redistribution charity, Fareshare, who take short-dated food and drink products and give them to those in need.

On a commercial level, we have started working with some of our suppliers to better use our fleets. We have found several instances where suppliers making deliveries to our sites return home via a location where we too wish to make a delivery. By making use of empty lorries on return journeys we are both maximising our fleets and reducing emissions.

Strong performance

You will see from the table above our performance against our key environmental targets. I am pleased that we are delivering well against these, and have done so for many years. Our supply chain teams work relentlessly to drive improvements, evaluating and investing in new systems and technologies as appropriate.

At our Interim Results in 2008 we published our first Corporate Responsibility report as an independent company. The document is a transparent explanation of our achievements and our ongoing work. An update to this report will be published at the time of our Interim Results in 2009.

In the meantime please check our website periodically for news or to view our CR polices, and do not hesitate to get in touch.

In 2007 we kicked-off a project to improve the environmental performance of our packaging. We have already made our packaging fully recyclable and now we also aim to:

- Increase the use of recycled materials in our packaging.
- Remove a total of 5,000 tonnes of packaging (primary and secondary) by December 2010 based on 2007/8 volumes.
- Investigate relevant alternative bioplastics for quality and suitability of packaged soft drinks by December 2009.
- Develop relationships with key customers and identify brand opportunities to work together on packaging waste reduction.
- Standardise our on-pack consumer communication for the recyclability and recycled content of our packaging by December 2009.
- Provide WRAP with an annual report in line with our Courtauld Commitment obligations.

Board of Directors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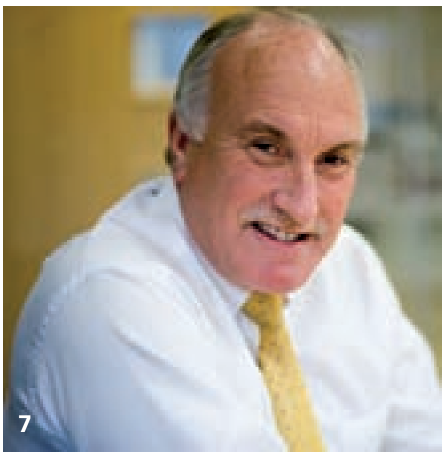
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1 Gerald Corbett (57)
Independent Non-Executive Chairman

Gerald Corbett has been Non-Executive Chairman of the Company since 24 November 2005. He chairs the Nomination Committee and is a member of the Remuneration Committee. Gerald is also Chairman of SSL International plc and Moneysupermarket.com Group Limited and is a Non-Executive Director of Greencore Group plc based in Dublin. He was Chairman of the Woolworths Group plc from 2001 to 2007, Chief Executive of Railtrack plc from 1997 to 2000, Group Finance Director of Grand Metropolitan plc from 1994 to 1997 and was Group Finance Director of Redland plc between 1987 and 1994. He was a Non-Executive Director of the property group MEPC plc from 1995 to 1998 and Burmah Castrol plc from 1998 to 2000.

2 Paul Moody (51)
Chief Executive

Paul Moody became Chief Executive upon the Company's flotation in December 2005 and is responsible for the day-to-day running of the business. Prior to that he had held a number of senior roles including Managing Director and Chief Operating Officer. Paul Moody joined Britvic in 1996 as Director of Sales for grocery multiples (supermarkets) having previously worked for Golden Wonder and Pedigree Pet Foods. Paul Moody is also currently the President of the British Soft Drinks Association.

3 John Gibney (48)
Finance Director

John Gibney was appointed Finance Director in 1999 and is responsible for finance, IT, legal, estates, risk management and business transformation. Prior to joining Britvic, John Gibney was Senior Corporate Finance & Planning Manager for Bass PLC and, prior to that role, Finance Director and subsequently Deputy Managing Director of Gala Clubs.

4 Ben Gordon (49)
Independent Non-Executive Director

Ben Gordon was appointed a Non-Executive Director on 15 April 2008. He is also a member of the Audit, Nomination and Remuneration Committees. Ben is currently the Chief Executive of Mothercare plc and was formerly Senior Vice President and Managing Director, Disney Store, Europe and Asia Pacific. He has also held senior management positions with WH Smith group in Europe and the USA and L'Oréal S.A., Paris and has an MBA from INSEAD.

5 Joanne Averiss (45)
Non-Executive Director

Joanne Averiss was appointed a Non-Executive Director on 18 November 2005 and is the PepsiCo Nominee Director. Joanne Averiss has been a member of the PepsiCo legal department since 1990, holding a series of positions in the UK and the US and most recently acting as the Head of Legal (UK and Europe) for PepsiCo International's food and snack beverages division. She is also a Trustee and Chair of the Mesen Educational Trust.

6 Michael Shallow (54)
Independent Non-Executive Director

Michael Shallow was appointed a Non-Executive Director on 24 November 2005 and chairs the Audit Committee. He is also a member of the Nomination and Remuneration Committees. He is, in addition, a Non-Executive Director of Domino's Pizza UK & IRL plc and Spice plc. Michael was Finance Director of Greene King plc from 1991 to 2005 and, prior to that, he was an associate partner with Accenture.

7 Bob Ivell (56)
Senior Independent Non-Executive Director

Bob Ivell was appointed a Non-Executive Director on 24 November 2005 and is the Company's Senior Independent Director. He chairs the Remuneration Committee and is a member of the Audit and Nomination Committees. Bob is currently the Chairman of David Lloyd Leisure. During the 1980s Bob was the Managing Director of Beefeater. He was also on the board of Scottish & Newcastle plc as Chairman of the Retail Division between 1999 and 2004 and was Executive Chairman of Regent Inns PLC between 2004 and 2008.

Financial Statements

Contents

Directors' Report

For the 52 weeks ended 28 September 2008

PThe Directors are pleased to present their report and the consolidated financial statements of the Company and its subsidiaries for the 52 weeks ended 28 September 2008.

Principal activities

The Group trades principally as a manufacturer and distributor of soft drinks.

Business Review

A detailed review of the Group's activities and of future plans is contained within the Chairman's Statement on page 12 and the Chief Executive's Review and the Business Review on pages 13 to 25. The information contained in those sections fulfils the requirements of the Business Review, as required by Section 417 of the Companies Act 2006 and should be treated as forming part of this report.

Results and dividends

The Group's profit for the financial year before taxation attributable to the equity shareholders amounted to £51.8m (2007: £55.6m) and the profit after taxation amounted to £31.8m (2007: £42.5m).

An interim dividend for the current year of 3.8p per ordinary share was paid on 4 July 2008.

The Directors are proposing a final dividend for the current year of 8.8p per share. This will be paid on 13 February 2009 to shareholders on the register at close of business on 5 December 2008, subject to shareholder approval.

Directors

The following were Directors of the Company during the financial year ended 28 September 2008: Gerald Corbett, Paul Moody, Joanne Averiss, John Gibney, Ben Gordon, Bob Ivell and Michael Shallow. Chris Bulmer stepped down from the Board on 15 April 2008.

The Company's Articles of Association (the 'Articles') give the Directors power to appoint and replace Directors. Under the terms of reference of the Nomination Committee, any appointment must be recommended by the Nomination Committee for approval by the Board. The Articles also require Directors to retire and submit themselves for election to the first AGM following appointment and to retire at the AGM held in the third calendar year after election or last re-election.

In accordance with Article 82 of the Company's Articles, Ben Gordon, who was appointed to the Board on 15 April 2008, will retire at the AGM and, being eligible, will offer himself for election. His biographical details are set out on page 31 of this report.

Directors' interests

The Directors' interests in ordinary shares of the Company are shown within the Directors' Remuneration Report on pages 42 to 49. No Director has any other interest in any shares or loan stock of any Group company.

Other than Joanne Averiss, who is a director of a number of PepsiCo's subsidiaries, no Director was or is materially interested in any contract other than their service contract, subsisting during or existing at the end of the financial year which was significant in relation to the Group's business. Further details of Joanne Averiss' appointment are set out on page 38 in the Corporate Governance section of the Annual Report.

As at the date of this report, indemnities are in force under which the Company has agreed, to the extent permitted by law and the Company's Articles, to indemnify:

- The Directors, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company or any of its subsidiaries.
- Directors of companies which are corporate trustees of the Group's pension schemes against liability incurred in connection with those companies' activities as trustees of such schemes.

Directors' remuneration

The Remuneration Committee, on behalf of the Board, has adopted a policy that aims to attract and retain the Directors needed to run the Group successfully. The Directors' Remuneration Report is shown on pages 42 to 49.

Annual General Meeting

Details of the Company's forthcoming AGM are set out in a separate circular which has been sent to all shareholders with this report.

Employee involvement

The Group uses a number of ways to engage employees on matters that impact them and the performance of the Group. These include annual roadshows at key sites by members of the Executive Committee, regular team meetings, the publication of a bi-monthly internal newsletter, 'The Mag', together with the 'b.link+' intranet site containing easy access to the latest Company information as well as Company policies and vacancies. The Company organises quarterly formal business performance updates for employees, which are cascaded by line managers. An Employee Involvement Forum was established in 2004 through which nominated representatives ensure that employees' views are taken into account regarding issues that are likely to affect them. In addition, where the Group has entered into a recognition agreement with a Trade Union, it fulfils its obligations to consult and negotiate accordingly. The Group approaches these relationships from a partnership perspective. A robust employee opinion survey process is also in place to ensure that employees are given a voice in the organisation and that the Group can take action based on employee feedback.

All eligible employees are able to participate in the Britvic Share Incentive Plan which gives them the opportunity to purchase ordinary shares in the Company using money deducted from their pre-tax salary, and to receive matching shares from the Company, up to a maximum of £75 per four-week pay period.

Equal opportunities

The Group is committed to providing equality of opportunity to all employees without discrimination and applies fair and equitable employment policies which ensure entry into and progression within the Group. Appointments are determined solely by application of job criteria and competency.

Disabled persons

Disabled persons, whether registered or not, have equal opportunities when applying for vacancies, with due regard to their aptitudes and abilities. In addition to complying with legislative requirements, procedures ensure that disabled employees are fairly treated in respect of training and career development. For those employees becoming disabled during the course of their employment, the Group is supportive, whether through retraining or redeployment, so as to provide an opportunity for them to remain with the Group, wherever reasonably practicable.

In the opinion of the Directors, all employee policies are deemed to be effective and in accordance with their intended aims.

Supplier payment policy

It is Group policy to agree terms and conditions for its business transactions with all suppliers. Payment is made in accordance with these terms provided the supplier meets its obligations. The average number of days of payments outstanding for the Group at the financial year end was 36 (2007: 30).

Political contributions

During the year the Group and its subsidiaries made no political contributions.

Charitable donations

The Company is a member of the London Benchmarking Group (LBG) whose benchmarking model is used to assess the Company's total contributions to communities in the UK. During the year, the Company's direct donations for charitable purposes (cash donations to charity) was £83,032 (2007: £17,187). The Group invested a further £49,532 (2007: £42,111) in support of community programmes, including product donations and employee volunteering.

Major shareholders

As at 25 November 2008, the Company had been notified under Rule 5 of the Financial Services Authority's Disclosure and Transparency Rules of the following significant holdings of voting rights in its shares.

	Number of ordinary shares	Per cent	Nature of holding
Snowdon Acquisitions Limited	30,207,082	13.98%	Direct
AXA, S.A.	13,734,563	6.36%	Direct and Indirect
Standard Life Investments Ltd.	13,231,558	6.12%	Direct and Indirect
Newton Investment Management Limited	12,923,215	5.98%	Indirect
PepsiCo, Inc	10,739,120	4.97%	Direct
Legal & General Group Plc	8,633,246	3.99%	Direct
Aviva plc and subsidiaries	6,484,618	3.00%	Direct

Takeovers directive

The following provides the additional information required for shareholders as a result of the implementation of the Takeovers Directive into English law.

As at 28 September 2008, the Company's issued share capital comprised a single class of shares referred to as ordinary shares. Details of the ordinary share capital can be found in Note 22 to the financial statements which should be treated as forming part of this report.

On a show of hands at a general meeting of the Company every holder of ordinary shares present in person and entitled to vote shall have one vote and, on a poll, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The Notice of AGM specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the AGM. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the AGM and published on the Company's website after the meeting.

There are no restrictions on the transfer of ordinary shares in the Company other than:

- Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws).
- Pursuant to the Listing Rules of the Financial Services Authority whereby certain Directors, officers and employees of the Company require the approval of the Company to deal in the Company's ordinary shares.

Resolution 10, which will be proposed as a Special Resolution at the 2009 AGM, will give the Company authority to use its available cash resources to acquire up to 21,600,000 of its own shares in the market for either cancellation or to hold them as treasury shares. The Directors will only use this power after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels, and the overall position of the Company. The Directors will only purchase such shares after taking into account the effects on earnings per share and the benefits for shareholders.

IFG Trust (Jersey) Limited, as Trustee of the Britvic Employee Benefit Trust, holds 0.92% of the issued share capital of the Company, as at 25 November 2008, in trust for the benefit of the Executive Directors, senior executives and managers of the Group. A dividend waiver is in place in respect of the Trustees' holding. The voting rights in relation to these shares are exercised by the Trustee. The Trustee may vote or abstain from voting the shares or accept or reject any offer relating to shares, in any way it sees fit, without incurring any liability and without being required to give reasons for its decision. It may take all or any of the following matters into account:

- The long-term interests of beneficiaries.
- Interests of beneficiaries other than financial interests.
- Interests of beneficiaries in their capacity as employees or former employees or their dependants.
- Interests of persons (whether or not identified) who may become beneficiaries in the future.
- Considerations of a local, moral, ethical, environmental or social nature.

The Trustee may not accept any offer relating to the shares without the prior written consent of the Company.

Under the rules of the Britvic Share Incentive Plan (the 'Plan') eligible employees are entitled to acquire shares in the Company. Plan shares are held in trust for participants by Equiniti Share Plan Trustees Limited (the 'Trustees'). Voting rights are exercised by the Trustees on receipt of participants' instructions. If a participant does not submit an instruction to the Trustees no vote is registered. In addition, the Trustees do not vote on any unawarded shares held under the Plan as surplus assets. As at 25 November 2008, Equiniti Share Plan Trustees Limited held 2.32% of the issued share capital of the Company.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid. The Company's banking arrangements are terminable upon a change of control of the Company. Certain other indebtedness becomes repayable if a change of control leads to a downgrade in the credit rating of the Company. The Company's agreements with PepsiCo are terminable upon a change of control, details of which are included on page 25.

The Company's Articles may only be amended by a Special Resolution at a general meeting of shareholders. At the 2009 AGM a Special Resolution will be put to shareholders proposing amendments to the Company's existing Articles as described in the Notice of Meeting and in Note 34 of the Financial Statements.

Financial risk management

It is the Group's objective to manage its financial risk so as to minimise the adverse fluctuations in the financial markets on the Group's reported profitability and cash flows. The specific policies for managing each of the Group's main financial risk areas are detailed in the Treasury Management section of the Business Review on page 23.

Post balance sheet event

Details are set out in Note 34 of the Financial Statements.

Statement of Directors' responsibilities in relation to the Financial Statements

The Directors have chosen to prepare the Financial Statements for the Group in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, and for the Company in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP').

In the case of UK GAAP financial statements, under English company law it is the Directors' responsibility to prepare Financial Statements for each financial period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

In the case of IFRS financial statements, IAS 1 requires that the Financial Statements present fairly for each financial period the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. Directors are also required to:

- Properly select and apply accounting policies consistently.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal controls, for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement as to disclosure of information to auditors

So far as each Director is aware, there is no relevant audit information (as defined by the Companies Act 1985) of which the auditors are unaware. Each Director has taken all steps that ought to be taken by a Director to make themselves aware of and to establish that the auditors are aware of any relevant audit information.

A copy of the financial statements is placed on the Company's website www.britvic.com. The maintenance and integrity of this 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 statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial statements

After making appropriate enquiries, the Directors have a reasonable expectation that the Company and the Group overall have adequate resources to continue operating for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

Auditors

Ernst & Young LLP have indicated their willingness to accept reappointment as auditors of the Company and a resolution proposing their reappointment is contained in the Notice of AGM and will be put to the shareholders at the AGM.

By Order of the Board

John Price
Company Secretary
25 November 2008

Corporate Governance

Introduction

The Company is committed to high standards of corporate governance and supports the principles laid down in the revised Combined Code on Corporate Governance as issued by the Financial Reporting Council in June 2006 ('the Code'). This statement describes how the principles of the Code are applied and reports on the Company's compliance with the Code's provisions.

The Directors consider that the Company has been in compliance with the provisions of the Code throughout the 52 weeks ended 28 September 2008 and to the date of this report.

Board of Directors

The Board of Directors ('the Board') currently has seven members, comprising the Non-Executive Chairman, Chief Executive, Finance Director, three further independent Non-Executive Directors and the PepsiCo nominated Non-Executive Director. All of the Directors bring strong judgement to the Board's deliberations. The Board is of sufficient size and diversity that the balance of skills and experience is considered to be appropriate for the requirements of the business. With the exception of the PepsiCo nominated Non-Executive Director, Joanne Averiss, the Non-Executive Directors are all independent of management and free from any business or other relationship, including those relationships and circumstances referred to in provision A.3.1 of the Code that could materially interfere with the exercise of independent and objective judgement. In addition to her fiduciary obligations to act in the best interests of the Company, Joanne Averiss is required under her letter of appointment to discharge her duties in the interests of the Company notwithstanding her connection with PepsiCo. The Company considers that, on appointment, the Chairman was independent for the purposes of provision A.3.1 of the Code. The Non-Executive Directors have all been appointed for a three-year term. The Senior Independent Non-Executive Director, Bob Ivell, is available to shareholders if they have concerns which are not resolved through the normal channels of Chairman, Chief Executive or Finance Director; or for which such contact is inappropriate.

At all times since listing there has been a majority of independent Non-Executive Directors on the Board, in compliance with Code provision A.3.2.

The biographical details of the Board members are set out on pages 30 and 31. The Directors have all occupied, or occupy, senior positions in UK and/or non-UK listed companies and have substantial experience in business. The Non-Executive Directors do not participate in any of the Group's pension schemes or in any of the Group's bonus, share option or other incentive schemes. All Directors must stand for election at the first AGM after they are appointed. The Articles of Association ('Articles') provide that all Directors will stand for re-election at least every three years.

The Board is collectively responsible for the proper management of the Company. The Board normally meets ten times each financial year and has a formal schedule of matters reserved to it for decision making, including the approval of annual and interim results, annual budgets, material acquisitions and disposals, material agreements and major capital commitments. The Company Secretary maintains a record of attendance at Board meetings and Committee meetings, further details of which are set out on page 40. During the year the Chairman met with the Non-Executive Directors without the Executive Directors present.

Board members are given appropriate documentation in advance of each Board or Committee meeting. This normally includes a detailed report on current trading and full papers on matters where the Board will be required to make a decision or give its approval. Specific business-related presentations are given when appropriate.

There is an established procedure for the preparation and review, at least annually, by the Board of medium-term plans and the annual budget. The business reports monthly on its performance against its agreed budget. The Board receives a monthly update on performance and reviews any significant variances on a monthly basis. All major investment decisions are subject to post-completion reviews.

In line with agreed procedures, the Chairman has conducted interviews with each Director and assessed their individual performance. The Chairman has carried out an evaluation of the performance of the Board as a whole and of each Committee and, led by the Senior Independent Non-Executive Director, the Non-Executive Directors have assessed the performance of the Chairman taking into account the views of the Executive Directors. The conclusions of those assessments have been presented to the Board by the Chairman and the senior independent Non-Executive Director. The evaluation process is designed to cover Board processes, the structure and capability of the Board, strategic alignment, Board dynamics and the skills brought to the Board by each Director.

The Board has approved a procedure for Directors to take independent professional advice at the Company's expense, if necessary. In addition, the Directors have direct access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed. Both the appointment and removal of the Company Secretary are matters for the Board as a whole. The Company Secretary is responsible for preparing and implementing an induction programme for Board appointees, including guidance as to their duties, responsibilities and liabilities as a Director of the Company and business familiarisation. Business familiarisation involves Directors visiting sites in the UK and Ireland and giving the Directors the opportunity to meet senior managers from around the business. During the year under review, the Directors carried out visits of the Norwich and Dublin sites. They also have the opportunity to discuss organisational, operational and administrative matters. Every Director has access to appropriate training as required subsequent to appointment. The Company provides Directors' and Officers' insurance cover, in line with normal market practice, for the benefit of Directors in respect of claims arising in the performance of their duties.

The different roles of the Chairman and Chief Executive are acknowledged. A responsibility statement for each of those roles has been agreed with the Chairman and Chief Executive, respectively, and adopted by the Board. The Chairman is primarily responsible for the workings of the Board and ensuring that its strategic and supervisory role is achieved and for ensuring effective communication with shareholders. The Board has delegated appropriate responsibilities to the Executive Committee (which comprises in addition to the Executive Directors, the Marketing Director, Customer Management Director, Supply Chain Director, Strategy Director and Human Resources Director) who are responsible for the day-to-day running of the business, carrying out agreed strategy and implementing specific Board decisions relating to the operation of the Group.

Conflicts of interest

Following the changes made to the Company's Articles at the 2008 AGM and the subsequent introduction of Section 175 of the Companies Act, 2006 on 1 October 2008 which gave boards the statutory power to authorise conflicts of interest, formal conflict management procedures have been prepared and approved by the Board. Going forward, the Nomination Committee will be responsible for reviewing annually any conflict authorisations granted by the Board and will make recommendations to the Board as to their continuation, and any changes to any terms or conditions or other limitations which may have been applied. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

Board Committees

There are a number of standing Committees of the Board to which various matters are delegated. The Committees all have formal Terms of Reference that have been approved by the Board which are available on the Group's website (www.britvic.com). Details are set out below:

The Nomination Committee

The Nomination Committee comprises Ben Gordon (and prior to his appointment, Chris Bulmer), Bob Ivell and Michael Shallow and is chaired by Gerald Corbett. The Committee meets as necessary and is responsible for considering and recommending to the Board persons who are appropriate for appointment as Executive and Non-Executive Directors. There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. This process involves the Nomination Committee interviewing suitable candidates who are proposed by either existing Board members or by an external search company. Careful consideration is given to ensure appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience on the Board is maintained. When dealing with the appointment of a successor to the Chairman, the Senior Independent Non-Executive Director will chair the Committee instead of the Chairman. When the Committee has found a suitable candidate, the Chairman of the Committee will make a proposal to the whole Board and the appointment is the responsibility of the whole Board following recommendation from the Committee.

During the year the Committee met to consider the appointment of a replacement for Chris Bulmer who stepped down as a Non-Executive Director with effect from 15 April 2008. In order to ensure that an appropriate balance of skills and knowledge was maintained on the Board, a description of the role and capabilities required was prepared and an external search consultancy engaged to identify suitable candidates. Following compilation of a shortlist of candidates and after meeting with Committee members, Ben Gordon was appointed to the Board as a Non-Executive Director on 15 April 2008. This appointment brings significant experience of the retail sector to the existing range of skills and experience on the Board.

The Remuneration Committee

The Remuneration Committee comprises Gerald Corbett, Ben Gordon (and prior to his appointment, Chris Bulmer) and Michael Shallow, and is chaired by Bob Ivell. It is responsible for: (i) making recommendations to the Board on the Group's policy on the remuneration of the Company's Chief Executive, Chairman, the Executive Directors, the Company Secretary and other members of the Executive Committee; (ii) the determination, within agreed terms of reference, of the remuneration of the Chairman and of specific remuneration packages for each of the Executive Directors and other members of the Executive Committee, including pension rights, any compensation payments and benefits; and (iii) the determination of awards under the Company's employee share plans to the Executive Directors, the Company Secretary and other members of the Executive Committee. It meets at least three times a year. Full details of its activities and of Directors' remuneration are set out in the Directors' Remuneration Report on pages 42 to 49. Those pages detail compliance with the legal requirements with regard to remuneration matters. The Chairman of the Committee reports the outcome of meetings to the Board.

The Audit Committee

The Audit Committee comprises Ben Gordon (and prior to his appointment, Chris Bulmer) and Bob Ivell and is chaired by Michael Shallow. The Board is satisfied that Michael Shallow, who is a Chartered Accountant and was formerly Finance Director of Greene King plc, has recent and relevant financial experience as required by the Code.

The role of the Audit Committee is to monitor the integrity of the Group's interim and annual financial statements prior to their submission to the Board. It is also responsible for reviewing the Group's internal financial control and risk management systems, advising the Board on the appointment of external auditors, overseeing the relationship with the external auditors, approving auditor remuneration, reviewing the Group's whistle-blowing procedures, reviewing accounting policies and compliance and monitoring and reviewing the effectiveness of the Group's full internal audit function.

The Committee had three meetings in the year during which it discharged it responsibilities as set out in its terms of reference and schedule of business for the year. On each occasion the Finance Director and the Head of Internal Audit and Risk attended through invitation. The external auditors attended all three of the meetings.

Significant areas of review during the year included the review and improvement of Britvic Ireland's internal control framework to align it with the existing framework within Great Britain. Outputs from this process were also reviewed at each of the Committee's meetings. The Committee also received comprehensive reports from the Head of Internal Audit and Risk on the results and progress of the internal audit plan.

The Audit Committee regularly monitors the relationship with the auditors and assesses their performance, cost-effectiveness, objectivity and independence. It agrees the scope of the audit work and discusses the results of the full year audit and interim review each year. At each Audit Committee meeting the external auditors were able to meet with the Committee without management being present.

It is a specific responsibility of the Audit Committee to ensure that an appropriate relationship is maintained between the Group and its auditors. The Group has a policy of controlling the provision of non-audit services by the external auditors in order to maintain their independence and ensure that their objectivity and independence are safeguarded. This control is exercised by ensuring non-audit projects, where fees are expected to exceed £50,000, are subject to the prior approval of the Chairman of the Audit Committee and the Finance Director. If non-audit project fees are expected to exceed £150,000 the prior approval of the Audit Committee is required. The Committee has scrutinised the internal procedures of Ernst & Young LLP and satisfied itself that the independence and objectivity of the auditors are not affected by the non-audit work undertaken.

Attendance at meetings

The attendance of Directors at Board and Committee meetings during the 52 weeks ended 28 September 2008 was as follows:

	Board	Nomination Committee	Remuneration Committee	Audit Committee
Gerald Corbett**	9	3	2	–
Paul Moody	9	–	–	–
Joanne Averiss	9	–	–	–
Chris Bulmer*	5	2	3	1
John Gibney	9	–	–	–
Bob Ivell	9	3	5	3
Michael Shallow	8	2	4	3
Ben Gordon*	3	1	2	1
Total number of meetings	**9**	**3**	**5**	**3**

* Chris Bulmer resigned on 15 April 2008. Ben Gordon was appointed on the same date.

** Appointed as a member of the Remuneration Committee on 18 June 2008.

Shareholder relations

The Company is committed to maintaining good communications with shareholders. Senior executives, including the Chairman, Chief Executive and Finance Director, have dialogue with individual institutional shareholders in order to develop an understanding of their views which is fed back to the Board. General presentations are given to analysts and investors covering the annual and interim results. The Business Review set out on pages 12 to 25 details the financial performance of the Company as well as setting out the risks it faces and plans for the future. The Company Secretary generally deals with questions from individual shareholders. All shareholders will have the opportunity to ask questions at the Company's AGM on 28 January 2009. At the AGM, the Chairman will give a statement on current trading conditions. The Chairmen of the Nomination, Remuneration and Audit Committees will be available to answer questions at the AGM. The Chairman will advise shareholders on proxy voting details. In addition, the Group's website containing published information and press releases can be found at www.britvic.com

Internal control

The Board has overall responsibility for the Group's system of internal control and risk management and for reviewing its effectiveness. In discharging that responsibility, the Board confirms that it has established the procedures necessary to apply the Code, including clear operating procedures, lines of responsibility and delegated authority. These procedures have been in place since the Company listed and are regularly reviewed by the Board.

Business performance is managed closely and the Board and the Executive Committee have established processes, as part of the normal good management of the business, to monitor:

- Strategic plan achievement, through a regular review of progress towards strategic objectives.
- Financial performance, within a comprehensive financial planning and accounting framework, including budgeting and forecasting, financial reporting, analysing variances against plan and taking appropriate management action.
- Capital investment and asset management performance, with detailed appraisal, authorisation and post investment reviews.
- Principal risks and risk management processes, which accords with the Turnbull guidance and is supported by reports from the Head of Internal Audit and Risk that the significant risks faced by the Group are being identified, evaluated and appropriately managed, having regard to the balance of risk, cost and opportunity. The Executive Committee review the Group risk register on at least a quarterly basis, with the Board reviewing on at least a semi-annual basis.

In addition, the Audit Committee received:

- Reports from the Head of Internal Audit and Risk on the work carried out under the annual internal audit plan.
- Reports from the external auditors.

Through the monitoring processes set out above, the Board conducted a review of the effectiveness of the system of internal control during the 52 weeks ended 28 September 2008. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and it must be recognised that it can only provide reasonable and not absolute assurance against material misstatement or loss. In that context, the review, in the opinion of the Board, did not indicate that the system was ineffective or unsatisfactory and the Board is not aware of any change to this status up to the approval of this report.

Statement of Directors' responsibilities pursuant to DTR 4.1.12

The Directors confirm that, to the best of their knowledge:

(a) The Financial Statements, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Commission, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation as a whole; and

(b) The Business Review includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report and Financial Statements except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

The names and functions of the Directors of the Company are listed on page 31 of this document.

Directors' Remuneration Report

For the 52 weeks ended 28 September 2008

The following is a report by the Remuneration Committee (the 'Committee') which has been approved by the Board of Britvic plc for submission to shareholders. This report has been prepared in accordance with the Companies Act 1985. It provides the Company's statement of how it has applied the principles of good governance relating to Directors' remuneration and is intended to communicate Britvic's policies and practices on executive remuneration to the Company's major shareholders and relevant institutions.

In accordance with the Companies Act 1985, a resolution will be submitted to the AGM to approve the Directors' Remuneration Report.

Membership of Remuneration Committee

During the 52 weeks ended 28 September 2008, the Committee consisted wholly of independent Non-Executive Directors:

Chris Bulmer – Chairman of the Committee – resigned 15 April 2008
Bob Ivell – appointed Chairman of the Committee 15 April 2008
Michael Shallow
Ben Gordon – appointed 15 April 2008
Gerald Corbett – appointed 18 June 2008

At the invitation of the Chairman of the Committee, the Chairman of the Board (prior to his appointment to the Committee), the Chief Executive and Human Resources Director attend the meetings of the Committee except when their own remuneration is under consideration. Details of the attendance by Committee Members at Committee Meetings are shown in the Corporate Governance Report on page 40.

Composition and terms of reference

The Committee's composition and terms of reference are in line with the Combined Code and are available on the Company's website or on request. Following a recent change, the Combined Code on Corporate Governance provides that the Chairman of the Board may be a member of (although not chair) a remuneration committee if considered to be independent. In the light of the significant contribution which can be made by the Chairman of the Board, and his independence, the Company decided that he should be appointed as a member of the Committee on 18 June 2008. However, the Chairman of the Board absents himself from discussions when his own remuneration is under discussion.

The Committee meets not less than three times a year and has responsibility for: (i) making recommendations to the Board on the Group's policy on the remuneration of the Company's Chief Executive, Chairman, the Executive Directors, the Company Secretary and other members of the Executive Committee; (ii) the determination, within agreed terms of reference, of the remuneration of the Chairman and of specific remuneration packages for each of the Executive Directors and other members of the Executive Committee, including pension rights, any compensation payments and benefits; and (iii) the determination of awards under the Company's employee share plans to the Executive Directors, the Company Secretary and other members of the Executive Committee. The Committee also ensures compliance with the Combined Code in this respect.

Advisors

The Committee has appointed an external consultant, Towers Perrin, to advise on executive compensation issues and in developing its performance-related remuneration policy. From time to time the Company is also advised by Towers Perrin on remuneration-related issues. The following individuals also provided material advice or services to the Committee during the 52 weeks ended 28 September 2008:

- Paul Moody (Chief Executive).
- Doug Frost (Human Resources Director).
- Michael Mountford (Head of Compensation and Benefits).

Remuneration policy

To date, the remuneration policy with respect to Executive Directors has been designed to provide market competitive remuneration relative to UK-listed companies of similar size and scope.

The Company believes that in order to meet its remuneration objectives, the remuneration of Executive Directors should comprise a balance between fixed and variable (performance-related) pay elements with the predominant proportion of potential reward being linked to performance. As a result, for superior performance, approximately two thirds of total remuneration is performance-related. For target performance, approximately half of total remuneration is performance-related.

The Committee constantly reviews remuneration policy to ensure that it is sufficiently flexible to take account of future changes in Britvic's business operations and environment and recognises key developments in remuneration practice and alignment to shareholder interests. Consequently, the policy set out in this report has been applied during 2007/08. However, following the Committee's most recent review a number of changes in policy will be implemented for 2008/09 and are described in more detail below. The Committee has explained, in some detail, the rationale for these changes to the Company's larger shareholders and the main institutional shareholder bodies prior to the publication of this Report. In summary, the Committee has decided to revise the current incentive arrangements in place to more closely reflect the evolving needs of the business, changing competitive market norms and best practice developments since the original policy was implemented on IPO in December 2005.

The Committee believes that the revisions to Executive Directors' packages will both strengthen the link between pay and performance as well as address the shortfall in overall compensation levels which have developed since IPO. Therefore, in respect of 2008/09 superior performance will mean that approximately three quarters of total remuneration will be performance-related. Similarly, for target performance, approximately three fifths of total remuneration will be performance-related.

Remuneration objectives

The principal objective of the policy remains the same and is to provide market competitive levels of remuneration, including incentive arrangements, which will reward successful execution of the Company's short-term and long-term strategy. The Committee believes that this requires:

- The provision of mid-market base salaries and incentive levels for the sector, with appropriate leverage to reward sustained exceptional performance and support the future growth plans of the Company.
- A reward structure that places an appropriate emphasis on short-term and long-term performance to support operating performance and to reward sustained longer-term performance.
- Competitive incentive arrangements that are underpinned by a balance of operational and long-term performance metrics to provide both a focus on business performance and alignment with returns to the Company's shareholders.

Components of remuneration

	Purpose	Performance measure
Base salary	• Positions the role and the individual fairly within a competitive market range derived from a peer group of similar-sized UK-listed companies.	• Individual contribution and sustained value in the business.
Short-Term Incentive Plan	• Provides focus on the delivery of the financial targets set out in the Annual Budget.	• PBT (50%); net revenue (25%) and free cash flow (25%).
Executive Share Option Plan ('Option plan')	• Provides focus on longer-term share price growth. • Reflects sustained delivery of earnings growth. • Alignment to shareholder interests.	• EPS growth during the three-year vesting period.
Performance Share Plan ('PSP')	• Provides focus on sustained growth.	• Relative total shareholder return ('TSR') over a three-year performance period against a peer group of similar sector companies. • From 2008/9 a three-year performance period based on an even split of relative TSR against a peer group of similar sector companies and average Return on Invested Capital ('ROIC').

Remuneration in practice

Base salary

Salaries are reviewed annually to take account of market movement, individual contribution and increases elsewhere in the Company. Directors' salaries are benchmarked against a selected peer group of UK companies with similar levels of revenue. The salaries of other members of the Executive Committee are benchmarked against a selected group of major companies in the Fast Moving Consumer Goods ('FMCG') and Retail sectors, where the Committee sees the primary market for talent at this level.

Short-Term Incentive Plan

Targets were approved by the Committee at the beginning of the year and were aligned to internal targets and strategic business objectives for 2007/8. Up to 60% of salary for the Chief Executive and 50% of salary for the Finance Director is payable for the achievement of target PBT, net revenue growth and free cash flow performance on a 50%/25%/25% basis. Up to a maximum of 120% and 100% of salary is payable for the achievement of exceptional performance targets for the Chief Executive and Finance Director, respectively. For 2007/8, a bonus of 69.6% of salary for the Chief Executive and 58.0% of salary for the Finance Director was earned for above target performance against PBT and free cash flow but below target performance in net revenue growth. Details of PBT and net revenue are shown on page 51 and free cash flow on page 53.

Following the review of incentive arrangements mentioned above, the Committee decided that the key short-term operational drivers of the business for 2008/9 remain appropriate and therefore the same bonus structure as applied in 2007/8 should continue. Therefore bonuses will be paid for achievement of performance targets based on PBT, net revenue growth and free cash flow and will be set at appropriately stretching levels. The Committee has also decided to increase target and maximum bonus opportunity for Executive Directors to more closely align packages with competitive market norms. As a result, target and maximum bonus for the Chief Executive will change to 70% and 140% of salary, respectively. Similarly, target and maximum bonus opportunity for the Finance Director will change to 60% and 120% of salary, respectively.

Executive Share Option Plan

Annual grants of options were made at the discretion of the Board over shares in Britvic plc at the market price at date of grant to senior executives (25 in 2007/8). The level of option grant and the performance conditions are determined and reviewed by the Committee annually. For 2007/8 the policy was to grant the options over shares worth 200% and 150% of annual salary to the Chief Executive and Finance Director, respectively. Options are normally exercisable between three and ten years from the date of grant.

A performance condition is applied such that 40% of the grant vests for the achievement of EPS growth over the three-year performance period equivalent to RPI +3% per annum. No awards will vest below this threshold level of performance. For achievement of EPS growth equivalent to RPI +7% per annum over the same period, 100% of the grant will vest, with straight-line vesting between threshold and maximum. Options lapse to the extent that the performance condition is not achieved.

For 2008/9, the Committee has decided to maintain the same focus on long-term EPS growth and believes the current performance range remains sufficiently stretching in the context of the current business outlook and growth strategy of the Company. However, in accordance with best practice the Committee has also decided to reduce the proportion of the grant vesting at threshold performance from 40% to 25% of the grant. Furthermore, to more closely align long-term incentives with competitive market norms, option grants over shares worth 300% of salary will apply for the Chief Executive and 250% of salary for the Finance Director.

Performance Share Plan

Annual grants of performance shares were made at the discretion of the Board to senior executives and managers (90 in 2007/8). The awards normally vest at the end of the three-year performance period, to the extent that the performance condition will have been achieved, and lapse to the extent it is not achieved. For 2007/8 the policy was to grant the equivalent of 50% of annual salary to Executive Directors, calculated on the basis of the market price at the date of grant. For awards to vest in full under this plan, Britvic's TSR must rank in the top quartile of the peer group of the following similar sector companies over the same period:

AG BARR
Associated British Foods
C&C Group
Cadbury Schweppes
Dairy Crest
Diageo
Fuller Smith
Greene King
Marston's (formerly Wolverhampton & Dudley)
Nichols
Northern Foods
Premier Foods
Reckitt Benckiser
SABMiller
Smith & Nephew
SSL International
Tate & Lyle
Uniq

No awards will vest for performance below median, with 40% of the award vesting at median rising to 100% at upper quartile on a straight-line basis.

During 2006/7 and 2007/8 four companies on the original list of comparator companies (RHM, Arla Foods, Scottish & Newcastle and IAWS Group) were taken over and subsequently excluded from the list. The Committee considered whether to replace these companies and decided that the remaining 18 companies were sufficient for 2007/8.

The Committee has for 2008/9 decided to revise the structure of the PSP and as a result, vesting of awards under the PSP will be determined on an even split according to the ranking of Britvic's relative TSR and on stretching three-year average ROIC targets set at the commencement of each financial year. For the purposes of the PSP, ROIC will be defined as Operating Profit after Tax divided by Average Invested Capital including Goodwill, expressed as a percentage.

The Committee believes that the introduction of a ROIC performance target provides closer alignment with underlying financial performance than relative TSR growth alone, as well as introducing an appropriate balance with the EPS growth targets set under the Option Plan. In particular, the Committee believes that ROIC directly aligns pay with an appropriate balance between future investment and capital spending plans and the need to maintain appropriate margins in an uncertain trading environment over the next few years.

For 2008/9 the Committee has decided to replace the four companies lost from the original TSR comparator group with Greencore Group plc, Origin Enterprises plc, Wetherspoon (J D) plc and Glanbia plc thus reinstating a comparator group of 22 companies.

In accordance with best practice, the Committee has also decided to reduce the proportion of award vesting at threshold performance from 40% to 25% of the award in conjunction with an increase in award levels to 100% of salary for Executive Directors.

Therefore, for 2008/9, 25% of awards will vest at three-year average ROIC of 16.8% rising to full vesting on a straight-line basis at ROIC of 18.8%. No award will vest for three-year average ROIC below 16.8%.

The Committee believes these revisions will both strengthen the effectiveness and competitiveness of the PSP as well as the overall compensation packages for Executive Directors.

Shareholding guidelines

In accordance with best practice and further to align the interests of Executive Directors and shareholders, a shareholding guideline is in place. The guideline requires Executive Directors to acquire a shareholding equal to their annual salary within five years from IPO (calculated at the IPO share price). Until this holding is acquired, the Executive Directors may not sell any shares other than to finance the cost of exercising options and any tax liabilities arising from the vesting of long-term incentive plans, unless approved by the Committee, for example, in cases of financial hardship.

Retirement benefits

The Executive Directors currently participate in the defined benefit section of the Britvic Pension Plan (the 'Plan'). The normal retirement age for Executive Directors is 60. Bonus payouts and other incentive awards are not pensionable.

The Executive Directors also currently participate in the Britvic Executive Top Up Scheme, the Company's unfunded supplementary retirement benefits scheme. Prior to the legislative changes on 6 April 2006 (A-Day), the Top Up Scheme provided pension benefits above the previous HM Revenue & Customs ('HMRC') earnings cap to which the Plan was subject. Post A-Day, this earnings cap has been removed for future service within the Plan. For pre A-Day, service the earnings cap is maintained within the Plan and will be indexed by inflation (in line with Treasury notification). The Top Up Scheme is maintained to provide pension benefits above the earnings cap for pre A-Day service and to provide benefits above the new lifetime allowance for post A-Day service.

The defined benefit section of the Plan was originally designed broadly to provide a pension of two-thirds of final salary at normal retirement age, along with life assurance, ill health and dependants' pensions. Following a strategic review of pension policy in 2007/8 the defined benefit rate of pension accrual for Executive Directors for service from 1 July 2008 onwards was reduced by one-third. The cap on the rate of annual increase to pension in payment was also reduced to 2.5%, instead of the previous 5%, for pension in payment resulting from the reduced rate of pension accrual.

The defined benefit section of the Plan is closed to new entrants. All new entrants are offered membership of the defined contribution section of the Plan with similar life assurance, ill health and dependants' pensions.

Other benefits

Executive Directors receive an annual car benefit or allowance and membership of the Company's private medical healthcare plan.

Service contracts

The current policy is for Executive Directors' service contract notice periods to be normally no longer than 12 months. The service contracts of the current Executive Directors and the letters of appointment of the Non-Executive Directors include the following terms:

	Effective date of contract	Unexpired term (approx. months)	Notice period from Director (months)	Notice period from Company (months)
Executive Directors				
Paul Moody	14 December 2005	12*	6	12
John Gibney	14 December 2005	12*	6	12
Non-Executive Directors				
Gerald Corbett	14 December 2008	36**	12	12
Joanne Averiss	14 December 2008	36**	3	3
Ben Gordon	15 April 2008	31	3	3
Bob Ivell	14 December 2008	36**	3	3
Michael Shallow	14 December 2008	36**	3	3

* Executive Directors are appointed on 12-month rolling contracts.

** The Non-Executive Directors' letters of appointment have been extended for a further three-year term to 14 December 2011.

There are no special provisions for Executive or Non-Executive Directors with regard to compensation in the event of loss of office. In the event of the employment of an Executive Director being terminated, the Committee would pay due regard to best practice and take account of the individual's duty to mitigate their loss.

Biographical details of all Directors can be found on pages 30 and 31.

Other appointments

The Executive Directors have not been engaged by any other companies and are not permitted to do so during the term of their appointment without the prior written consent of the Board.

Non-Executive Directors

Chairman's letter of appointment and benefits

Under his letter of appointment, Gerald Corbett was appointed Chairman of the Company for an initial three-year term to 14 December 2008. This has been extended until 14 December 2011. From 14 December 2007 the Chairman's remuneration was increased to £175,000 per annum. In addition the Company employed a chauffeur assigned to Mr Corbett.

Non-Executive Directors

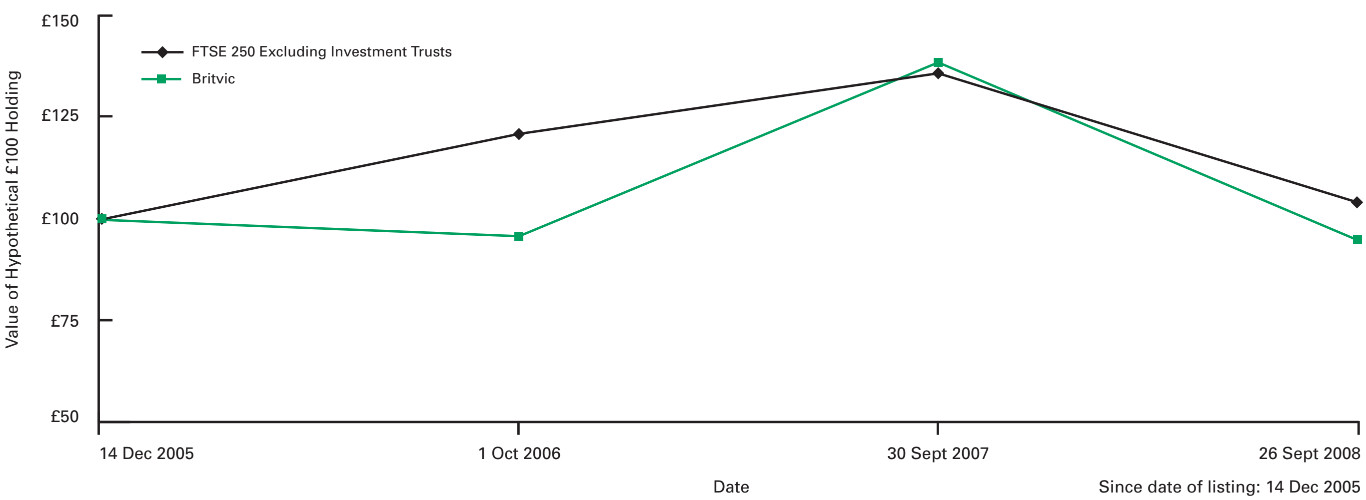
The Non-Executive Directors do not have service contracts but instead have letters of appointment for a three-year term.

Remuneration of Non-Executive Directors consists solely of fees. During the 52 weeks ended 28 September 2008 their basic fee was £40,000 per annum and an additional fee of £8,000 per annum was paid to the Senior Independent Director and to the Chairmen of the Board Committees.

Non-Executive Directors' fees are reviewed by the Board annually and they do not participate in any of the Group's pension schemes or in any of the Group's bonus, share option or other incentive schemes.

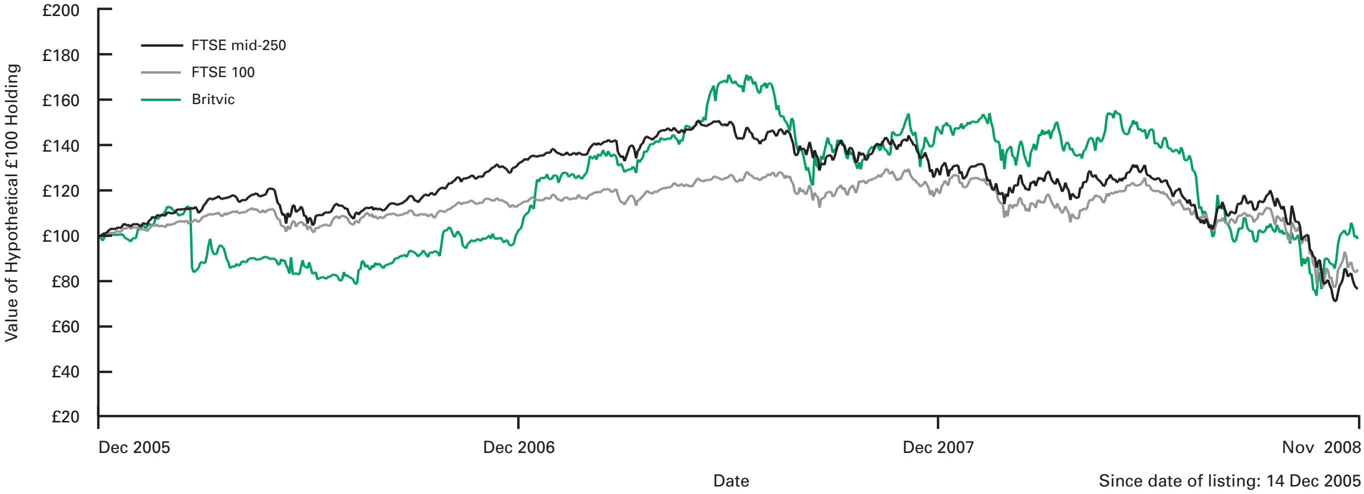
Performance graph – Total Shareholder Return

Historical TSR Performance
Growth in the value of a hypothetical £100 holding since float. FTSE 250 excluding investment trusts comparison based on spot values.



The Committee considers the FTSE 250 Excluding Investment Trusts Index is a relevant index for Total Shareholder Return and comparison disclosure as it represents a broad equity market index in which the Company is a constituent member. However, the Committee also considers that the additional graph below, showing daily returns against the same FTSE 250 index and also the FTSE 100 index, provides a more representative picture of the business' performance.

Historical TSR Performance
Growth in the Value of a Hypothetical £100 Holding Since Float. FTSE 250 Excluding Investment Trusts and FTSE 100 Comparison.



Directors' interests in shares

	Britvic plc ordinary shares of 20p each	
	28 September 2008	30 September 2007
Executive Directors		
Paul Moody	201,723	114,527
John Gibney	173,969	108,150
Non-Executive Directors		
Gerald Corbett	65,217	65,217
Joanne Averiss	8,696	8,696
Ben Gordon	11,393	–
Bob Ivell	10,870	10,870
Michael Shallow	21,739	21,739

The above shareholdings are all beneficial interests and include shares held on behalf of the Executive Directors by the Trustee of the Company's all-employee Share Incentive Plan which is detailed on page 94.

In the period 28 September 2008 to 25 November 2008 there has been no change in the Directors' interests, other than through the monthly purchases in October and November of partnership and matching shares under the Share Incentive Plan, resulting in an increase in the interests held by Paul Moody and John Gibney of 179 shares each.

Audited information

The following information has been audited by the Company's auditors, as required by Schedule 7A to the Companies Act 1985.

Directors' remuneration

	Basic Salary and Fees £'000	Taxable Benefits[1] £'000	Performance Related Bonuses £'000	Total 2008 £'000	Total 2007 £'000
Executive Directors					
Paul Moody	447	19	311	777	876
John Gibney	288	22	167	477	527
Non-Executive Directors					
Gerald Corbett[2]	173	63	–	236	208
Joanne Averiss	39	–	–	39	33
Chris Bulmer[3]	24	–	–	24	35
Ben Gordon	18	–	–	18	–
Bob Ivell	49	–	–	49	35
Michael Shallow	45	–	–	45	35
Total	1,083	104	478	1,665	1,749

Note:

1. Benefits for Paul Moody and John Gibney incorporate all taxable benefits and expense allowances arising from employment which relate mainly to the provision of an annual car benefit or allowance and membership of the Company's private medical healthcare plan. Benefits for Mr Corbett relate to the provision of a chauffeur assigned to him; the figure shown being the total gross amount before mitigation for business use.
2. Under an agreement between the Company and the Chairman, Mr Corbett will be awarded 65,217 ordinary shares by the Company, subject to tax (matching those he purchased on the Company's admission to the Official List and to trading on the London Stock Exchange on 14 December 2005 with an investment of £150,000), conditional upon completion of three years' service as Chairman on 13 December 2008 and the continued retention of his original investment.
3. Chris Bulmer resigned on 15 April 2008.

Directors' interests in share options

The Executive Directors participate in the Britvic Executive Share Option Plan (on the terms and subject to the EPS growth performance condition as described on page 44).

		Number of options							
	Date of grant	At start of year/date of appointment	Granted during financial year	Exercised during financial year	Lapsed during financial year	At end of year/date of cessation	Option to exercise price (pence)	Date from which exerciseable	Expiry date
Paul Moody	15/12/05	338,776	–	–	–	338,776	245.0	15/12/08	15/12/15
	06/12/06	338,776	–	–	–	338,776	245.0	06/12/09	06/12/16
	05/12/07	–	246,369	–	–	246,369	347.0	05/12/10	05/12/17
Total		**677,552**	**246,369**			**923,921**			
John Gibney	15/12/05	162,245	–	–	–	162,245	245.0	15/12/08	15/12/15
	06/12/06	162,245	–	–	–	162,245	245.0	06/12/09	06/12/16
	05/12/07	–	119,135	–	–	119,135	347.0	05/12/10	05/12/17
Total		**324,490**	**119,135**	**–**	**–**	**443,625**			

The market price of the Company's shares on 28 September 2008 was 214.0p and the range of closing prices during the 52 weeks ended 28 September 2008 was 214.0p to 359.0p.

Directors' interests in the Performance Share Plan

The Executive Directors participate in the Britvic Performance Share Plan (as described on page 44).

	Date of award	At start of year/date of appointment	Awarded during financial year	Vested during financial year	Lapsed during financial year	At end of year/date of cessation	Market price at date of award (pence)	Vesting date
		Number of shares						
Paul Moody	15/12/05*	90,217	–	–	–	90,217	242.0	15/12/08
	15/12/05**	289,856	–	144,928	–	144,928	242.0	15/12/06/07&08
	06/12/06*	84,694	–	–	–	84,694	245.0	06/12/09
	05/12/07*	–	61,592	–	–	61,592	339.0	05/12/10
Total		**464,767**	**61,592**	**144,928**	**–**	**381,431**		
John Gibney	15/12/05*	57,609	–	–	–	57,609	242.0	15/12/08
	15/12/05**	217,392	–	108,696	–	108,696	242.0	15/12/06/07&08
	06/12/06*	54,082	–	–	–	54,082	245.0	06/12/09
	05/12/07*	–	39,712	–	–	39,712	339.0	05/12/10
Total		**329,083**	**39,712**	**108,696**	**–**	**260,099**		

* Annual PSP awards were made to the Executive Directors subject to the TSR performance condition described on page 44.

** In addition to the annual PSP awards, a one-off transitional award was made subject to the achievement of targets based on average ROIC. The purpose of this award was to compensate the Company's valued executives for the loss of long-term incentive bonuses which were discontinued at IPO and to help retention. The award vests in three equal tranches after the first, second and third anniversary of the award subject to achievement of average ROIC performance targets over the three financial years 2005/6, 2006/7 and 2007/8. 50% of each tranche vests at threshold performance of 15% average ROIC rising to maximum vesting at 17% average ROIC on a straight-line basis. In respect of the third tranche of the transitional award, 100% of the award will vest after the year end as a result of ROIC performance in 2007/8. These shares are subject to the Shareholding Guidelines described above.

Pensions

The table below shows, amongst other items, as at the year end, the accrued pension should the Director leave employment; the increase in the accrued pension during the 52 weeks ended 28 September 2008; the increase excluding inflation and member contributions; the transfer value of accrued pension; and any increase/(decrease) in this value assessed on the transfer value basis as under the Britvic Pension Plan. This disclosure is in compliance with both the London Stock Exchange Listing Rules and the Companies Act 1985.

Name	Age at 28 September 2008	Accumulated accrued pension at 28 September 2008 £	Increase in accrued pension during the financial year £	Increase, before inflation, in accrued pension during the financial year £	Transfer value of increase, before inflation and less Directors' contributions £	Transfer value of accrued benefits at 28 September 2008 £	Transfer value of accrued benefits at 30 September 2007 £	Increase in transfer value, less Directors' contributions £
Paul Moody	51	164,000	21,100	14,000	141,330	1,913,300	1,803,700	87,600
John Gibney	48	151,800	16,300	9,500	79,600	1,498,800	1,490,500	(5,900)[1]

1. The negative increase is due to there being a substantial equity-based market value adjustment made to the transfer value at 28 September 2008 which has reduced transfer values significantly.

On behalf of the Board

Bob Ivell
Chairman of the Remuneration Committee

25 November 2008

Independent Auditor's Report to the Members of Britvic plc

We have audited the Group financial statements of Britvic plc for the 52 weeks ended 28 September 2008 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Recognised Income and Expense and the related Notes 1 to 34. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Britvic plc for the 52 weeks ended 28 September 2008 and on the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors
The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review that is cross-referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding Director's remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Directors' Report, the Chairman's Statement, the Business Review and the Corporate Governance Statement and the unaudited part of the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group financial statements.

Opinion
In our opinion:

- The Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 28 September 2008 and of its profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- The information given in the Directors' Report is consistent with the Group financial statements.

Ernst & Young LLP
Registered auditor
Birmingham
25 November 2008

Note:
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 statements since they were initially presented on the website.

Consolidated Income Statement

For the 52 weeks ended 28 September 2008

	Note	52 Weeks Ended 28 September 2008 Before Exceptional Items £m	Exceptional Items* £m	Total £m	52 Weeks Ended 30 September 2007 Before Exceptional Items £m	Exceptional Items* £m	Total £m
Revenue		926.5	–	926.5	716.3	–	716.3
Cost of sales		(426.1)	–	(426.1)	(286.0)	–	(286.0)
Gross profit		**500.4**	**–**	**500.4**	**430.3**	**–**	**430.3**
Selling and distribution costs		(290.8)	–	(290.8)	(241.4)	–	(241.4)
Administration expenses		(112.9)	(18.3)	(131.2)	(108.9)	(5.7)	(114.6)
Operating profit/(loss)	6	**96.7**	**(18.3)**	**78.4**	**80.0**	**(5.7)**	**74.3**
Finance income	9	0.4	–	0.4	0.9	–	0.9
Finance costs	9	(27.0)	–	(27.0)	(19.6)	–	(19.6)
Profit/(loss) before tax		**70.1**	**(18.3)**	**51.8**	**61.3**	**(5.7)**	**55.6**
Taxation	10	(17.1)	(2.9)	(20.0)	(17.3)	4.2	(13.1)
Profit/(loss) for the period attributable to the equity shareholders		**53.0**	**(21.2)**	**31.8**	**44.0**	**(1.5)**	**42.5**
Earnings per share							
Basic earnings per share	11	24.8p	(9.9p)	14.9p	20.4p	(0.7p)	19.7p
Diluted earnings per share	11	24.3p	(9.7p)	14.6p	20.2p	(0.7p)	19.5p

*See Note 5.

All activities relate to continuing operations.

Consolidated Balance Sheet

At 28 September 2008

	Note	2008 £m	2007 £m Restated*
Assets			
Non-current assets			
Property, plant and equipment	13	228.1	227.4
Intangible assets	14	263.8	246.1
Trade and other receivables	17	2.4	2.4
Pension surplus	25	–	9.1
Other financial assets	28	22.2	–
Deferred tax assets	10d	2.6	3.2
		519.1	488.2
Current assets			
Inventories	18	49.4	45.3
Trade and other receivables	19	152.7	130.9
Other financial assets	28	0.3	0.1
Cash and cash equivalents	20	13.9	27.3
		216.3	203.6
Non-current assets held for sale	21	5.9	4.8
Total assets		**741.3**	**696.6**
Current liabilities			
Trade and other payables	26	(244.3)	(203.2)
Interest bearing loans and borrowings	24	(11.6)	(13.1)
Other financial liabilities	28	(1.0)	(0.3)
Current income tax payable		(9.6)	(6.6)
		(266.5)	**(223.2)**
Non-current liabilities			
Interest bearing loans and borrowings	24	(402.7)	(417.8)
Deferred tax liabilities	10d	(37.7)	(32.0)
Pension liability	25	(23.9)	(14.7)
Other financial liabilities	28	–	(3.4)
Other non-current liabilities	29	(1.2)	(1.2)
		(465.5)	**(469.1)**
Total liabilities		**(732.0)**	**(692.3)**
Net assets		**9.3**	**4.3**
Equity and liabilities			
Issued capital	22	43.2	43.2
Share premium	23	2.5	2.5
Own shares	23	(7.9)	(10.3)
Share scheme reserve	23	7.3	5.3
Hedging reserve	23	7.0	1.9
Translation reserve	23	17.2	2.9
Retained earnings	23	(60.0)	(41.2)
Total equity		**9.3**	**4.3**

* Restated following the completion of the fair value allocation of Britvic Ireland (see Note 15).

The financial statements were approved by the Board of Directors and authorised for issue on 25 November 2008.
They were signed on its behalf by:

Paul Moody
Chief Executive

John Gibney
Finance Director

Consolidated Statement of Cash Flows

For the 52 weeks ended 28 September 2008

	Note	2008 £m	2007 £m
Cash flows from operating activities			
Profit before tax		51.8	55.6
Net finance charge		26.6	18.7
Impairment of property, plant and equipment		4.8	–
Depreciation		35.4	36.8
Amortisation		7.2	5.7
Share-based compensation		7.8	4.7
Net pension charge less contributions		(12.4)	(14.9)
(Increase)/decrease in inventory		(2.0)	0.6
(Increase)/decrease in debtors		(15.3)	1.3
Increase in creditors		44.4	9.1
Loss on disposal of tangible assets		3.0	0.4
Income tax paid		(8.1)	(11.8)
Net cash flows from operating activities		**143.2**	**106.2**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		6.1	9.9
Interest received		0.3	0.9
Purchases of property, plant and equipment		(45.3)	(20.7)
Purchases of intangible assets		(5.9)	(5.5)
Acquisition of subsidiary net of cash acquired		(6.8)	(160.6)
Net cash flows used in investing activities		**(51.6)**	**(176.0)**
Cash flows from financing activities			
Finance costs		(0.2)	(0.7)
Interest paid		(26.7)	(21.2)
Net interest bearing loans (repaid)/received		(45.5)	132.2
Purchase of own shares		(8.1)	(10.2)
Dividends paid to equity shareholders		(24.7)	(22.2)
Net cash flows from financing activities		**(105.2)**	**77.9**
Net (decrease)/increase in cash and cash equivalents		(13.6)	8.1
Cash and cash equivalents at beginning of period		27.3	19.2
Exchange rate differences		(0.8)	–
Cash and cash equivalents at the end of the period	20	**12.9**	**27.3**

Consolidated Statement of Recognised Income and Expense

For the 52 weeks ended 28 September 2008

	Note	2008 £m	2007 £m
Actuarial (losses)/gains on defined benefit pension scheme	25	(29.9)	61.3
Current tax on additional pension contributions		2.9	3.0
Deferred tax on movement in pension liabilities		3.6	(21.4)
Movement in cash flow hedges net of deferred tax		5.1	2.3
Deferred tax on share options granted to employees		(1.4)	1.1
Current tax on share options exercised		0.5	1.6
Exchange differences on translation of foreign operations		14.3	2.9
Net (expense)/income recognised directly in equity attributable to equity shareholders		**(4.9)**	**50.8**
Profit for the period attributable to equity shareholders		31.8	42.5
Total recognised income and expense for the period		**26.9**	**93.3**

Notes to the Consolidated Financial Statements

1. General information

Britvic plc (the 'Company') is a company incorporated in the United Kingdom under the Companies Act 1985. It is a public limited company domiciled in England & Wales and its ordinary shares are traded on the London Stock Exchange. Britvic plc and its subsidiaries (together the 'Group') operate in the soft drinks manufacturing and distribution industry, principally in the United Kingdom and Republic of Ireland.

The operating companies of the Group are disclosed within Note 33.

2. Statement of compliance

The financial information has been prepared on the basis of applicable International Financial Reporting Standards ('IFRS') as adopted by the European Union as they apply to the financial statements of the Group.

3. Accounting policies

Basis of preparation

For all periods up to and including the 52 weeks ended 2 October 2005, Britannia Soft Drinks Limited prepared its financial statements in accordance with UK generally accepted accounting practice ('UK GAAP'). As a consequence of the acquisition of Britannia Soft Drinks Limited by Britvic plc and of that company's listing on the London Stock Exchange, from 3 October 2005 the Group is required to prepare consolidated financial statements in accordance with IFRS as applied in accordance with the provisions of the Companies Act 1985. As such the Group took the following exemptions available under IFRS 1 'First-time Adoption of International Financial Reporting Standards':

a) Not to restate the comparative information disclosed in the 2005 Financial Statements (being the financial statements for the 52 weeks ended 2 October 2005) in accordance with IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement'.

b) Not to restate business combinations occurring before 4 October 2004.

c) To recognise all actuarial gains and losses on pensions and other post-retirement benefits directly in shareholders' equity at 4 October 2004.

d) Not to apply IFRS 2 'Share-based Payment' to grants of equity instruments on or before 7 November 2002 that had vested prior to 1 January 2005.

The consolidated financial statements have been prepared on a historical cost basis except where measurement of balances at fair value is required as explained below. The consolidated financial statements are presented in sterling and all values are rounded to the nearest million except where otherwise indicated.

The Group has changed the format of the balance sheet presentation. The principal accounting policies adopted by the Group are set out below.

Basis of consolidation

The consolidated financial information incorporates the financial information of Britvic plc and the entities controlled by the Company (its subsidiaries).

The Group financial statements consolidate the accounts of Britvic plc and all its subsidiary undertakings drawn up to 28 September 2008 in accordance with IAS 27 'Consolidated and Separate Financial Statements'.

While the original acquisition of Britannia Soft Drinks Limited was accounted for under the merger method, in subsequent financial periods the acquisition method of accounting has been used, under which the results of subsidiary undertakings acquired or disposed of in the year are included in the Consolidated Income Statement from the date of acquisition or up to the date of disposal.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (discount on acquisition) is credited to the income statement in the period of acquisition.

Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. Accounting policies continued

Changes in accounting policy

The accounting policies adopted are consistent with those of the previous financial year except as follows:

IFRS 7 'Financial Instruments: Disclosure'
This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results, comparative information has been updated to take account of the additional disclosures required by the standard.

Revenue recognition

Revenue is the value of sales, excluding transactions with or between subsidiaries, and after deduction of sales related discounts, value added tax and other sales related taxes. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount can be measured reliably.

Sales related discounts are calculated based on the expected amounts necessary to meet claims by the Group's customers in respect of these discounts and rebates.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight-line basis, over the useful economic life of that asset as follows:

Plant and machinery	3 – 20 years
Vehicles (included in plant and machinery)	5 – 7 years
Equipment in retail outlets (included in fixtures, fittings, tools and equipment)	5 – 10 years
Other fixtures and fittings (included in fixtures, fittings, tools and equipment)	3 – 10 years

Land is not depreciated.

Freehold properties are depreciated over 50 years.

Leasehold properties are depreciated over 50 years, or over the unexpired lease term when this is less than 50 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount, and are included in the income statement.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Goodwill

Business combinations on or after 4 October 2004 are accounted for under IFRS 3 using the acquisition method. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (discount on acquisition) is credited to the income statement in the period of acquisition.

Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Goodwill is reviewed for impairment at least annually. As at the acquisition date, any goodwill acquired is allocated to the Group of cash-generating units expected to benefit from the combination's synergies by management. Impairment is determined by assessing the recoverable amount of the group of cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised immediately in the income statement.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. Accounting policies continued

Intangible assets

Trademarks, franchise rights and customer lists

Intangible assets acquired separately from a business are capitalised at cost. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

The useful lives of intangible assets are assessed to be either finite or indefinite. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life.

The carrying values of intangible assets with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Software costs

Software expenditure is recognised as an intangible asset only after its technical feasibility and commercial viability can be demonstrated. Acquired computer software licences and software developed in-house are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to seven years.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects senior management's estimate of the cost of capital. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Goodwill impairment losses cannot subsequently be reversed.

Inventories and work in progress

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing inventories to their present location and condition. Cost is determined using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial assets

The Group determines the classification of its financial assets at initial recognition and re-evaluates this designation at each financial period-end. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus directly attributable transaction costs.

The Group has financial assets that are classified as loans and receivables. The Group measures these as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available for sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

3. Accounting policies continued

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. All derivative financial instruments are initially recognised and subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is appropriate, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement. The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship, as follows:

Cash flow hedges

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs.

If a forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the income statement or to the initial carrying amount of a non-financial asset or liability as above. If the related transaction is not expected to occur, the amount is taken to the income statement.

Net investment hedges

Financial instruments are classified as net investment hedges when they hedge the Group’s net investment in foreign operations. The Group’s foreign currency borrowings qualify as hedging instruments that hedge foreign currency net investment balances. Gains or losses on translation of borrowings are recognised in equity. Upon disposal of the associated investment in foreign operations cumulative gain or loss is recycled through the income statement.

Derecognition of financial instruments

The derecognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

3. Accounting policies continued

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that, in the opinion of the Directors and based on the best available estimate at that date, will ultimately vest (or in the case of an instrument subject to a market condition, be treated as vesting as described below). The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

The Group has taken advantage of the transitional provisions of IFRS 2 in respect of equity-settled awards and has applied IFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested before 1 January 2005.

Taxation

The current income tax expense is based on taxable profits for the period, after any adjustments in respect of prior periods. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, on all material temporary differences between the tax base of assets and liabilities and their carrying values in the consolidated financial statements.

The principal temporary differences arise from accelerated capital allowances, provisions for pensions and other post-retirement benefits, provisions for share-based payments and employee profit share schemes and other short-term temporary differences.

Deferred tax assets are recognised to the extent that it is regarded as probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the asset or liability will be settled based on the tax rates enacted or substantively enacted by the balance sheet date.

Pensions

The Group operates a number of pension schemes. The Britvic Pension Plan ('BPP') has both a defined benefit fund and a defined contribution fund. The defined benefit section of the BPP was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the BPP.

As a result of the acquisition of Britvic Ireland on 29 August 2007, in Northern Ireland the Group inherited a further pension scheme in which its employees (at the date of the transfer) participated, the C&C Pension Fund. The name of this scheme has subsequently been changed to the Britvic Northern Ireland Pension Plan ('BNIPP'). The BNIPP was closed to new members on 28 February 2006 and since this date new employees have been eligible to join a Stakeholder plan with Legal & General. Since 1 September 2008, employees in the Republic of Ireland have been able to participate in two newly formed pension plans called the Britvic Ireland DC Pension Plan and the Britvic Ireland DB Pension Plan ('BIPP').

Under defined benefit pension plans, plan assets are measured at fair value and plan liabilities are measured on an actuarial basis, using the projected unit credit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the plan liabilities.

The service cost of providing pension benefits to employees for the period is charged to the income statement. The cost of making improvements to pensions is recognised in the income statement on a straight-line basis over the period during which the increase in benefits vests. To the extent that the improvements in benefits vest immediately, the cost is recognised immediately. These costs are recognised as an expense.

Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the settlement or curtailment occurs.

3. Accounting policies continued

Pensions continued

A charge representing the unwinding of the discount on the plan liabilities during the year is included within administrative expenses.

A credit representing the expected return on the plan assets during the year is included within administrative expenses. This credit is based on the market value of the plan assets, and expected rates of return, at the beginning of the year.

Actuarial gains and losses may result from: differences between the expected return and the actual return on plan assets; differences between the actuarial assumptions underlying the plan liabilities and actual experience during the year; or changes in the actuarial assumptions used in the valuation of the plan liabilities. Actuarial gains and losses, and taxation thereon, are recognised in the consolidated statement of recognised income and expense.

For defined contribution plans, contributions payable for the year are charged to the income statement as an operating expense.

Employee benefits

Wages, salaries, bonuses, paid annual leave and sick leave are accrued in the year in which the associated services are rendered by the employees of the Group.

Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Lease incentives received are credited to the income statement on a straight-line basis over the term of the leases to which they relate.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible into known amounts of cash and subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, bank overdrafts repayable on demand are a component of cash and cash equivalents.

Trade and other receivables

Trade receivables, which generally have 30–90 day terms, are recognised at their original amount less an allowance for any doubtful accounts.

An allowance for doubtful accounts is made when collection of the full amount is no longer considered probable. Balances are written off when the probability of recovery is assessed as being remote.

Interest bearing loans and borrowings

Interest bearing loans and borrowings are initially recognised in the balance sheet at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

Finance costs arising from the outstanding loan balance and finance charges are charged to the income statement using an effective interest rate method.

Foreign currencies

Functional and presentation currency

The consolidated financial information is presented in pounds sterling, which is the Group's presentational currency.

Transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement other than those differences relating to financial instruments treated as a net investment hedge.

Foreign operations

The income statement and statement of cash flows of foreign operations are translated at the average rate of exchange during the period. The balance sheet is translated at the rate ruling at the reporting date. Exchange differences arising on opening net assets and arising on the translation of results at an average rate compared to a closing rate are both dealt with through reserves. On disposal of a foreign operation accumulated exchange differences previously recognised in equity are included in the income statement.

3. Accounting policies continued

Segmental reporting

A business segment is a distinguishable component of the Group engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. Segment reporting reflects the internal management structure and the way the business is managed.

Issued share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Exceptional items

The Group presents as exceptional items on the face of the income statement those significant items of income and expense which, because of the nature and infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

Key sources of estimation uncertainty

In applying the above accounting policies, management has made appropriate estimates and judgements in a number of areas. The key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Post retirement benefits

The determination of the pension and other post retirement benefits cost and obligation is based on assumptions determined with independent actuarial advice. The assumptions include discount rate, inflation, pension and salary increases, expected return on scheme assets, mortality and other demographic assumptions.

Impairment of goodwill and intangible assets with indefinite lives

Determining whether goodwill and intangible assets with indefinite lives are impaired requires an estimation of the value in use of the cash-generating units to which the goodwill/intangible asset has been allocated. The value in use calculation requires an estimate of the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Deferred tax

Deferred tax assets and liabilities require management’s judgement in determining the amounts to be recognised. In particular, significant judgement is used when assessing the extent to which deferred tax assets should be recognised which is dependent on the generation of sufficient future taxable profits. The Group recognises deferred tax assets where it is more likely than not that the benefit will be realised.

Cross currency interest rate swaps

The Group measures cross currency interest rate swaps at fair value at each balance sheet date. The fair value represents the net present value of the difference between the projected cash flows at the swap contract rate and the relevant exchange rate for the period from the balance sheet date to the contracted expiry date. The calculation therefore uses estimates of present value, future foreign exchange rates and interest rates.

3. Accounting policies continued

New standards and interpretations not applied

The Group has not applied the following IFRSs and IFRIC Interpretations, which will be applicable to the Group, that have been issued but are not yet effective:

		Effective date – periods commencing
International Financial Reporting Standards ('IFRS')		
IFRS 8	Operating Segments	1 January 2009
IFRS 2	Amendment to IFRS 2 – Vesting Conditions & Cancellation	1 January 2009
Annual Improvements	Improvements to IFRSs	1 January 2009
IFRS 3	Business Combinations (revised January 2008)	1 July 2009
International Accounting Standards ('IAS')		
IAS 1	Amendment – Presentation of Financial Statements (revised September 2007)	1 January 2009
IAS 23	Borrowing Costs (revised March 2007)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (revised January 2008)	1 July 2009
IAS 39	Amendment – Eligible Hedged Items	1 July 2009
International Financial Reporting Interpretations Committee ('IFRIC')		
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008

IFRS 8 requires disclosure based on information presented to the Board. Management has not yet determined the potential impact of this interpretation.

The amendment to IFRS 2 restricts the definition of vesting conditions to include only service conditions (requiring a specified period of service to be completed) and performance conditions (requiring the other party to achieve a personal goal or contribute to achieving a corporate target). All other features are not vesting conditions, and whereas failure to achieve such a condition was previously regarded as a forfeiture (giving rise to a reversal of amounts previously charged to profit) it must be reflected in the grant date fair value of the award and treated as a cancellation, which results in either an acceleration of the expected charge, or a continuation over the remaining vesting period, depending on whether the condition is under the control of the entity or counterparty. The amendment is mandatory for periods beginning on or after 1 January 2009 and the Group is currently assessing its impact on the financial statements, although it is not expected to be material.

The Group does not anticipate early adopting the revised IFRS 3 and so will apply it prospectively to all business combinations on or after 28 September 2009. Whilst it is not possible to estimate the outcome of adoption, the key features of the revised IFRS 3 include a requirement for acquisition-related costs to be expensed and not included in the purchase price; and for contingent consideration to be recognised at fair value on the acquisition date (with subsequent changes recognised in the income statement and not as a change to goodwill). The standard also changes the treatment of non-controlling interests (formerly minority interests) with an option to recognise these at full fair value as at the acquisition date and a requirement for previously held non-controlling interests to be fair valued as at the date control is obtained, with gains and losses recognised in the income statement.

Whilst the revised IAS 1 will have no impact on the measurement of the Group's results or net assets it is likely to result in certain changes in the presentation of the Group's Financial Statements from the 53 weeks ended 3 October 2010 onwards.

IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. The Group will apply IFRIC 14 from 29 September 2008 but management has not yet determined the potential effect of this interpretation.

The remaining new standards, interpretations and amendments to published standards that have an effective date of after these financial statements detailed above have not been early adopted by the Group and the Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's reported income or net assets in the period of adoption.

4. Segmental reporting

The Directors 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 and Northern Ireland ('ROI & NI'). Britvic International is included within the GB segment.

Analysis by geography:

	GB £m	ROI & NI £m	2008 Total £m	GB £m	ROI & NI £m Restated*	2007 Total £m Restated*
Gross revenue	729.5	200.7	930.2	702.5	13.8	716.3
Inter-segment revenue**	(3.7)	–	(3.7)	–	–	–
Segment revenue	**725.8**	**200.7**	**926.5**	**702.5**	**13.8**	**716.3**
Segment result						
Gross profit	425.5	74.9	500.4	427.4	2.9	430.3
Operating profit before exceptional items	83.7	13.0	96.7	79.2	0.8	80.0
Operating profit after exceptional items	75.5	2.9	78.4	74.7	(0.4)	74.3
Other non-cash expenses						
Depreciation of property, plant and equipment	29.5	5.9	35.4	36.2	0.6	36.8
Amortisation of intangible assets	5.7	1.5	7.2	5.6	0.1	5.7
Impairment of property, plant and equipment	3.3	1.5	4.8	–	–	–
Share-based payments	8.4	–	8.4	8.1	–	8.1
Segment assets						
Gross assets	474.3	278.7	753.0	449.6	238.3	687.9
Inter-segment assets	(15.7)	(12.4)	(28.1)	(21.8)	–	(21.8)
Unallocated assets			16.4			30.5
Total segment assets			741.3			696.6
Segment liabilities						
Gross liabilities	213.7	83.8	297.5	170.4	74.2	244.6
Inter-segment liabilities	(12.4)	(15.7)	(28.1)	–	(21.8)	(21.8)
Unallocated liabilities			462.6			469.5
Total segment liabilities			732.0			692.3
Capital expenditure						
Capital expenditure	36.5	15.5	52.0	26.7	0.6	27.3

* Restated following the completion of the fair value allocation of Britvic Ireland (see Note 15).

** Inter-segment transactions are performed using arm's length prices.

5. Exceptional items

	Note	2008 £m	2007 £m
Cost of incentive schemes directly associated with the flotation	(a)	(2.8)	(3.3)
Restructuring costs	(b)	(11.6)	(8.1)
Returnable bottle line closure and associated costs	(c)	(0.7)	(2.1)
Profit on sale of property, plant and equipment	(d)	–	3.4
Costs in relation to the purchase of Britvic Ireland	(e)	(2.1)	(1.2)
Pension curtailment gain	(f)	–	5.6
IT equipment impairment	(g)	(1.1)	–
		(18.3)	**(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 includes the costs of major restructuring programmes undertaken. In the current year these are principally:

- Redundancy costs relating to the forthcoming closure of one of the factories in the Britvic Ireland business;
- An impairment of property, plant and equipment relating to the forthcoming closure of one of the factories in the Britvic Ireland business; and
- An impairment of property, plant and equipment relating to the forthcoming closure of one of the factories in the GB segment.

In the prior year costs principally related 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 line closure and associated costs relates primarily 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) The 2007 number relates to the sale of one of the Group's depots which was completed in April 2007.

e) Costs in relation to 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 year these costs principally relate to compensation paid to a distributor formerly used in Ireland prior to the acquisition of Britvic Ireland. The 2007 number principally relates to the costs associated with setting up the financing structure to facilitate the acquisition and internal staff costs such as transaction bonuses.

f) The 2007 number represents the pension curtailment gain triggered by the transfer of Group employees under the outsourcing arrangements of the secondary distribution network.

g) The IT equipment impairment relates to the write down of servers which have now been replaced to accommodate increased business requirements following the acquisition of Britvic Ireland.

Details of the tax implications of exceptional items are given in Note 10a.

All impairments have been calculated based on fair value less costs to sell.

6. Operating profit

This is stated after charging:

	2008 £m	2007 £m
Cost of inventories recognised as an expense	426.1	283.3
Write-down of inventories recognised as an expense*	2.6	1.1
Research and development expenditure written off	2.0	1.8
Net foreign currency differences	0.1	0.5
Depreciation of property, plant and equipment	35.4	36.8
Amortisation of intangible assets	7.2	5.7
Operating lease payments – minimum lease payments	15.7	11.0

* This excludes the write-down of returnable bottle stocks included in Note 5.

7. Auditor's remuneration

	2008 £m	2007 £m
Auditor's remuneration – audit services	0.2	0.2
Other fees to auditors		
– Local statutory audits for subsidiaries	0.1	0.1
– Corporate finance services*	–	0.7

* In 2007 the corporate finance fees relate to costs incurred in respect of the acquisition of Britvic Ireland.

8. Staff costs

	2008 £m	2007 £m
Wages and salaries*	108.6	94.9
Social security costs	9.5	8.5
Pension costs (Note 25)	9.0	5.0
Expense of share-based compensation**	8.4	8.1
	135.5	**116.5**

* £5.4m (2007: £4.4m) of this is included within 'restructuring costs' in exceptional items (Note 5).

** £2.8m (2007: £3.3m) of this is included within exceptional items (see Note 5).

Directors' emoluments included above are detailed in the Directors' Remuneration Report.

The average monthly number of employees during the period was made up as follows:

	2008	2007
Distribution	533	637
Production	1,209	1,000
Sales and marketing	1,007	743
Administration	404	310
	3,153	**2,690**

9. Finance income/(costs)

	2008 £m	2007 £m
Finance income		
Bank interest receivable	0.3	0.9
Other interest receivable	0.1	–
Total finance income	**0.4**	**0.9**
Finance costs		
Bank loans, overdrafts and loan notes	(27.0)	(19.6)
Total finance costs	**(27.0)**	**(19.6)**

10. Taxation

a) Tax on profit on ordinary activities

	2008		
	Before Exceptional Items £m	Exceptional Items £m	Total £m
Income Statement			
Current income tax			
Current income tax (charge)/credit	(17.0)	2.7	(14.3)
Amounts underprovided in previous years	(0.1)	–	(0.1)
Total current income tax (charge)/credit	**(17.1)**	**2.7**	**(14.4)**
Deferred income tax			
Origination and reversal of temporary differences	–	(5.6)	(5.6)
Total deferred tax charge	**–**	**(5.6)**	**(5.6)**
Total tax charge in the Income Statement	**(17.1)**	**(2.9)**	**(20.0)**
Statement of Recognised Income and Expense			
Current tax on additional pension contributions			2.9
Deferred tax on movement in pension liabilities			3.6
Deferred tax on movement in cash flow hedges			(1.6)
Deferred tax on share options granted to employees			(1.4)
Current tax on share options exercised			0.5
Net tax benefit reported in equity			**4.0**

	2007		
	Before Exceptional Items £m	Exceptional Items £m	Total £m
Income Statement			
Current income tax			
Current income tax (charge)/credit	(19.7)	2.9	(16.8)
Amounts overprovided in previous years	0.5	–	0.5
Total current income tax (charge)/credit	**(19.2)**	**2.9**	**(16.3)**
Deferred income tax			
Origination and reversal of temporary differences	1.9	1.3	3.2
Total deferred tax credit	**1.9**	**1.3**	**3.2**
Total tax (charge)/credit in the Income Statement	**(17.3)**	**4.2**	**(13.1)**
Statement of Recognised Income and Expense			
Current tax on additional pension contributions			3.0
Deferred tax on movement in pension liabilities			(21.4)
Deferred tax on movement in cash flow hedges			(0.9)
Deferred tax on share options granted to employees			1.1
Current tax on share options exercised			1.6
Net tax expense reported in equity			**(16.6)**

10. Taxation continued

b) Reconciliation of the total tax charge

The UK standard rate of corporation tax changed from 30% to 28% from 1 April 2008. The average rate for the period is 29% (2007: 30%). The tax expense in the Income Statement is higher (2007: lower) than the average rate of corporation tax in the UK of 29% (2007: 30%). The differences are reconciled below:

2008	Before Exceptional Items £m	Exceptional Items £m	Total £m
Profit/(loss) before tax	**70.1**	**(18.3)**	**51.8**
Profit multiplied by the UK average rate of corporation tax of 29%	(20.3)	5.3	(15.0)
Expenditure not deductible for income tax purposes	(0.7)	(0.1)	(0.8)
Abolition of UK industrial buildings allowance	–	(5.9)	(5.9)
Tax relief on share-based payments	–	0.8	0.8
Accounting charge for share-based payments	(0.4)	(1.1)	(1.5)
Tax underprovided in previous years	(0.1)	–	(0.1)
Tax relief on intra-group transactions eliminated on consolidation	1.6	–	1.6
Overseas tax rates	2.7	(1.9)	0.8
Impact of foreign exchange translation	0.1	–	0.1
	(17.1)	**(2.9)**	**(20.0)**
Effective income tax rate	**24.4%**		**38.6%**

2007	Before Exceptional Items £m	Exceptional Items £m	Total £m
Profit/(loss) before tax	**61.3**	**(5.7)**	**55.6**
Profit multiplied by the UK standard rate of corporation tax of 30%	(18.4)	1.7	(16.7)
Expenditure not deductible for income tax purposes	(0.7)	(0.6)	(1.3)
Tax relief on share-based payments	0.1	(0.1)	–
Tax overprovided in previous years	0.5	–	0.5
Non-taxable profit on sale of property	–	1.9	1.9
Overseas tax rates	1.2	(0.1)	1.1
Reduction of deferred tax due to reduction of UK corporation tax rate	–	1.4	1.4
	(17.3)	**4.2**	**(13.1)**
Effective income tax rate	**28.2%**		**23.6%**

c) Unrecognised tax items

The Group has unrecognised capital tax losses which arose in the UK of £1.8m (2007: £1.8m) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. These tax losses can only be offset against future capital gains and have not been recognised in these financial statements.

The Group has unrecognised tax liabilities on unremitted earnings from an overseas subsidiary amounting to £27.5m (2007: £14.7m). Deferred tax on these profits has not been recognised as the UK parent controls when the earnings will be remitted to the UK.

10. Taxation continued

d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2008 £m	2007 £m Restated*
Deferred tax liability		
Accelerated capital allowances	(25.1)	(20.9)
Acquisition fair value adjustments	(13.1)	(11.6)
Other temporary differences	(3.5)	(1.8)
Impact of retranslation of opening balance	(0.2)	–
Employee incentive plan	–	(0.2)
Post employment benefits	–	(2.1)
Deferred tax liability	(41.9)	(36.6)
Deferred tax asset		
Employee incentive plan	2.4	3.8
Post employment benefits	4.1	3.9
Other temporary differences	0.3	0.1
Deferred tax asset	6.8	7.8
Net deferred tax liability	**(35.1)**	**(26.8)**

The net deferred tax liability has been presented on the balance sheet by jurisdiction as follows:

	2008 £m	2007 £m Restated*
Net deferred tax assets – overseas	2.6	3.2
Net deferred tax liabilities – UK	(37.7)	(32.0)
	(35.1)	**(28.8)**

The deferred tax included in the income statement is as follows:

	2008 £m	2007 £m
Employee incentive plan	(0.1)	0.9
Accelerated capital allowances	(4.1)	2.4
Acquisition fair value adjustments	–	(0.1)
Other temporary differences	(0.3)	–
Deferred tax from prior years	(0.4)	0.1
Post employment benefits	(0.7)	(1.5)
Reduction of deferred tax due to reduction of UK corporation tax rate	–	1.4
Deferred tax charge/(credit)	**(5.6)**	**3.2**

* Restated following the completion of the fair value allocation of Britvic Ireland (see Note 15).

All of the deferred tax charge in the current year relates to exceptional items (2007: credit of £1.3m).

11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit for the period attributable to equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted earnings per share computations:

	2008 £m	2007 £m
Basic earnings per share		
Profit for the period attributable to equity shareholders	31.8	42.5
Weighted average number of ordinary shares in issue for basic earnings per share	214.0	215.5
Basic earnings per share	14.9p	19.7p
Diluted earnings per share		
Profit for the period attributable to equity shareholders	31.8	42.5
Weighted average number of ordinary shares in issue for diluted earnings per share	218.0	218.1
Diluted earnings per share	14.6p	19.5p

The Group presents as exceptional items on the face of the Income Statement, those significant items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the period, as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

To this end, basic and diluted earnings per share is also presented on this basis using weighted average number of ordinary shares for both basic and diluted amounts as per the table below:

	2008 £m	2007 £m
Basic earnings per share before exceptional items		
Profit for the period attributable to equity shareholders	31.8	42.5
Add: net impact of exceptional items	21.2	1.5
Profit for the period attributable to equity shareholders before exceptional items	53.0	44.0
Weighted average number of ordinary shares in issue for basic earnings per share	214.0	215.5
Basic earnings per share before exceptional items	24.8p	20.4p
Diluted earnings per share before exceptional items		
Profit for the period attributable to equity shareholders before exceptional items	53.0	44.0
Weighted average number of ordinary shares in issue for diluted earnings per share	218.0	218.1
Diluted earnings per share before exceptional items	24.3p	20.2p

12. Dividends paid and proposed

	2008 £m	2007 £m
Declared and paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2006: 7.00p per share	–	15.1
Interim dividend for 2007: 3.30p per share	–	7.1
Final dividend for 2007: 7.70p per share	16.6	–
Interim dividend for 2008: 3.80p per share	8.1	–
Dividends paid	**24.7**	**22.2**
Proposed for approval by the shareholders at the AGM		
Final dividend for 2007: 7.70p per share	–	16.6
Final dividend for 2008: 8.80p per share	18.8	–

13. Property, plant and equipment

	Freehold land and buildings £m	Leasehold land and buildings £m	Plant and machinery £m	Fixtures, fittings, tools and equipment £m	Total £m
At 1 October 2006, net of accumulated depreciation	46.1	17.1	74.7	80.3	218.2
Acquisitions†	12.2	11.7	13.7	3.1	40.7
Exchange differences	0.4	0.4	0.3	–	1.1
Additions	0.4	0.2	13.0	5.8	19.4
Disposals at cost*	(5.9)	–	(11.4)	(22.1)	(39.4)
Depreciation eliminated on disposals	0.6	–	10.9	17.5	29.0
Non-current assets classified as held for sale – cost**	–	–	(9.4)	(1.7)	(11.1)
Non-current assets classified as held for sale – depreciation**	–	–	5.7	0.6	6.3
Depreciation charge for the year	(0.9)	(0.5)	(16.0)	(19.4)	(36.8)
At 30 September 2007, net of accumulated depreciation†	52.9	28.9	81.5	64.1	227.4
Exchange differences	1.7	1.0	1.7	0.3	4.7
Additions	1.3	1.7	28.2	15.3	46.5
Disposals at cost	–	–	(6.4)	(22.9)	(29.3)
Depreciation eliminated on disposals	–	–	4.7	20.2	24.9
Non-current assets classified as held for sale – cost**	(6.0)	–	–	–	(6.0)
Non-current assets classified as held for sale – depreciation**	0.1	–	–	–	0.1
Depreciation charge for the year	(0.9)	(0.6)	(17.0)	(16.9)	(35.4)
Impairment‡	–	–	(3.0)	(1.8)	(4.8)
At 28 September 2008, net of accumulated depreciation and impairment	**49.1**	**31.0**	**89.7**	**58.3**	**228.1**
At 28 September 2008					
Cost (gross carrying amount)	55.1	35.1	236.8	181.2	508.2
Accumulated depreciation and impairment	(6.0)	(4.1)	(147.1)	(122.9)	(280.1)
Net carrying amount	**49.1**	**31.0**	**89.7**	**58.3**	**228.1**
At 30 September 2007					
Cost (gross carrying amount)†	58.1	32.4	213.3	188.5	492.3
Accumulated depreciation and impairment	(5.2)	(3.5)	(131.8)	(124.4)	(264.9)
Net carrying amount†	**52.9**	**28.9**	**81.5**	**64.1**	**227.4**

* £5.8m of disposals (net of depreciation) relates to the sale and leaseback transaction which occurred in April 2007. Further details are given in Note 32.

** Further details are given in Note 21.

† Restated following the completion of the fair value allocation of Britvic Ireland (see Note 15).

‡ £4.2m of the impairment is included in exceptional items and is detailed in Note 5. The remaining impairment of £0.6m relates to a write down of commercial asset equipment. This impairment has been calculated based on fair value less costs to sell.

14. Intangible assets

	Trademarks £m	Franchise rights £m	Customer lists £m	Software costs £m	Goodwill £m	Total £m
Cost as at 1 October 2006, net of accumulated amortisation	–	–	–	23.9	71.5	95.4
Acquisitions*	54.0	20.1	12.5	–	57.6	144.2
Exchange differences*	1.6	0.6	0.4	–	1.7	4.3
Additions	–	–	–	4.9	3.0	7.9
Amortisation charge for the year	–	–	(0.1)	(5.6)	–	(5.7)
Cost as at 30 September 2007, net of accumulated amortisation*	55.6	20.7	12.8	23.2	133.8	246.1
Exchange differences	7.5	2.7	1.8	–	7.4	19.4
Additions	–	–	–	5.3	0.2	5.5
Amortisation charge for the year	–	(0.7)	(0.8)	(5.7)	–	(7.2)
At 28 September 2008	**63.1**	**22.7**	**13.8**	**22.8**	**141.4**	**263.8**
At 28 September 2008						
Cost (gross carrying amount)	63.1	23.4	14.7	43.9	141.4	286.5
Accumulated amortisation	–	(0.7)	(0.9)	(21.1)	–	(22.7)
Net carrying amount	**63.1**	**22.7**	**13.8**	**22.8**	**141.4**	**263.8**
At 30 September 2007						
Cost (gross carrying amount)*	55.6	20.7	12.9	38.6	133.8	261.6
Accumulated amortisation	–	–	(0.1)	(15.4)	–	(15.5)
Net carrying amount*	**55.6**	**20.7**	**12.8**	**23.2**	**133.8**	**246.1**

* Restated following the completion of the fair value allocation of Britvic Ireland (see Note 15).

Goodwill

Goodwill is not amortised. Instead it is subject to an impairment review at each reporting date in accordance with IFRS 3 'Business Combinations'. These reviews have been and will continue to be carried out at each reporting date or more frequently if there are indicators of impairment.

An agreement was reached in the prior year with the original vendors of Red Devil to pay an additional £3.0m deferred consideration. Goodwill has been revised upwards to reflect a change in contingent consideration. Payment will be made in instalments between August 2007 and September 2010.

In the prior year the goodwill arising on the acquisition of Britvic Ireland was provisional. This has now been finalised. Further detail on the acquisition can be found in Note 15. The goodwill is valued in euros and translated at the reporting date.

Trademarks, franchise rights and customer lists

These are the intangible assets recognised as a result of the acquisition of Britvic Ireland (see Note 15). They are valued in euros and translated at the reporting date.

Trademarks represent those trade names acquired which the Group plans to maintain. All trademarks have been allocated an indefinite life by management with the exception of a minor brand that is amortised over five years (net carrying value of £0.1m). A list of the trademarks acquired is shown in Note 16. It is expected, and in line with existing well-established trademarks within the Group, that the trademarks with indefinite lives will be held and supported for an indefinite period of time and are expected to generate economic benefits for an indefinite period of time. The Group is committed to supporting its trademarks by investing in significant consumer marketing promotional spend.

Franchise rights represent the franchise agreements acquired which provide the long-term right to distribute certain soft drinks. These agreements have been allocated a 35 year useful economic life. As at 28 September 2008 these intangible assets have a remaining useful life of 34 years.

Customer lists represent those customer relationships acquired and are valued in respect of the grocery and wholesale businesses. These customer lists have been allocated useful economic lives of between 10 and 20 years. At 28 September 2008 these intangible assets have a remaining useful life of between 9 and 19 years.

Software costs

Software is capitalised at cost. These intangible assets have been assessed as having finite lives and are amortised under the straight-line method over a period of 3 to 7 years. These assets are tested for impairment where an indicator of impairment arises. As at 28 September 2008 these intangible assets have a remaining useful life of up to seven years.

15. Business combination

Acquisition of Britvic Ireland

On 29 August 2007, the Group acquired 100% of the issued share capital of the companies detailed below for a cash consideration of €255.7m (translated at £173.3m using the exchange rate on the date of acquisition). Included in this amount are directly attributable costs of €9.3m (translated at £6.3m using the exchange rate on the date of acquisition).

Company name	Name change effective from 1 October 2007	Status	Principal activity
Ballygowan Limited	No change	Trading	Manufacture and marketing of natural mineral water
Aquaporte Limited	No change	Trading	Supply of water-coolers and bottled water
C&C (Ireland) Limited	Britvic Ireland Limited	Trading	Manufacture and marketing of soft drinks
C&C (Belfast) Limited	Britvic Northern Ireland Limited	Trading	Marketing and distribution of soft drinks
C&C (Wholesale) Limited	Britvic Licensed Wholesale Limited	Trading	Wholesale of soft drinks to the licensed trade
William J Dwan & Sons Limited	No change	Trading	Wholesale of soft drinks to the licensed trade
C&C (Logistics) Limited	Britvic Logistics Limited	Trading	Provision of distribution services
C&C (Munster) Limited	Britvic (Munster) Limited	Dormant	n/a
John Mulligan & Sons Limited	No change	Dormant	n/a
C&C Pension Trust (1973) Limited	Britvic Northern Ireland Pension Trust Limited	Dormant	n/a
Britvic Limited	No change	Dormant	n/a

The initial acquisition accounting for Britvic Ireland was determined provisionally in the financial statements for the 52 weeks ended 30 September 2007. In accordance with IFRS 3, adjustments to the fair value of assets acquired and liabilities assumed can be made during the 12 months from the date of acquisition. The fair value adjustments have now been finalised and are shown in the following table. The comparatives for the 52 weeks ended 30 September 2007 have been adjusted in these financial statements to reflect these updated fair values accordingly. There has been no impact on the income statement in respect of this restatement.

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, an assembled workforce and anticipated synergies expected to arise from the combination.

15. Business combination continued

The sterling carrying value 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	Final fair value €m	Final fair 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**

Cash consideration net of cash and cash equivalents acquired	
Cash consideration	173.3
Cash and cash equivalents acquired	(5.9)
	167.4

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

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 trademarks. The valuation of each class, and useful economic lives of the 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 in accordance with International Accounting Standards (Britvic Ireland previously reported in accordance with Irish GAAP).
- 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 fair value adjustments.

From the date of acquisition to 30 September 2007, the acquired businesses contributed £13.8m to revenue and £0.8m to operating profit before tax for the period. It contributed £5.7m to the Group's net operating cash flow.

The Britvic Ireland companies that have been acquired in this business combination had not previously been deemed a group and therefore had not produced consolidated financial information. As such there are certain costs that are not easily identifiable and it is therefore impracticable to state what the contribution to Group revenue and profit before tax would have been had the business combination completed on the first day of the financial period in which the combination took place.

16. Impairment testing of goodwill and trademarks with indefinite lives

Goodwill

Goodwill acquired through business combinations has been allocated by senior management to seven individual cash-generating units for impairment testing as follows:

- Red Devil;
- Orchid;
- Tango;
- Robinsons;
- Britvic Soft Drinks business ('BSD');
- Water; and
- Britvic Ireland.

Carrying amount of goodwill

	Red Devil £m	Orchid £m	Tango £m	Robinsons £m	BSD £m	Water £m	Britvic Ireland £m	**Total £m**
At 28 September 2008	5.1	12.4	8.9	38.6	7.8	1.7	66.9	**141.4**
At 30 September 2007	5.1	12.4	8.9	38.6	7.8	1.7	59.3*	**133.8**

* Restated following the completion of the fair value allocation of Britvic Ireland (see Note 15). Includes exchange differences from date of acquisition to 30 September 2007 of £1.7m.

The Britvic Ireland goodwill is valued in euros and translated at the reporting date.

Trademarks with indefinite lives

As part of the fair value exercise regarding the acquisition of Britvic Ireland (see Note 15), certain trademarks with indefinite lives were recognised. These trademarks have been allocated by senior management to six individual cash-generating units for impairment testing as follows:

- Britvic;
- Cidona;
- Mi-Wadi;
- Ballygowan;
- Club; and
- TK.

Carrying amount of trademarks with indefinite lives

	Britvic £m	Cidona £m	Mi-Wadi £m	Ballygowan £m	Club £m	TK £m
At 28 September 2008	9.3	7.5	8.1	24.2	13.4	0.5
At 30 September 2007*	8.2	6.6	7.1	21.3	11.8	0.4

* Restated following the completion of the fair value allocation of Britvic Ireland (see Note 15).

The trademarks are valued in euros and translated at the reporting date. The movement in the carrying amount from the prior year relates to translation movements.

16. Impairment testing of goodwill and trademarks with indefinite lives continued

The recoverable amount of the goodwill and intangible assets allocated to the cash-generating units detailed above has been determined based on a value in use calculation. To calculate this, 20 year cash flow projections are based on financial budgets approved by senior management. A 20 year cash flow period has been used to reflect the considered longevity of the cash-generating units. The pre-tax discount rate applied to pre-tax cash flow projections is 11% (2007: 10.6%) and cash flows beyond the one-year period are extrapolated based on forecast growth rates in line with senior management expectations of growth. No growth in real terms is assumed beyond five years. Senior management expectations are formed in line with historical performance and experience as well as available external market data.

Key assumptions used in value in use calculation

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Growth rates – reflect senior management expectations of volume growth based on historical growth, current strategy and expected market trends.

Discount rates – reflect senior management's estimate of the pre-tax cost of capital. The estimated pre-tax cost of capital is the benchmark used by management to assess operating performance and to evaluate future capital investment proposals.

Marginal contribution – being revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Marginal contribution is based on financial budgets approved by senior management. Key assumptions are made within these budgets about pricing, discounts and costs based on historical data, current strategy and expected market trends.

Advertising and promotional spend – financial budgets approved by senior management are used to determine the value assigned to advertising and promotional spend. This is based on the planned spend for year one and strategic intent thereafter.

Raw materials price, production and distribution costs, selling costs and other overhead inflation – the basis used to determine the value assigned to inflation is forecast consumer price indices of 2.5% (2007: 2.5%).

Sensitivity to changes in assumptions

There are no reasonably possible changes in key assumptions which would cause the carrying value of these units to exceed their recoverable amount.

17. Operating lease premiums

	2008 £m	2007 £m
Operating lease premiums	**2.4**	**2.4**

This amount relates to the un-amortised element of lease premiums paid on inception of operating leases.

18. Inventories

	2008 £m	2007 £m
Raw materials	13.0	9.0
Finished goods	27.7	26.2
Consumable stores	5.7	5.4
Returnable packaging	3.0	4.7
Total inventories at lower of cost and net realisable value	**49.4**	**45.3**

19. Trade and other receivables (current)

	2008 £m	2007 £m Restated
Trade receivables	132.2	113.3
Other receivables*	2.9	3.7
Prepayments	17.6	13.9
	152.7	**130.9**

* Other receivables for 2007 have been restated following the completion of the fair value allocation of Britvic Ireland (see Note 15).

Trade receivables are non-interest bearing and are generally on credit terms usual for the business in which the Group operates. As at 28 September 2008, trade receivables at nominal value of £1.4m (2007: £1.2m) were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

	Total £m
At 2 October 2006	0.8
Acquisition of Britvic Ireland	0.3
Charge for year	0.7
Utilised	(0.1)
Unused amounts reversed	(0.5)
At 30 September 2007	1.2
Exchange differences	0.1
Charge for year	0.7
Utilised	(0.1)
Unused amounts reversed	(0.5)
At 28 September 2008	**1.4**

The Group takes the following factors into account when considering whether a provision for impairment should be made for trade receivables:

- Payment performance history; and
- External information available regarding credit ratings.

As at 28 September 2008, the ageing analysis of trade receivables is as follows:

			Past due but not impaired				
	Total £m	Neither past due nor impaired £m	<30 days £m	30–60 days £m	60–90 days £m	90–120 days £m	>120 days £m
2008	**132.2**	121.4	7.4	1.3	1.3	0.6	0.2
2007	**113.3**	102.2	8.7	1.4	0.3	0.1	0.6

The credit quality of trade receivables that are neither past due nor impaired is considered good. The Group does however monitor the credit quality of trade receivables by reference to credit ratings available externally.

20. Cash and cash equivalents

	2008 £m	2007 £m
Cash at bank and in hand	**13.9**	**27.3**

During the period short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is equal to the book value.

At 28 September 2008, the Group had available £139.5m (2007: £105.0m) of un-drawn committed borrowing facilities in respect of which all conditions precedent are currently being met.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2008 £m	2007 £m
Cash at bank and in hand	13.9	27.3
Bank overdraft included in financial liabilities (see Note 28)	(1.0)	–
	12.9	**27.3**

Where available, the Group operates cash pooling arrangements whereby the net cash position across a number of accounts is recognised for interest purposes.

21. Non-current assets held for sale

	2008 £m	2007 £m
Net transfer from property, plant and equipment	**5.9**	**4.8**

Non-current assets held for sale relates to those assets which will be sold in relation to the forthcoming closure of one of the factories in the Britvic Ireland business. The prior year number relates to assets that had been sold as part of the outsourcing of the secondary distribution network.

22. Issued share capital

The issued share capital as at 28 September 2008 and 30 September 2007 comprised 216,037,795 ordinary shares of £0.20 each, totalling £43,207,559.

The ordinary shares carry voting rights of one vote per share. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

	2008 £m	2007 £m
Authorised		
327,500,000 ordinary shares of £0.20 each	**65.5**	65.5
Ordinary shares issued, called up and fully paid		
216,037,795 ordinary shares of £0.20 each	**43.2**	43.2

Of the issued, called up and fully paid ordinary shares, 2,376,138 shares (2007: 2,937,767 shares) are own shares held. This equates to £475,228 (2007: £587,553) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes detailed in Note 30.

23. 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 2006	43.2	2.5	(0.5)	4.5	(0.4)	–	(107.0)	**(57.7)**
Total recognised income and expense for the year	–	–	–	–	2.3	2.9	88.1	**93.3**
Own shares purchased for share schemes	–	–	(13.2)	–	–	–	–	**(13.2)**
Own shares issued for share schemes	–	–	3.4	(3.2)	–	–	(0.2)	**–**
Movement in share-based schemes	–	–	–	4.0	–	–	0.1	**4.1**
Payment of dividend	–	–	–	–	–	–	(22.2)	**(22.2)**
At 30 September 2007	43.2	2.5	(10.3)	5.3	1.9	2.9	(41.2)	**4.3**
Total recognised income and expense for the year	–	–	–	–	5.1	14.3	7.5	**26.9**
Own shares purchased for share schemes	–	–	(5.0)	–	–	–	–	**(5.0)**
Own shares issued for share schemes	–	–	7.4	(5.8)	–	–	(1.6)	**–**
Movement in share-based schemes	–	–	–	7.8	–	–	–	**7.8**
Payment of dividend	–	–	–	–	–	–	(24.7)	**(24.7)**
At 28 September 2008	**43.2**	**2.5**	**(7.9)**	**7.3**	**7.0**	**17.2**	**(60.0)**	**9.3**

Nature and purpose of other reserves

Share premium

The share premium account is used to record the excess of proceeds over nominal value on the issue of shares.

Own shares

The own shares account is used to record purchases by the Group of its own shares, which will be distributed to employees as and when share awards made under the Britvic employee share plans vest.

Share scheme reserve

The share scheme reserve is used to record the movements in equity corresponding to the cost recognised in respect of equity-settled share-based payment transactions and the subsequent settlement of any awards that vest either by issue or purchase of the Group's shares.

Hedging reserve

The hedging reserve records movements in the fair value of forward exchange contracts and interest rate and cross currency swaps.

Translation reserve

The translation reserve includes cumulative net exchange differences on translation into the presentational currency (sterling) of items recorded in Group entities with a non-sterling functional currency, net of amounts accounted for as net investment hedges.

24. Interest bearing loans and borrowings

	2008 £m	2007 £m
Current		
Unsecured bank loans	**(11.6)**	**(13.1)**
Non-current		
Unsecured bank loans	(160.7)	(195.3)
Private placement notes	(243.0)	(223.7)
Less unamortised issue costs	1.0	1.2
Total non-current	**(402.7)**	**(417.8)**

Private placement notes

On 20 February 2007, Britvic plc issued US$375m and £38m of Senior Notes ('the Notes') in the United States Private Placement market. The proceeds of the issue were used to repay and cancel a £150m term loan, with the remainder being used to repay the amounts drawn on the Group's revolving credit facility. The amount, maturity and interest terms of the Notes are shown in the table below:

Series	Tranche	Maturity date	Amount	Interest terms	Swap interest terms
A	7 year	20 February 2014	US$87m	US$ fixed at 5.80%	UK£ fixed at 6.10%
B	7 year	20 February 2014	US$15m	US$ LIBOR + 0.5%	UK£ fixed at 6.07%
C	7 year	20 February 2014	£25m	UK£ fixed at 6.11%	n/a
D	10 year	20 February 2017	US$147m	US$ fixed at 5.90%	UK£ fixed at 5.98%
E	12 year	20 February 2019	US$126m	US$ fixed at 6.00%	UK£ fixed at 5.98%
F	12 year	20 February 2019	£13m	UK£ fixed at 5.94%	n/a

Britvic plc makes quarterly and semi-annual interest payments in the currency of issue. The Notes are unsecured and rank pari passu in right of repayment with other senior unsecured indebtedness of the Company. In order to manage the risk of foreign currency and interest rate fluctuations, the Group has entered into currency swaps whereby fixed/floating US dollar interest is swapped for fixed sterling interest. The swap contracts have the same duration and other critical terms as the borrowings which they hedge and are considered to be effective.

Covenants on these Notes include a term which states that Britvic plc must offer to repay the Notes should a change in control of the Group occur which results in a credit rating downwards as defined in the Note purchase agreement.

Bank loans

The unsecured bank loans classified as current were repayable post year end (2007: October 2007) and were either rolled over or repaid. These loans attract interest at a rate of 5.30% for sterling denominated loans (2007: 6.35%) and 4.43% (2007: n/a) for euro denominated loans. The unsecured bank loans classified as non-current are repayable in May 2010 (2007: May 2010) and attract interest at an average rate of 6.32% (2007: 6.62%) for sterling denominated loans and 5.18% (2007: 4.77%) for euro denominated loans. Interest on bank loans is re-priced at regular intervals. For further details, please refer to Note 27.

24. Interest bearing loans and borrowings continued

Analysis of changes in interest-bearing loans and borrowings

	2008 £m	2007 £m
Current liabilities	(13.1)	(17.5)
Non-current liabilities	(417.8)	(284.3)
At the beginning of the period	(430.9)	(301.8)
Issue of the Notes	–	(228.5)
Issue costs of new loans/Notes	–	0.8
Amortisation of issue costs	(0.2)	(0.3)
Net new unsecured loans	45.5	96.3
Net translation (loss)/gain	(28.8)	4.5
Accrued interest	0.1	(1.9)
At the end of the period	(414.3)	(430.9)
Derivatives hedging balance sheet debt*	13.0	(6.4)
Debt translated at contracted rate	**(401.3)**	**(437.3)**

* Represents the element of the fair value of interest rate currency swaps hedging the balance sheet value of the Notes. This amount has been disclosed separately to demonstrate the impact of foreign exchange movements which are included in interest bearing loans and borrowings.

25. Pensions

The Group principal pension scheme, the Britvic Pension Plan ('BPP'), has both a defined benefit and a defined contribution section. The defined benefit section of the BPP was closed on 1 August 2002, and since this date new employees have been eligible to join the defined contribution section of the BPP.

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

Defined benefit section

1) The pension accrual rate reduced from 1/60 to 1/90 for each year of future service membership for employee members.
2) The pension accrual rate for Executive members was reduced proportionately by one third for each year of future service membership.
3) Increases to pensions in payment for pension earned for membership from 1 July 2008 are in line with the Retail Price Index up to 2.5% each year.

Defined contribution section

1) The Company contribution rate for future service was increased to 1.5 times employee contributions for employee members.
2) A proportionate increase for Executive members.

The changes have not had a material effect on Britvic's future pension scheme obligations.

Contributions are paid into the Plan in accordance with the recommendations of an independent actuary and as outlined in the Schedule of Contributions. The latest formal actuarial valuation for contribution purposes was carried out as at 31 March 2007 under the Scheme Specific Requirements and as a result, annual contributions of £10.0m in respect of the funding shortfall outlined in the Recovery Plan will continue to be made by 31 December in each of the years 2008–2010 in order to eliminate the funding deficit in the Plan.

The amount recognised as an expense in relation to the BPP defined contribution scheme in the income statement for 2008 was £2.0m (2007: £1.4m).

As a result of the acquisition of Britvic Ireland on 29 August 2007, in Northern Ireland the Group inherited a further pension scheme in which its employees (at the date of the transfer) participated, the C&C Pension Fund. The name of this scheme has subsequently been changed to the Britvic Northern Ireland Pension Plan ('BNIPP'), with employees of C&C Group transferring out on 30 June 2008. The next actuarial valuation is due on 31 December 2008. At present, the bulk transfer out of assets for the C&C employees has still to be finalised.

The BNIPP was closed to new members on 28 February 2006, and since this date new employees have been eligible to join a Stakeholder plan with Legal & General.

In the Republic of Ireland ('ROI'), employees continued to participate in a number of C&C Group pension funds following the acquisition until transferring into two newly formed pension plans called the Britvic Ireland Defined Contribution Pension Plan and the Britvic Ireland Defined Benefit Pension Plan ('BIPP') on 1 September 2008. Both Plans are held under trust and operated by the Trustees of Britvic Ireland Pension Trust Limited. Since 1 March 2006 under the previous C&C arrangements, and continuing under the new BIPP arrangements, new employees are offered membership of the defined contribution plan in the first instance, with the ability to transfer into the defined benefit plan after a period of five years. The bulk transfer of assets to these new Plans in respect of members past service rights from the C&C arrangements are still to be finalised. The next actuarial valuation will be carried out following the receipt of the bulk transfer of assets from the C&C pension arrangement.

The amount recognised as an expense in relation to the Irish defined contribution schemes in the Income Statement for 2008 was £0.1m (2007: £nil).

All Group pension funds are administered by trustees and are independent of the Group's finances.

The assets and liabilities of the pension schemes were valued on an IAS 19 basis at 28 September 2008 by Watson Wyatt (BPP) and Mercer ('BIPP' and 'BNIPP').

25. Pensions continued

Principal assumptions

Financial assumptions

	2008 % ROI	2008 % GB	2007 % ROI	2007 % GB
Discount rate	6.00	6.70	5.40	5.90
Rate of compensation increase	4.50	5.10	4.10	4.90
Expected long-term return on plan assets	7.00	6.60	7.00	6.17
Pension increases ('LPI')	3.00	2.30–3.60	3.00	3.40
Inflation assumption	2.50	3.60	2.25	3.40

To develop the expected long-term rate of return on assets assumption, the Group considered the level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate on assets assumption for the portfolio.

Demographic assumptions

The most significant non-financial assumption is the assumed rate of longevity. This is based on standard actuarial tables known as PA92. An allowance for future improvements in longevity has also been included. The following life expectancy assumptions have been used:

	2008 Years ROI	2008 Years GB	2007 Years ROI	2007 Years GB
Current pensioners (at age 65) – males	20.7	19.9	19.0	19.9
Current pensioners (at age 65) – females	23.8	22.8	21.9	22.8
Future pensioners currently aged 45 (at age 65) – males	21.8	21.1	20.5	21.1
Future pensioners currently aged 45 (at age 65) – females	24.8	24.0	23.4	24.0

The mortality assumptions used to calculate the GB pension obligation were revised in 2007 following a mortality investigation carried out as part of the actuarial valuation of the Britvic Pension Plan at 31 March 2007. The mortality assumptions for the ROI were reviewed by the actuary during the year and updated in light of the improvements experienced.

Sensitivities

The value of plan assets is sensitive to market conditions, particularly equity values. Changes in assumptions used for determining retirement benefit costs and obligations may have a material impact on the income statement and balance sheet. The main assumptions are the discount rate, the rate of inflation and the assumed mortality rate. The following table provides an estimate of the potential impact of each of these variables on the principal pension plans.

Assumption	Change in assumption	Impact on GB plan liabilities	Impact on ROI plan liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by £7.8m	Decrease/increase by £1.0m
Inflation rate	Increase/decrease by 0.1%	Increase/decrease by £5.9m	Increase/decrease by £0.8m
Mortality rate	Increase in life expectancy by one year	Increase by £12.1m	Increase by £0.9m

25. Pensions continued

Net benefit expense

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
Current service cost	(2.6)	(0.3)	(8.1)	(11.0)
Interest cost on benefit obligation	(2.4)	(1.4)	(24.8)	(28.6)
Expected return on plan assets	2.9	1.0	28.8	32.7
Net expense	**(2.1)**	**(0.7)**	**(4.1)**	**(6.9)**

	BIPP £m	BNIPP £m	BPP £m	2007 Total £m
Current service cost	(0.2)	–	(10.7)	(10.9)
Interest cost on benefit obligation	(0.2)	(0.1)	(22.7)	(23.0)
Expected return on plan assets	0.2	0.1	24.4	24.7
Curtailment gain	–	–	5.6	5.6
Net expense	**(0.2)**	**–**	**(3.4)**	**(3.6)**

The net expense detailed above is all recognised in arriving at net profit from continuing operations before tax and finance costs/income, and is included within cost of sales, selling and distribution costs and administration expenses.

The pension curtailment in the prior year is triggered by the transfer of Group employees under the outsourcing arrangements of the secondary distribution network. Those employees that are members of the BPP will no longer accrue future entitlement, which gives rise to the curtailment gain.

Taken to the Statement of Recognised Income and Expense

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
Actual return on plan assets	(14.2)	(1.6)	(50.4)	(66.2)
Less: Expected return on plan assets	(2.9)	(1.0)	(28.8)	(32.7)
	(17.1)	(2.6)	(79.2)	(98.9)
Other actuarial gains	8.2	4.3	56.5	69.0
Actuarial (losses)/gains taken to the Statement of Recognised Income and Expense	**(8.9)**	**1.7**	**(22.7)**	**(29.9)**

	BIPP £m	BNIPP £m	BPP £m	2007 Total £m
Actual return on plan assets	0.5	0.6	37.2	38.3
Less: Expected return on plan assets	(0.2)	(0.1)	(24.4)	(24.7)
	0.3	0.5	12.8	13.6
Other actuarial gains	–	0.4	47.3	47.7
Actuarial gains taken to the Statement of Recognised Income and Expense	**0.3**	**0.9**	**60.1**	**61.3**

25. Pensions continued

Net (liability)/surplus

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
Present value of benefit obligation	(42.5)	(20.0)	(385.9)	(448.4)
Fair value of plan assets	27.2	13.0	384.3	424.5
Net liability	**(15.3)**	**(7.0)**	**(1.6)**	**(23.9)**

	BIPP £m	BNIPP £m	BPP £m	2007 Total £m
Present value of benefit obligation	(39.7)	(23.0)	(422.2)	(484.9)
Fair value of plan assets	34.3	13.7	431.3	479.3
Net (liability)/surplus	**(5.4)**	**(9.3)**	**9.1**	**(5.6)**

Movements in the present value of benefit obligation are as follows:

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
At 30 September 2007	(39.7)	(23.0)	(422.2)	(484.9)
Exchange differences	(5.3)	–	–	(5.3)
Current service cost	(2.6)	(0.3)	(8.1)	(11.0)
Member contributions	(0.7)	–	(1.7)	(2.4)
Interest cost on benefit obligation	(2.4)	(1.4)	(24.8)	(28.6)
Benefits paid	–	0.4	14.4	14.8
Actuarial gains	8.2	4.3	56.5	69.0
At 28 September 2008	**(42.5)**	**(20.0)**	**(385.9)**	**(448.4)**

	BIPP £m	BNIPP £m	BPP £m	2007 Total £m
At 1 October 2006	–	–	(454.5)	(454.5)
Acquisition at 29 August 2007	(38.1)	(23.3)	–	(61.4)
Exchange differences	(1.2)	–	–	(1.2)
Current service cost	(0.2)	–	(10.7)	(10.9)
Member contributions	–	–	(2.1)	(2.1)
Interest cost on benefit obligation	(0.2)	(0.1)	(22.7)	(23.0)
Benefits paid	–	–	14.9	14.9
Curtailment gain	–	–	5.6	5.6
Actuarial gains	–	0.4	47.3	47.7
At 30 September 2007	**(39.7)**	**(23.0)**	**(422.2)**	**(484.9)**

The current service cost excludes contributions made by employees of £2.4m (2007: £2.1m).

25. Pensions continued

Movements in the fair value of plan assets are as follows:

	BIPP £m	BNIPP £m	BPP £m	2008 Total £m
At 30 September 2007	34.3	13.7	431.3	479.3
Exchange differences	4.5	–	–	4.5
Expected return on plan assets	2.9	1.0	28.8	32.7
Actuarial losses	(17.1)	(2.6)	(79.2)	(98.9)
Employer contributions	1.9	1.3	16.1	19.3
Member contributions	0.7	–	1.7	2.4
Benefits paid	–	(0.4)	(14.4)	(14.8)
At 28 September 2008	**27.2**	**13.0**	**384.3**	**424.5**

	BIPP £m	BNIPP £m	BPP £m	2007 Total £m
At 1 October 2006	–	–	388.7	388.7
Acquisition at 29 August 2007	32.6	13.0	–	45.6
Exchange differences	1.0	–	–	1.0
Expected return on plan assets	0.2	0.1	24.4	24.7
Actuarial gains	0.3	0.5	12.8	13.6
Employer contributions	0.2	0.1	18.2	18.5
Member contributions	–	–	2.1	2.1
Benefits paid	–	–	(14.9)	(14.9)
At 30 September 2007	**34.3**	**13.7**	**431.3**	**479.3**

Categories of scheme assets as a percentage of the fair value of total scheme assets

	BIPP £m	BNIPP £m	BPP £m	Total £m	2008 Total %
Equities	20.4	10.0	202.5	232.9	55
Bonds and gilts	3.0	1.7	181.0	185.7	44
Cash	3.8	1.3	0.8	5.9	1
Total	**27.2**	**13.0**	**384.3**	**424.5**	**100**

	BIPP £m	BNIPP £m	BPP £m	Total £m	2007 Total %
Equities	30.8	12.2	246.0	289.0	60
Bonds and gilts	3.5	0.8	184.4	188.7	40
Cash	–	0.7	0.9	1.6	–
Total	**34.3**	**13.7**	**431.3**	**479.3**	**100**

25. Pensions continued

Categories of scheme assets as a percentage of the expected return on assets

	BIPP £m	BNIPP £m	BPP £m	Total £m	2008 Total %
Equities	2.7	0.9	19.0	22.6	69
Bonds and gilts	0.2	0.1	9.7	10.0	31
Cash	–	–	0.1	0.1	–
Total	**2.9**	**1.0**	**28.8**	**32.7**	**100**

	BIPP £m	BNIPP £m	BPP £m	Total £m	2007 Total %
Equities	0.2	0.1	17.2	17.5	71
Bonds and gilts	–	–	7.2	7.2	29
Cash	–	–	–	–	–
Total	**0.2**	**0.1**	**24.4**	**24.7**	**100**

History of experience gains and losses

	2008 £m	2007 £m	2006 £m	2005 £m
Fair value of schemes assets	424.5	479.3	388.7	327.6
Present value of defined benefit obligations	(448.4)	(484.9)	(454.5)	(412.2)
Deficit in the schemes	(23.9)	(5.6)	(65.8)	(84.6)
Experience adjustments arising on plan liabilities	3.3	(17.2)	(2.0)	–
Experience adjustments arising on plan assets	(98.9)	13.6	10.0	32.6

The cumulative amount of actuarial gains and losses recognised since 4 October 2004 in the Group Statement of Recognised Income and Expense is an overall gain of £17.5m (2007: gain of £47.4m). The Directors are unable to determine how much of the pension scheme deficit recognised on transition to IFRS and taken direct to equity of £1.3m is attributable to actuarial gains and losses since the inception of those pension schemes. Consequently, the Directors are unable to determine the amount of actuarial gains and losses that would have been recognised in the Group Statement of Recognised Income and Expense before 4 October 2004.

Normal contributions of £7.5m and additional contributions of £10.0m are expected to be paid into the pension schemes during the 2009 financial year.

26. Trade and other payables (current)

	2008 £m	2007 £m
Trade payables	143.7	110.8
Other payables	9.7	14.3
Accruals and deferred income	72.6	60.7
Other taxes and social security	18.3	17.4
	244.3	**203.2**

Trade payables are non-interest bearing and are normally settled on 60–90 day terms.

27. Financial risk management objectives and policies

Overview

The Group's principal financial instruments comprise derivatives, borrowings and overdrafts, cash and cash equivalents. These financial instruments are used to manage interest rate and currency exposures, funding and liquidity requirements. Other financial instruments which arise directly from the Group's operations include trade receivables and payables (see Notes 19 and 26 respectively).

It is, and has been throughout 2008 and 2007, the Group's policy that no derivative is entered into for trading or speculative purposes.

The main risks arising from the Group's financial instruments are commodity price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board of Directors review and agree policies for managing these risks as summarised below.

Commodity price risk

The main commodity price risk arises in the purchases of prime materials, being PET, sugar, cans and frozen concentrated orange juice. Where it is considered commercially advantageous, the Group enters into fixed price contracts with suppliers to hedge against unfavourable commodity price changes.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost by maintaining a mix of fixed and variable debt. The Group's policy is to keep between 25% and 70% of its borrowings at fixed rates of interest over a three year time horizon. To manage this, the Group enters into interest rate and cross currency swaps which are designated to hedge underlying debt obligations. At 28 September 2008, after taking into account the effect of interest rate swaps, approximately 57% of the Group's borrowings are at a fixed rate of interest (2007: 57%).

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no impact on the Group's equity.

	Increase/(decrease) in basis points	Effect on profit before tax £m
2008		
Sterling	200	2.6
	(200)	(2.6)
Euro	200	1.6
	(200)	(1.6)
2007		
Sterling	200	2.6
	(200)	(2.6)
Euro	200	0.2
	(200)	(0.2)

27. Financial risk management objectives and policies continued

Foreign currency risk

Foreign currency risk is primarily in respect of exposure to fluctuations to the sterling-euro and sterling-US dollar rates of exchange. The Group has operations in euro-denominated countries and finances these partly through the use of foreign currency borrowings which hedge the net investment in foreign operations. Additionally cash generation from euro-denominated operations can be utilised to meet euro payment obligations in sterling denominated companies, providing a natural hedge.

The Group also has transactional exposures arising from purchases of prime materials and commercial assets in currencies other than the functional currency of the individual Group entities. Such purchases are made in the currencies of US dollars and euros. As at 28 September 2008, the Group has hedged 71% (2007: 70%) of forecast exposures 12 months in advance using forward foreign exchange contracts.

Where funding is raised in a currency other than the currency ultimately required by the Group, cross currency interest rate swaps are used to convert the cash flows to the required currency. These swaps have the same duration and other critical terms as the underlying borrowing.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar and euro exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in fair value of forward exchange contracts and net investment hedges).

	Increase/(decrease) in currency rate %	Effect on profit before tax £m	Effect on equity £m
2008			
Euro	10	–	0.3
	(10)	–	(0.2)
US dollar	10	26	0.8
	(10)	(21)	(0.6)
2007			
Euro	10	–	0.4
	(10)	–	(0.4)
US dollar	10	(0.6)	0.6
	(10)	0.5	(0.5)

Credit risk

The Group trades only with recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount disclosed in Note 19. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Finance Shared Services. There are no significant concentrations of credit risk within the Group.

The Group maintains a policy on counterparty credit exposures with banks and financial institutions arising from the use of derivatives and financial instruments. The level of exposure and the credit worthiness of the Group's banking counterparties is reviewed regularly to ensure compliance with this policy.

27. Financial risk management objectives and policies continued

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The objective of the Group's liquidity policy is to maintain a balance between continuity of funds and flexibility through the use of bank loans and overdrafts and long-term private placement issuance. The bank loans entered into by the Group are unsecured. At 28 September 2008, 3% of the Group's debt will mature in less than one year at 28 September 2008 (2007: 3%) based on the carrying value of borrowings reflected in the financial statements.

The table below summarises the maturity profile of the Group's financial liabilities at 28 September 2008 based on contractual undiscounted payments:

2008	Less than 1 year £m	1 to 5 years £m	> 5 years £m	**Total £m**
Unsecured bank loans	21.4	169.8	–	**191.2**
Private placement notes	14.3	71.4	280.0	**365.7**
Other non-current liabilities	–	1.2	–	**1.2**
Trade and other payables	244.3	–	–	**244.3**
Other financial liabilities	1.0	–	–	**1.0**
	281.0	242.4	280.0	**803.4**

2007	Less than 1 year £m	1 to 5 years £m	> 5 years £m	**Total £m**
Unsecured bank loans	13.1	195.1	–	**208.2**
Private placement notes	14.4	71.8	274.9	**361.1**
Other non-current liabilities	–	1.2	–	**1.2**
Trade and other payables	203.2	–	–	**203.2**
Other financial liabilities	0.3	–	3.4	**3.7**
	231.0	268.1	278.3	**777.4**

Details with regard to derivative contracts are included in Note 28.

Capital management

The Group defines 'capital' as being net debt plus equity.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and maintain a strong credit rating in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Quantitative information on equity and net debt can be found in Notes 23 and 31 respectively.

28. Financial instruments

Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments, except trade and other receivables and payables.

	Book value 2008 £m	Fair value 2008 £m	Book value 2007 £m	Fair value 2007 £m
Financial assets				
Cash	13.9	13.9	27.3	27.3
Forward currency contracts	0.3	0.3	0.1	0.1
Cross currency interest rate swap	22.2	22.2	–	–
	36.4	**36.4**	**27.4**	**27.4**
Financial liabilities				
Interest-bearing loans and borrowings (bank loans and private placement notes):				
Fixed rate borrowings	(242.2)	(202.6)	(222.9)	(244.9)
Floating rate borrowings	(172.1)	(172.1)	(208.0)	(208.0)
Bank overdraft	(1.0)	(1.0)	–	–
Forward currency contracts	–	–	(0.3)	(0.3)
Cross currency interest rate swap	–	–	(3.4)	(3.4)
	(415.3)	**(375.7)**	**(434.6)**	**(456.6)**

Non-derivative financial assets are categorised as loans and receivables as defined in IAS 39. Non-derivative financial liabilities are all carried at amortised cost.

The fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates.

The fair value of the current trade and other receivables and payables approximate their book value.

The fair value of fixed rate borrowings has been derived from the sum of future cash flows to maturity discounted back to present values at a market rate.

28. Financial instruments continued

Hedging activities

Cash flow hedges

At 28 September 2008, the Group held 32 (2007: 27) US dollar and 8 (2007: 21) euro forward exchange contracts designated as hedges of expected future purchases from overseas suppliers in US dollars and euros for 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 terms of these contracts are as follows:

	Maturity range	Average exchange rate
Forward contracts to hedge expected future purchases		
2008		
US$13,003,417	October 2008 to September 2009	£/US$1.89
€3,045,235	October 2008 to March 2009	£/€1.27
2007		
US$10,128,000	October 2007 to August 2008	£/US$2.00
€22,881,000	October 2007 to April 2008	£/€1.46

The terms of the forward currency contracts have been negotiated to match the terms of the commitments.

The cash flow hedges of the expected future purchases in the 28 weeks to 12 April 2009 have been assessed to be effective and a net unrealised gain of £0.3m (2007: unrealised loss of £0.2m), with a related deferred tax liability of £0.1m (2007: related deferred tax asset of £0.1m), has been included in equity in respect of these contracts.

In February 2007, Britvic plc issued US$375m and £38m of Senior Notes in the United States Private Placement market. As a result of this transaction further cash flow hedges were entered into. These are detailed in Note 24.

Hedge of net investments in foreign operations

Included in unsecured bank loans at 28 September 2008 was a borrowing of €100.0m (2007: €100.0m) which has been designated as a hedge of the net investment in Britvic Ireland and is being used to hedge the Group's exposure to foreign exchange risk on this investment. Gains or losses on the retranslation of this borrowing are transferred to equity to offset any gains or losses on translation of the net investment in Britvic Ireland.

29. Other non-current liabilities

	2008 £m	2007 £m
Deferred consideration	**1.2**	**1.2**

This amount relates to the element of additional deferred consideration due to the vendors of Red Devil payable after one year. Further detail is given in Note 14.

30. Share-based payments

The expense recognised for share-based payments in respect of employee services received during the 52 weeks ended 28 September 2008 is £8.4m (2007: £8.1m). All of that expense arises from transactions which are expected to be equity-settled share-based payment transactions.

The Britvic Share Incentive Plan ('SIP')

The SIP is an all-employee plan approved by HMRC. The plan allows for annual awards of free ordinary shares with a value of 3% of salary (subject to HMRC maximum limits) together with an offer of matching shares on the basis of one free matching share for each ordinary share purchased with a participant's savings, up to a maximum of £75 per four week pay period. Employees are entitled to receive the annual free share award provided they are employed by the Company on the last day of each financial year and on the award date. There are no cash settlement alternatives.

Awards made during the year are shown in the table below. The fair value of these awards is equivalent to the intrinsic value of the shares.

	Number of shares	
	2008	2007
Annual free shares award	477,862	582,762
Matching shares award – one free share for every ordinary share purchased	422,225	455,349

The Britvic Executive Share Option Plan ('Option Plan')

The Option Plan allows for options to buy ordinary shares to be granted to selected employees. The option price is the average market price of Britvic plc's shares on the three business days before the date of grant. Options become exercisable on the satisfaction of the performance condition and remain exercisable until ten years after the date of grant.

The performance condition requires average growth in EPS of 7% pa over a three year period in excess of the growth in RPI over the same period for the options to vest in full. If EPS growth averages 3% per annum in excess of RPI growth, 40% of the options will vest. Straight-line apportionment will be applied between these two levels to determine the number of options that vest and no options will vest if average EPS growth is below the lower threshold.

In some circumstances, at the discretion of the Company, an optionholder who exercises his/her option may receive a cash payment rather than the ordinary shares under option. The cash payment would be equal to the amount by which the market value of the ordinary shares under option exceeds the option price. However, it is expected that this plan will be equity-settled and as a consequence has been accounted for as such.

The following table illustrates the movements in the number of share options during the year.

	Number of share options	Weighted average exercise price (pence)
Outstanding as at 1 October 2006	1,582,629	245.0
Granted during the year	1,673,929	245.0
Forfeited during the year	(141,426)	245.0
Outstanding at 30 September 2007	3,115,132	245.0
Granted during the year	1,169,621	347.0
Forfeited during the year	(127,211)	245.0
Outstanding at 28 September 2008	**4,157,542**	**273.7**

There were no options exercisable at 28 September 2008 or 30 September 2007.

The share options outstanding as at 28 September 2008 had a weighted average remaining contractual life of 8.1 years (2007: 8.7 years) and the range of exercise prices was 245.0p–347.0p.

The weighted average fair value of options granted during the year was 67.1p (2007: 44.7p).

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial model, taking account of the terms and conditions upon which the options were granted.

30. Share-based payments continued

The following table lists the inputs to the model used for the 52 weeks ended 28 September 2008.

	2008	2007
Dividend yield (%)	2.9	2.9
Expected volatility (%)	23.0	20.0
Risk-free interest rate (%)	4.5	4.8
Expected life of option (years)	5.0	5.0
Share price at date of grant (pence)	339.0	242.0
Exercise price (pence)	347.0	245.0

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The Britvic Performance Share Plan ('PSP')

The PSP allows for awards of ordinary shares to be made to selected employees subject to the satisfaction of a performance condition. Different performance conditions apply to different groups of employees.

Awards granted to members of the senior leadership team are subject to a performance condition which measures the Company's total shareholder return ('TSR') relative to the TSR of a comparator group (consisting of 18 companies) over a three year performance period. The awards will not vest unless the Group's position in the comparator group is at least median. At median 40% will vest, rising on a straight-line basis to 100% vesting at upper quartile.

Awards granted to members of the senior management team will be subject to a performance condition which requires average growth in EPS of 7% pa over a three year period in excess of the growth in RPI over the same period for the awards to vest in full. If EPS growth averages 3% pa in excess of RPI growth, 40% of the awards will vest. Straight-line apportionment will be applied between these two levels to determine the number of awards that vest and no awards will vest if average EPS growth is below the lower threshold.

In addition, a transitional award has been made to members of both the senior leadership team and the senior management team shortly after flotation, at levels varying according to seniority. These awards will vest in tranches over a period of up to three years, subject to the satisfaction of a performance condition. The performance condition requires the Company's Return on Invested Capital ('ROIC') to be at least 17% over the performance period for the award to vest in full. If ROIC is 15% over the performance period, 50% of the award will vest. Straight-line apportionment will be applied between these two levels to determine the percentage of awards that vest and no awards will vest if ROIC is below the lower threshold.

In some circumstances, at the discretion of the Company, vested awards may be satisfied by a cash payment rather than a transfer of ordinary shares. However, it is expected that this plan will be equity-settled and as a consequence has been accounted for as such.

30. Share-based payments continued

The following table illustrates the movements in the number of shares during the year.

	Number of shares subject to TSR condition	Number of shares subject to EPS condition	Number of shares subject to ROIC condition
Outstanding as at 1 October 2006	700,709	683,491	3,664,362
Granted during the year	718,673	644,219	–
Vested during the year	–	–	(1,367,136)
Lapsed during the year	(97,348)	(167,075)	(158,760)
Outstanding as at 30 September 2007	1,322,034	1,160,635	2,138,466
Granted during the year	522,013	579,125	–
Vested during the year	–	–	(1,244,804)*
Lapsed during the year	(42,050)	(115,309)	(33,557)
Outstanding at 28 September 2008	**1,801,997**	**1,624,451**	**860,105**
Weighted average fair value of shares granted during the year	172.1p	311.1p	–

* The share price on the date of vesting was 346.5p.

The fair value of equity-settled shares granted is estimated as at the date of grant using separate models as detailed below, taking account of the terms and conditions upon which the shares were granted.

The following table lists the inputs to the models used for the 52 weeks ended 28 September 2008.

	Shares subject to TSR condition	Shares subject to EPS condition
Valuation model used	Monte Carlo simulation	Share price at date of grant adjusted for dividends not received during vesting period
Dividend yield (%)	2.9	2.9
Expected volatility (%)	23.0	n/a
Share price at date of grant (pence)	339.0	339.0

The following table lists the inputs to the models used for the year ended 30 September 2007.

	Shares subject to TSR condition	Shares subject to EPS condition
Valuation model used	Monte Carlo simulation	Share price at date of grant adjusted for dividends not received during vesting period
Dividend yield (%)	2.9	2.9
Expected volatility (%)	20.0	n/a
Share price at date of grant (pence)	242.0	242.0

Share agreement

In addition to the above schemes, the Company's Chairman entered into a share agreement with the Company. Further details are set out in the Directors' Remuneration Report.

31. Notes to the consolidated cash flow statement

Analysis of net debt

	2007 £m	Cash flows £m	Exchange differences £m	Other movement £m	**2008 £m**
Cash at bank and in hand	27.3	(12.6)	(0.8)	–	**13.9**
Bank overdrafts	–	(1.0)	–	–	**(1.0)**
Net cash	27.3	(13.6)	(0.8)	–	**12.9**
Debt due within one year	(13.1)	1.5	–	–	**(11.6)**
Debt due after more than one year	(417.8)	44.0	(28.8)	(0.1)	**(402.7)**
Debt	(430.9)	45.5	(28.8)	(0.1)	**(414.3)**
Derivatives hedging the balance sheet debt*	(6.4)	–	19.4	–	**13.0**
Net debt	(410.0)	31.9	(10.2)	(0.1)	**(388.4)**

	2006 £m	Cash flows £m	Exchange differences £m	Other movement £m	**2007 £m**
Cash at bank and in hand	19.2	8.1	–	–	**27.3**
Net cash	19.2	8.1	–	–	**27.3**
Debt due within one year	(17.5)	4.4	–	–	**(13.1)**
Debt due after more than one year	(284.3)	(136.2)	4.5	(1.8)	**(417.8)**
Debt	(301.8)	(131.8)	4.5	(1.8)	**(430.9)**
Derivatives hedging the balance sheet debt*	–	–	(6.4)	–	**(6.4)**
Net debt	(282.6)	(123.7)	(1.9)	(1.8)	**(410.0)**

* Represents the element of the fair value of interest rate currency swaps hedging the balance sheet value of the Notes. This amount has been disclosed separately to demonstrate the impact of foreign exchange movements which are included in debt due after more than one year.

32. Commitments and contingencies

Operating lease commitments

In April 2007, the Group completed a sale and leaseback transaction with regard to its Tamworth depot. The Group has entered into a short-term lease which has no significant arrangements of note.

Future minimum lease payments under non-cancellable operating leases are as follows:

			2008
	Land and buildings £m	Other £m	**Total £m**
Within one year	4.3	8.1	**12.4**
After one year but not more than five years	11.6	15.5	**27.1**
More than five years	32.0	1.4	**33.4**
	47.9	25.0	**72.9**

			2007
	Land and buildings £m	Other £m	**Total £m**
Within one year	4.0	6.1	**10.1**
After one year but not more than five years	10.6	11.7	**22.3**
More than five years	35.3	1.9	**37.2**
	49.9	19.7	**69.6**

Capital commitments

At 28 September 2008, the Group has commitments of £0.8m (2007: £2.0m) relating to the acquisition of new plant and machinery.

Contingent liabilities

On 28 April 2008, Britvic plc received a request for information from the Office of Fair Trading ('OFT') in connection with the OFT's investigation into potential co-ordination of retail prices between the UK's major supermarkets in breach of competition law. Britvic provided the information requested within a timeframe agreed with the OFT and will continue to cooperate with the OFT. The OFT's investigation is at an early stage. No claim for a fine or penalty has been made against the Company. Britvic's policy is to comply with all laws and regulations including competition law.

The Group had no material contingent liabilities at 30 September 2007.

33. Related party disclosures

The consolidated financial statements include the financial statements of Britvic plc and the subsidiaries listed in the table below. Particulars of dormant and non-trading subsidiaries which do not materially affect the Group results have been excluded.

Name	Country of incorporation	% ordinary shares
Directly held		
Britannia Soft Drinks Limited	England and Wales	100
Indirectly held		
Britvic Holdings Limited	England and Wales	100
Britvic International Limited	England and Wales	100
Britvic Soft Drinks Limited	England and Wales	100
Robinsons Soft Drinks Limited	England and Wales	100
Orchid Drinks Limited	England and Wales	100
Red Devil Energy Drinks Limited	England and Wales	100
Britvic Irish Holdings Limited	Republic of Ireland	100
Britvic Ireland Limited	Republic of Ireland	100
Britvic Northern Ireland Limited	Republic of Ireland	100
Britvic Licensed Wholesale Limited	Republic of Ireland	100
Britvic Logistics Limited	Republic of Ireland	100
Ballygowan Limited	Republic of Ireland	100
Aquaporte Limited	Republic of Ireland	100
William J Dwan & Sons Limited	Republic of Ireland	100

Key management personnel are deemed to be the Executive and Non-Executive Directors of the Company and members of the Executive Committee. The compensation payable to key management in the year is detailed below.

	2008 £m	2007 £m
Short-term employee benefits	3.2	3.7
Post-employment benefits	0.4	0.5
Share-based payment	2.3	2.2
	5.9	**6.4**

There were no other related party transactions requiring disclosure in these financial statements.

34. Post balance sheet event

The Directors became aware on 12 November 2008 that, unless the borrowing powers in the Articles of Association of the Company were appropriately amended within a three-month period, the Group would not be in compliance with the borrowing powers therein. In the opinion of the Directors it is highly probable that a Special Resolution will be passed at the next AGM such that there is no impact on the Group's financial position.

Independent Auditor’s Report to the Members of Britvic plc

We have audited the parent company financial statements of Britvic plc for the 52 weeks ended 28 September 2008 which comprise the Balance Sheet and the related Notes 1 to 16. These parent company financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors’ Remuneration Report that is described as having been audited.

We have reported separately on the Group financial statements of Britvic plc for the 52 weeks ended 28 September 2008.

This report is made solely to the Company’s members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors
The Directors’ responsibilities for preparing the Annual Report, the Directors’ Remuneration Report and the parent company financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors’ Responsibilities.

Our responsibility is to audit the parent company financial statements and the part of the Directors’ Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the parent company financial statements and the part of the Directors’ Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors’ Report is consistent with the parent company financial statements. The information given in the Directors’ Report includes that specific information presented in the Business Review that is cross-referred from the Business Review section of the Directors’ Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors’ remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent company financial statements. The other information comprises only the Directors’ Report, the unaudited part of the Directors’ Remuneration Report, the Chairman’s Statement and the Business Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements and the part of the Directors’ Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements and the part of the Directors’ Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements and the part of the Directors’ Remuneration Report to be audited.

Opinion
In our opinion:

- The parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company’s affairs as at 28 September 2008 and of its loss for the year then ended;
- The parent company financial statements and the part of the Directors’ Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Directors’ Report is consistent with the parent company financial statements.

Ernst & Young LLP
Registered auditor
Birmingham
25 November 2008

Notes:
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 statements since they were initially presented on the website.

Company Balance Sheet

At 28 September 2008

	Notes	2008 £m	2007 £m Restated*
Fixed assets			
Investments in Group undertakings	6	626.1	617.6
Other financial assets	9	22.2	–
		648.3	617.6
Current assets			
Trade and other receivables	7	41.0	105.2
Current liabilities			
Trade and other payables	8	(30.7)	(23.7)
Interest bearing loans and borrowings	9	(17.8)	(14.0)
		(48.5)	(37.7)
Net current (liabilities)/assets		**(7.5)**	**67.5**
Total assets less current liabilities		**640.8**	**685.1**
Non-current liabilities			
Interest bearing loans and borrowings	9	(397.7)	(393.9)
Other financial liabilities	9	–	(3.4)
		(397.7)	(397.3)
Net assets		**243.1**	**287.8**
Capital and reserves			
Issued capital	10	43.2	43.2
Share premium	11	2.5	2.5
Own shares	11	(7.9)	(10.3)
Share scheme reserve	11	7.3	5.3
Hedging reserve	11	9.2	3.0
Retained earnings	11	188.8	244.1
Equity shareholders' funds		**243.1**	**287.8**

* Restated on adoption of UITF 44 – Group and Treasury Share Transactions (see Note 13).

The financial statements were approved by the Board of Directors and authorised for issue on 25 November 2008. They were signed on its behalf by:

Paul Moody
Chief Executive

John Gibney
Finance Director

Notes to the Company Financial Statements

1. Parent undertaking

The financial statements are prepared in accordance with the Companies Act 1985 and in accordance with applicable accounting standards.

These accounts present information about the Company as an individual undertaking, under UK Generally Accepted Accounting Principles, and not about its Group.

The Company has taken advantage of the exemption provided under section 230 of the Companies Act 1985 not to publish its individual profit and loss account and related notes.

The Company is exempt from the requirements of Financial Reporting Standard No.1 (Revised) 'Cash Flow Statements'.

2. Accounting policies

Change in accounting policy

The Company has changed its policy in respect of FRS 20 'Share-based payment' and now records an increase in its investment in subsidiaries to reflect the share-based compensation expense recorded by its subsidiaries. This change is a refinement of the treatment previously adopted, to reflect current best practice following the issue of UITF 44.

The comparative information has been restated for this change in accounting policy where applicable. Further, the Company has also recognised the impact on intercompany balances relating to the purchase of own shares through Group entities, and impact on distributable reserves relating to the granting of shares to satisfy vested share-based awards under PSP and SIP schemes. The impact on the Company's financial statements is explained in Note 13.

Investments

The Company recognises its investments in subsidiaries at cost less any provisions made for impairment.

Interest bearing loans and borrowings

Interest bearing loans and borrowings are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

Finance costs arising from the outstanding loan balance and finance charges are charged to the income statement using an effective interest rate method.

Borrowing costs

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

All borrowing costs are recognised as finance costs in the profit and loss account in the period in which they are incurred.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Issued share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividend income is recognised when the Company's right to receive payment is established.

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Taxation

The current income tax expense is based on taxable profits for the year, after any adjustments in respect of prior years. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

2. Accounting policies continued

Derivative financial instruments and hedging

The Company uses interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations classified as cash flow hedges (when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction). All derivative financial instruments are initially recognised and subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the profit and loss account. The treatment of gains and losses arising from revaluing interest rate swaps designated as cash flow hedging instruments is as follows:

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the profit and loss account. Amounts taken to equity are transferred to the profit and loss account when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs.

If a forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the profit and loss account. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the profit and loss account. If the related transaction is not expected to occur, the amount is taken to the profit and loss account.

3. Auditor’s remuneration

Auditor’s remuneration has been borne by another Group undertaking.

4. Loss of the Company

The Company made a loss of £29.0m in the period (2007: £11.6m).

5. Directors’ remuneration

The remuneration of the Directors of the Company is borne by another Group company.

Directors’ emoluments are disclosed in the Directors’ Remuneration Report.

6. Investments in Group undertakings

	2008 £m	2007 £m
Cost and net book value at the beginning of the period	617.6	429.6
Prior year restatement (see Note 13)	–	10.7
	617.6	440.3
Acquisitions	181.0	338.8
Disposals	(181.0)	(169.4)
Capital contribution	8.5	7.9
Cost and net book value at the end of the period	**626.1**	**617.6**

On 21 August 2008 the Company subscribed for 169,462,800 shares of no par value in Britvic Finance Limited for £181.0m.

On 21 August 2008 the Company disposed of its holding of 169,462,800 shares in Britvic Finance Limited for a consideration of £181.0m.

On 24 August 2007 the Company acquired 169,472,800 shares of no par value being a 100% shareholding in Britvic Finance Limited for £169.4m.

On 24 August 2007 the Company exchanged its investment in Britvic Finance Limited for an additional investment in Britannia Soft Drinks Limited on their issue of a further 169,472,800 shares of £1 each.

The following is a list of the principal subsidiary undertakings of which Britvic plc is, either directly or through subsidiary companies, the beneficial owner of the whole of the equity share capital.

Name	Principal activity	Country of incorporation	% equity interest
Directly held			
Britannia Soft Drinks Limited	Investment holding company	England and Wales	100
Indirectly held			
Britvic Finance Limited	Financing company	Jersey	100
Britvic Holdings Limited	Holding company	England and Wales	100
Britvic International Limited	Manufacture and sale of soft drinks	England and Wales	100
Britvic Soft Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Robinsons Soft Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Orchid Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Red Devil Energy Drinks Limited	Manufacture and sale of soft drinks	England and Wales	100
Britvic Irish Holdings Limited	Investment holding company	Republic of Ireland	100
Britvic Ireland Limited	Manufacture and marketing of soft drinks	Republic of Ireland	100
Britvic Northern Ireland Limited	Marketing and distribution of soft drinks	Republic of Ireland	100
Britvic Licensed Wholesale Limited	Wholesale of soft drinks to the licensed trade	Republic of Ireland	100
Britvic Logistics Limited	Provision of distribution services	Republic of Ireland	100
Ballygowan Limited	Manufacture and marketing of soft drinks	Republic of Ireland	100
Aquaporte Limited	Supply of water-coolers and bottled water	Republic of Ireland	100
William J Dwan & Sons Limited	Wholesale of soft drinks to the licensed trade	Republic of Ireland	100

7. Trade and other receivables

	2008 £m	2007 £m Restated
Amounts due from subsidiary undertakings	41.0	98.7
UK corporation tax receivable	–	6.5
	41.0	**105.2**

8. Trade and other payables

	2008 £m	2007 £m Restated
Amounts due to subsidiary undertakings	29.6	22.9
Accruals and deferred income	1.1	0.8
	30.7	**23.7**

9. Interest bearing loans and borrowings

	2008 £m	2007 £m
Current		
Bank overdrafts	**(17.8)**	**(14.0)**
Non-current		
Unsecured bank loans	(155.5)	(171.1)
Private placement notes	(242.9)	(223.6)
Less unamortised issue costs	0.7	0.8
Total non-current	**(397.7)**	**(393.9)**

As a result of applying hedge accounting, the above figures include a translation loss of £13.0m (2007: gain of £6.4m) which has been offset by an equivalent change in the fair value of the swap arrangements.

Private placement notes

On 20 February 2007, Britvic plc issued US$375m and £38m of Senior Notes ('the Notes') in the United States Private Placement market.

In order to manage the risk of foreign currency and interest rate fluctuations, the Company has entered into currency swaps whereby fixed/floating US dollar interest is swapped for fixed sterling interest. The fair value of these swaps as at 28 September 2008 is £22.2m asset (30 September 2007: £3.4m liability).

For further details, refer to Notes 24 and 28 to the consolidated financial statements.

Unsecured bank loans

These loans attract interest at a rate of 6.33% for sterling denominated loans (2007: 6.52%) and 5.18% for euro denominated loans (2007: 4.77%). Interest on bank loans is re-priced at regular intervals.

10. Issued share capital

The issued share capital as at 28 September 2008 and 30 September 2007 comprised 216,037,795 ordinary shares of £0.20 each, totalling £43,207,559.

The ordinary shares carry voting rights of one vote per share. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

	2008 £m	2007 £m
Authorised		
327,500,000 ordinary shares of £0.20 each	65.5	65.5
Issued and fully paid		
216,037,795 ordinary shares of £0.20 each	43.2	43.2

11. Reconciliation of movement in shareholders' funds

	Called up share capital £m	Share premium account £m	Own shares £m	Share scheme reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
At 30 September 2007	43.2	2.5	(10.3)	–	3.0	244.4	282.8
Prior year restatement (see Note 13)	–	–	–	5.3	–	(0.3)	5.0
At 30 September 2007 restated	43.2	2.5	(10.3)	5.3	3.0	244.1	287.8
Own shares purchased for share schemes	–	–	(5.0)	–	–	–	(5.0)
Own shares issued for share schemes	–	–	7.4	(5.8)	–	(1.6)	–
Movement in share-based schemes	–	–	–	7.8	–	–	7.8
Movement in cash flow hedges	–	–	–	–	6.2	–	6.2
Loss for the year	–	–	–	–	–	(29.0)	(29.0)
Payment of dividends	–	–	–	–	–	(24.7)	(24.7)
At 28 September 2008	**43.2**	**2.5**	**(7.9)**	**7.3**	**9.2**	**188.8**	**243.1**

12. Dividends paid and proposed

	2008 £m	2007 £m
Declared and paid during the year		
Final dividend for 2006: 7.00p per share	–	15.1
Interim dividend for 2007: 3.30p per share	–	7.1
Final dividend for 2007: 7.70p per share	16.6	–
Interim dividend for 2008: 3.80p per share	8.1	–
Dividends paid	**24.7**	**22.2**
Proposed for approval by the shareholders at the AGM		
Final dividend for 2007: 7.70p per share	–	16.6
Final dividend for 2008: 8.80p per share	18.8	–

13. Prior year restatement

Further to the change in accounting policy explained in Note 2, the impact on the prior year balance sheet is that Investments in Group undertakings have increased by £18.6m reflecting shares issued or acquired in respect of the share entitlements of subsidiary employees. Trade and other receivables: Amounts due from subsidiary undertakings have decreased by £12.9m to the extent such shares have vested. The share scheme reserve has increased by £5.3m reflecting the shares held which have not vested. Trade and other payables: Accruals and deferred income have increased by £0.7m and retained earnings have decreased by £0.3m, to correct the remaining differences compared to prior year treatment. There is no impact on the prior year profit and loss account.

14. Contingent liabilities

The Company is co-guarantor of the Group's bank loan and overdraft facilities.

15. Related party transactions

The Company has taken advantage of the exemption under FRS 8 available to a parent company not to disclose transactions with other Group companies within its financial statements.

16. Post balance sheet event

The Directors became aware on 12 November 2008 that, unless the borrowing powers in the Articles of Association of the Company were appropriately amended within a three month period, the Group would not be in compliance with the borrowing powers therein. In the opinion of the Directors it is highly probable that a Special Resolution will be passed at the next AGM such that there is no impact on the Group's financial position.

Shareholder Information

Shareholder profile as at 28 September 2008

Category of holdings	Number of shareholders	Percentage of total shareholders	Ordinary shares (million)	Percentage of issued share capital
Private individuals	1,144	61.15	2,919,208	1.35
Nominee companies	694	37.09	197,894,771	91.60
Limited and public limited companies	19	1.02	11,035,627	5.11
Other corporate bodies	7	0.37	820,175	0.38
Pension funds, insurance companies and banks	7	0.37	3,368,014	1.56
	1,871	**100.00**	**216,037,795**	**100.00**

Range of holdings	Number of shareholders	Percentage of total shareholders	Ordinary shares (million)	Percentage of issued share capital
1 – 199	95	5.07	6,877	0.00
200 – 499	180	9.63	58,752	0.03
500 – 999	277	14.80	192,519	0.09
1,000 – 4,999	834	44.57	1,744,469	0.81
5,000 – 9,999	117	6.25	803,809	0.37
10,000 – 49,999	141	7.54	3,146,839	1.46
50,000 – 99,999	53	2.83	3,942,999	1.82
100,000 – 499,999	108	5.78	25,662,086	11.88
500,000 – 999,999	23	1.23	16,280,320	7.54
1,000,000 plus	43	2.30	164,199,125	76.00
	1,871	**100.00**	**216,037,795**	**100.00**

Dividend mandates

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

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

Individual savings accounts ('ISAs')

ISAs in Britvic plc ordinary shares are available through Equiniti Financial Services Limited. Further information may be obtained through their ISA Helpline, telephone 0845 300 0430 or online at www.shareview.co.uk/isa

Financial calendar

Ex-dividend date	3 December 2008	Payment of final dividend	13 February 2009
Record date	5 December 2008	Interim results announcement	May 2009
Annual General Meeting	28 January 2009		

Electronic communications

Shareholders can elect to receive shareholder documents electronically by registering with Shareview at www.shareview.co.uk This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent an email notification to say when shareholder documents are available on our website and you will be provided with a link to that information. When registering, you will need your shareholder reference number which can be found on your share certificate or proxy form. Please contact Equiniti if you require any assistance or further information.

Contacts

The Company Secretary is John Price and the registered office is Britvic House, Broomfield Road, Chelmsford CM1 1TU, telephone 01245 504482, fax 01245 504435, website www.britvic.com

The Company's Registrar is Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone 0871 384 2520* (UK callers) +44 121 415 7047 (non-UK callers).

* For those with hearing difficulties, a textphone is available on 0871 384 2255 for UK callers with compatible equipment.

Further copies of this report are available from the Company's registered office (address as above) and may be accessed through the Company's website, www.britvic.com

Cautionary note regarding forward-looking statements

This announcement includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules and applicable law, Britvic undertakes no obligation to update or change any forward-looking statements to reflect events occurring after the date such statements are published.

Definitions

1. EBITDA is defined as operating profit before exceptional items, depreciation, amortisation and any impairment of or gain/loss on disposal of fixed assets.

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

3. Free cash flow is defined as net cash flow excluding movements in borrowings, dividend payments and non-cash exceptional items. The 2007 figure excludes both the impact of the acquisition of Britvic Ireland and a sale of property in the UK for £9.8m.

The effect of the transfer of Irish trade from Britvic International to Britvic Ireland in March 2008 has been taken account of in the financial performance of both entities, and both 2007 and 2008 numbers reflect this transfer.

All numbers in this announcement other than those included within the Financial Statements are disclosed before exceptional items. Stills and carbonates are defined as per the recategorisation described at the Britvic March 2008 investor seminar.

The auditors have reported on the 2008 and 2007 accounts. Their reports for both years were unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985.

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