

28 March 2011

A.G. BARR p.l.c.

FINAL RESULTS

A.G. BARR p.l.c. the soft drinks group announces its final results for the twelve months to 29 January 2011.

Key Points

- Total turnover increased by **10.4%** to **£222.4m** (2010: £201.4m).
- Profit on ordinary activities before tax and exceptional items increased by **13.3%** to **£31.6m** (2010: £27.9m).
- Underlying earnings per share increased by **14.9%** to **61.2p** (2010:53.3p).
- Strong growth from all core brands in all channels.
- Rubicon brand revenues now almost double pre-acquisition levels.
- Manufacturing investments and supply chain operational changes completed as planned; Mansfield site operations ceased and site being cleared prior to agreed sale.
- Strong free cash flow of **£15.7m** in the period and a lower than anticipated net debt of **£16.6m** down from £22.1m at the prior year.
- Proposed final dividend of **18.66p** per share to give a proposed total dividend for the year of **25.41p** per share, an increase of **10.0%** over the prior year.

Roger White, Chief Executive commented:

"A.G. BARR has maintained its track record of strong financial performance, delivering double digit sales and profit growth, despite the challenging macro economic environment. We have increased investment across the business in our brands, assets and people to support this growth.

Across 2010 we also made significant investments in our operations and supply chain, which will give us the ability to improve service to customers and drive efficiency in the future.

The soft drinks sector will face tough comparative trading across 2011, as well as further cost volatility and general economic uncertainty. However, we face these challenging conditions with good momentum, a well invested business, excellent operational plans and a strong financial position.

I am pleased to report sales in the first eight weeks of the new financial year are ahead of the same period last year."

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Chairman's Statement

The general economic environment continued to be challenging throughout the year and so against this background I am delighted to report continued strong performance across the business.

Profit before tax increased by 13.3% on the prior year to £31.6m and within that each element performed well. In turn, underlying earnings per share increased by 14.9% to 61.2p.

In recent years we have stepped up investment in brands, people and operations and continue to do so. Returns from this strategy contributed significantly to our performance in 2010/11.

In sales, growth of 10.4% was achieved versus 7% in the U.K. soft drinks market, while assiduous and continuing efforts to offset cost pressures resulted in maintained margins.

The main operational changes were at Cumbernauld, where the current phase of investment in production capacity is nearing completion, and at Mansfield where the site closure is also largely complete and its sale is agreed. In addition the move during the year to outsourcing primary distribution was implemented and is going well.

That these results were achieved while important changes in operations tested us is a tribute to the hard work and commitment of the team throughout all areas of the business.

Board Changes

James Espey stood down from the board on 31 January 2011. James had been a non-executive director on our board for eleven years and contributed significantly to the development of the business over that time. In September 2010 I was pleased to announce that Martin Griffiths had joined our board as an independent non-executive director. Martin brings a wealth of experience, which will complement the balance of the board and he has settled in quickly, adding immediate value to the business.

Future

Our strategy remains to build, for the long term, consumer brands that have wide appeal and to do this in a sustainable and consistent manner. We plan to make further investments aimed at developing our portfolio, strengthening our executional capabilities and driving further increased efficiency into our asset base.

The actions to extend the distribution of our core brands, especially in the north of England, have been successful and will receive continuing investment and management focus. This, together with other initiatives, will extend our reach across an expanding geographical area and into different communities, primarily in the U.K.

Prospects

Our balance sheet is robust, with net debt reduced to £16.6m and the business continues to generate strong free cash flow. This provides a platform for future investment.

The new financial year will undoubtedly bring both challenges and opportunities. We will continue to develop proactively growth opportunities while managing risk. The challenges of cost inflation which almost all manufacturers are facing are creating headwinds, however we remain positive on both our immediate and longer term prospects.

Dividend

The board is pleased to recommend a final dividend of 18.66p to give a total dividend for the year of 25.41p per share, an increase of 10% on the prior year.

Ronald G. Hanna
CHAIRMAN

Business Review

In the 52 week period ending 29 January 2011, A.G. BARR has delivered growth well ahead of a buoyant soft drinks market. Total turnover grew by 10.4%, making full year sales of £222.4m. This is the second consecutive year in which like for like sales have increased by over 10.0%.

With strong sales momentum supported by continued investment across the business, we have managed our margins within a volatile macro economic climate. Pre-tax profit, excluding exceptional items, increased by 13.3% to £31.6m. The combination of sales growth and the proactive management of costs across the business has delivered this profit growth, at the same time as we continued to invest in our brands, infrastructure and people.

Within both of our key trading segments – carbonates and stills including water – we have made good progress. The business has increased its focus on the core brands of IRN-BRU, Barr and Rubicon, utilising the full marketing mix to drive awareness, build consumer trial and develop loyalty across an increasingly large geographical area within the U.K. We have increased brand focus and have had to set priorities and make choices – in particular, we have moved investment and focus away from smaller fledgling brands Taut, Vitsmart and Findlays. In the period our net exceptional charges were £1.2m – of which a full breakdown is included in the financial review.

Across 2010/11, we have made substantial progress in our operational investment and supply chain change plans. The move to third party primary logistics and storage was an enabling step to improve load consolidation and customer service and to allow for higher volumes of movement within a more efficient transport network. We successfully completed this move across a high volume trading period and we are well positioned to optimise our distribution network platform in the future. Our production investments, ahead of the Mansfield site closure, are running to budget and meeting our timing requirements. The installation and commissioning of two new major filling lines and associated services has proved to be a tough challenge while we have continued to fulfil our growth and development demands across the full year. The business has responded to the challenges set and has delivered this operational project in full, on time and on budget.

Some slight changes to capital investment phasing, along with the strong trading performance and our ongoing focus on cash, has reduced our net debt position by 24.9% on the prior year, with a closing net debt of £16.6m.

The board is proposing a total dividend of 25.41p per share, which represents an increase of 10.0% on the previous year and reflects the continued financial strength of the business and the board's confidence in its future prospects.

The Soft Drinks Market

The U.K. soft drinks market, as measured by Nielsen, continued to grow steadily across 2010, with GB take home growth of 7% in value and 3% in volume across the category as a whole. This robust growth was driven by carbonates, which grew by 10% in value and 3% in volume, with strong growth within the carbonates sector from energy, cola and other flavoured carbonates. Still drinks grew in the period, increasing value by 4% and volume by 2%, with still sports drinks driving much of the growth. Across the total category all subsectors demonstrated value growth, with the exception of dairy. However, this resilient market performance was not repeated in on-premise, which suffered declines across the year. This channel accounts for only a small percentage of our total business and its impact was minimal.

The very positive soft drinks market growth was underpinned by strong category support from both consumers and retailers. We anticipate however that market growth will return to levels more representative of long term average growth rates during the course of 2011/12.

Strategy

The continued strong financial and operating performance of the business is based on the long term, consistent development of the following key areas of strategic focus:

- Core brands and markets
- Portfolio development
- Route to market
- Partnerships
- Efficient operations
- People development
- Sustainability

Sustained investment behind strong brands that have the combined attributes of an existing loyal consumer base and the capacity to grow geographically and across varied consumer groups gives us the potential to further

leverage our scale across each of our key areas of focus. The profitable growth of the business is therefore based on developing the business as a whole, with ever increasing efforts behind brand development and sales execution.

Core Brands and Markets

Much of our sales growth in the last year was delivered as a consequence of our increased focus on our core brands and our strategy of building on strong core geographical performance, such as IRN-BRU in Scotland and Rubicon in London. The growth and development of specific geographical areas and the consumer subsectors within these markets contributed significantly to this growth.

Our two major reporting segments remain:

- Carbonates
- Still drinks and water

Both of our key segments exhibited strong growth. The still sector grew well ahead of the market at 9.4%, within this performance Rubicon stills delivered 22.5% growth compensating for some weakness in the St Clement's brand; re-positioning of the St Clement's brand is underway. Overall our carbonates continued to perform strongly, with excellent growth from IRN-BRU, Barr, Rubicon and KA. Rockstar also delivered 16% year on year sales growth in the carbonates sector. IRN-BRU grew by 4% in revenue terms, maintaining the long term consistent growth delivery which saw 5% growth last year and 8% growth two years ago. This consistent long term growth reflects our efforts to build a brand for the long term. The IRN-BRU brand maintained its leading position in the Scottish market, supported by advertising activity, sponsorship and value added promotions across the year. Following on from our successful "free glass" promotions of prior years, we gave away over 250,000 IRN-BRU beach towels to Scottish consumers over the summer months, as well as supporting growth across the World Cup period with the award winning "Bruzil" advertising campaign. The development of IRN-BRU outside its historical core Scottish market made great progress in the year. Sales of IRN-BRU in northern England, grew by 10%, where we invested in incremental resources at point of purchase, in sales execution and in further consumer brand development work in the form of both consumer advertising and sponsorship – specifically around Rugby League, all of which provided significant support for our growth ambitions. IRN-BRU in the North East, Lancashire and Yorkshire regions, responded well to our incremental activity and grew well ahead of the soft drinks market. It is our intention to maintain this regional growth approach and continue to develop IRN-BRU in tandem with our other core brands, Barr and Rubicon in this region.

The Barr range of traditional flavoured carbonates has continued its growth momentum, increasing sales by 22% and building on last year's 33% increase in revenue. In addition, the new range of premium traditional carbonates in the Barr's Originals range, although modest in overall scale, grew by over 50% and, alongside the great value family favourites in the Barr range, is expected to continue to grow as distribution gains make these good value products available to an ever wider audience of consumers.

The Rubicon brand, which we acquired in August 2008, has now almost doubled in sales terms since the acquisition. This growth performance can be attributed to the combination of excellent product quality, loyal existing consumers and growing brand awareness in a wider geographical area. Over the course of the 2010/11 financial year we have seen the benefit of increased brand distribution both through multiple retailers and, importantly, significantly better distribution across the impulse channel. Both Rubicon stills and carbonates grew across the year, with carbonates growing by 40% and now making up 40% of the Rubicon brand sales mix.

During the course of 2010/11 we began to develop the association of Rubicon and cricket. This approach to building the awareness of the Rubicon brand gives us a combination of appealing to existing core ethnic consumers as well as lifting the profile of the brand to a much wider audience. Our initial appraisals suggest this marketing approach and specific association is working well. In 2011/12 we will continue to use cricket as a key element in developing the Rubicon brand.

In addition to driving increased brand awareness, we are further building the portfolio across 2011/12 with the addition of "Rubicon Light" to the portfolio. The Rubicon Light product is designed to broaden the brand's appeal to a wider range of consumers and delivers an excellent product quality and consumer drinking experience. Across the current year we will further strengthen the Rubicon portfolio and will continue to develop the KA and Sun Exotic brands which compliment Rubicon in our exotics range.

As a portfolio business, we continue to seek opportunities to leverage our growth opportunities across the full range. Within our wider portfolio, water has continued to improve at a market level and Strathmore has built on the second half momentum of the prior year. Strathmore grew by 5% in revenue terms and we have continued to see improvements to margins as we focus on both cost control and improving the product channel mix for this brand.

Portfolio Development

Despite an excellent overall total soft drinks market, innovation in general has been challenging as consumers have tended to stick with established brands which they know and trust and that offer good value. This insight has driven our portfolio developments to focus not on the completely new but on the development of the format, flavour and variants of existing brands.

In addition to the launch of Rubicon Light and extending the KA brand, we have successfully launched several new flavour variants, including KA Fruit Punch and Barr Orangeade. We have also set the foundations for the rebranding of diet IRN-BRU to IRN-BRU Sugar Free.

We believe it is possible to drive further growth through our existing brands using this approach as well as seeking further portfolio development opportunities.

Route to Market

The desire to maintain and develop our multiple routes to market is a key part of our strategy. The growing opportunity in the take home channel across different format stores, from multiple retailers through to discount chains as well as high street retail outlets, necessitates different skills and increases complexity across the business but represents great growth potential. We have continued to strengthen our activity in the impulse channel, utilising both wholesaler and direct to store routes to market to ensure we grow and develop our business in this important channel.

With further investments made and more planned in vending and chilled equipment across the market, we believe it is correct to continue to invest in developing winning positions across multiple routes to market.

Partnerships

With long term positions already in place with our key partners, 2010/11 was a year of continued growth.

Rockstar grew sales by 16% despite the extremely competitive nature of the market. This growth was supported by both innovation, such as the launch of the first branded still large can energy drink, Rockstar Recovery, and also by exciting new brand building and sponsorship activities, such as the signing of Jorge Lorenzo, 2010 MotoGP World Champion by Rockstar. We anticipate the continued growth of Rockstar as brand awareness increases and further innovation is brought to market in 2011/12.

Orangina grew steadily in the period as we continued to develop our strategy of building a premium orange carbonates brand which is sustainable for the long term, a strategy fully endorsed by the brand owner of Orangina, Suntory.

Our partners across the world who work with us to develop our brands outside the U.K. continue to support and develop our international business. In Scandinavia Rubicon grew strongly up 13% and a recovering Russian economy saw IRN-BRU sales up 10% in Russia in the period. In overall terms, our international business grew by 26% and continues to offer the potential for significant long term growth.

Efficient Operations

Following on from a year of progress and planning in 2009/10 we initiated and delivered a significant amount of change across our operations in 2010/11. The investment programme in our Cumbernauld production facility has progressed extremely well, as has our move into third party primary logistics and storage. These two major projects have enabled the planned closure of our Mansfield site, which will close in early March 2011 as anticipated. It is never an easy position when it comes to finally closing a site, especially one which has continued to deliver exemplary performance across the last twelve months despite the impending planned changes. The full team at Mansfield are due our gratitude and praise for all that they have done, in particular during the past few months. We have supported our Mansfield employees in this challenging time and are delighted that many have found suitable alternative future employment in the area. In addition to the challenging environment at Mansfield, we should also recognise the huge effort across our other sites to successfully supply the market during significant internal change against such a strong growth backdrop.

The capital investment at Cumbernauld has been focused on new filling/blowing equipment. The choices we have made in regard to the blower/fillers and bottle designs will not only enable significantly increased volume through the site but will also reduce our PET usage by some 7% on these new machines as well as reducing the energy used in the production of these bottles by 12.5%. These changes have proved to be crucial in helping to offset some of the immediate cost pressures now being felt in material costs in the early stages of the 2011/12 financial year.

Overall capital expenditure totalled £9.8m which is well ahead of the previous year (2010: £5.3m) but slightly less than we originally anticipated. We had previously assessed that we would have paid deposits and initial payments for our planned wind turbine project but this is now expected to be paid in the early part of the 2011/12 financial year following finalisation of our wind turbine plans.

It is anticipated that 2011/12 will see further value adding and cost reducing capital projects such as in-house sleeving of PET bottles and the completion of the wind turbine project. In addition, we are now planning further capacity stretch options to ensure we can meet the future volume, portfolio and format demands of our business.

People and Sustainability

The step change in the growth trajectory of A.G. BARR is no coincidence; it is the result of the efforts of a committed and increasingly skilled workforce in all of the functional areas across its sites.

We entered the Investors in People (IIP) programme in 2009/10 and, following assessments of every operating site in the business, we have achieved the IIP accreditation we set out to achieve. The process of accreditation has allowed us more fully to benchmark our people performance and to set in motion more actions to deliver future improvements in communication, engagement and leadership. We aim to continue to invest in building our organisational capability and will focus in the coming year on many of our key processes to ensure that they are fit to meet the requirements of our growing business.

Despite the significant operational change over the last year, health and safety management has been at the forefront of all the structural, organisational and asset based changes we have driven. The ongoing development of a safety culture across the business will continue to be a critical focus in the 2011/12 financial year.

Our performance in the corporate responsibility arena has continued to be rolled out across the Company. We have also ensured our performance, against our agreed sustainability targets, has delivered as highlighted in the CSR report.

Summary

The soft drinks market has performed strongly in 2010/11 despite the continued difficult macro economic climate. We have increased our share of this growing market and have done so through sustainable long term brand and product investment rather than short term price driven activity.

Our portfolio as a whole has performed well and our core brands have responded to further investment. It has been a challenging year from an operational perspective – significant internal investment, change and a site closure were all delivered during a period of strong volume growth.

The current market remains challenging for all consumer goods businesses. Increasing input costs and changes to the tax regime have seen consumer goods prices rise to final consumers and the impact of this on the overall market is not yet certain.

Our focus over the coming year will be to maintain our investment across the business to deliver great value and great tasting brands that consumers love, ensuring they are available through increased numbers of outlets and in convenient and relevant pack formats.

Our market place will continue to be competitive however we remain confident in our ability to build a strong business based on our proven strategy for sustainable growth.

Roger A. White
CHIEF EXECUTIVE

Financial Review

Our financial metrics remain very strong. During the year fuelled by continued sales growth from our core brands across new and existing distribution channels, we have held margins, delivered strong cash flows and continued to invest behind our brands, infrastructure and organisational capability. Our balance sheet strength has improved and net debt is reducing ahead of plan.

Profit before tax for the year ended 29 January 2011 is reported at £30.4m, an increase on the prior year of 24.5%, however this was after charging exceptional items of £1.2m. Normalised profit before tax (pre exceptional items) increased to £31.6m, an increase of 13.3% on the prior year.

EBITDA (pre exceptional items) increased by 7.3% to £40.4m, being a slightly reduced EBITDA margin of 18.2%, previously 18.7%.

In the financial period A.G. BARR continued to outperform the U.K. soft drinks market. Full year sales of £222.4m were achieved, an increase of 10.4% (£21.0m) on the prior year.

Throughout the year, our primary focus was on delivering the sales fundamentals of distribution, availability and visibility. Our core brand portfolio performed well, growing volume and value share, particularly within England and Wales.

Within the context of a very buoyant U.K. soft drinks market which saw volume increase by 3% and value by 7% (Source: A C Nielsen 29/01/11) our overall market share of carbonates, excluding mixers, increased by 7% and in England and Wales market share increased by twenty percentage points. This was achieved whilst also delivering growth in the average price per litre paid by consumers (Source: A C Nielsen Scantrack Data).

Our growth continued to be balanced across both the carbonates and still drinks and water (stills) segments.

The carbonates market performed robustly within an economic environment where consumers sought established brands, quality and value for money. Overall the carbonates market delivered value growth of 10% with sports and energy drinks delivering growth in excess of 20%. A.G. BARR carbonates delivered growth of 10.7% ahead of the flavoured carbonates category which was closer to 8%. In absolute terms the increase equated to £16.6m. A substantial element of this was delivered through distribution increases across our core brands of IRN-BRU, Barr flavoured carbonates and increasingly Rubicon carbonates.

Our stills segment delivered a year on year increase of 9.4% in a market which experienced growth of 4%. This equated to an increase in sales of £4.3m, which was mostly fuelled by distribution gains from the Rubicon brand. Stills continue to account for over a fifth of our total portfolio in line with the prior year.

All subcategories within the product portfolio delivered year on year growth in sales revenue. Water revenues grew by 5% with continued focus on cost control and improvements to sales mix again leading to increased margin from this category.

The second key activity of the year related to the successful management of the operational change associated with the closure of the Mansfield site and the enabling capital investment programme at Cumbernauld. This programme of activity has been well managed with the closure of the Mansfield operation now anticipated to be complete by the end of the first quarter of 2011. The Mansfield site has been sold with final completion of the contract expected in June 2011.

Margins

The current economic environment can at best be described as volatile. In addition to the underlying low growth environment and the increasing personal taxation burden, weak sterling, increasing global demand and Middle East tensions are combining together leading to real inflationary pressure. In our business this manifests itself in both increasing cost of raw materials and reduced consumer confidence.

In conjunction with the delivery of double digit sales growth, we have made strenuous efforts to protect operating margins through successful delivery of modest price increases, operational and financial hedging activity, tight cost control and capital investment programmes focused at delivering improved efficiencies. Together with product mix, slightly more focused towards carbonates, this has resulted in an improvement in our gross margin (pre exceptional items) from 51.3% to 51.6%.

During the year we have continued to see the benefits of operational restructuring programmes and improvements within our manufacturing and distribution activities. The latest investments at our Cumbernauld facility have delivered tangible manufacturing line speed improvements, reduced material requirements through light weighting of PET, improved energy efficiency and on full completion of the Mansfield closure, will have led

to reduced headcount requirements. Whilst we had expected these would deliver margin enhancement opportunities through the course of 2011/12, in reality within the current economic environment, these have and will continue to help us offset some of the inflationary pressures resulting from raw material pricing.

The integration of the Rubicon business which was completed during the prior year has given us a solid national platform on which to build. The Group has continued to invest further in sales execution, brand building activities and has developed our organisational capabilities across central functions without materially impacting operating margins.

Operating profit of £32.7m (before exceptional items) was reported during the year representing an increase of 9.9% on the prior year. Operating margins reduced slightly from 14.8% to 14.7% however this followed a prior year performance where margins had increased 120 basis points, from 13.6% to 14.8% and reflects our continued investment programme.

Interest

A net interest cost of £1.1m was reported in the financial period, £0.8m lower than the prior year. This is best represented by the table below:

	<u>£000s</u>	<u>£000s</u>
Finance income		77
Finance costs		<u>(1,423)</u>
Interest related to Group borrowings		(1,346)
Pensions interest due on defined benefits obligation	(4,202)	
Expected return on scheme assets	<u>4,446</u>	244
Total finance cost		<u>(1,102)</u>

The interest cost included the full year effect of interest charges amounting to £1.4m offset to a small extent by £0.1m of interest income on cash balances. Finance income of £0.2m is reported through the interest line, being the expected return on scheme assets relative to the interest costs associated with the defined benefit pension scheme deficit.

In order to manage the Group's exposure to interest rate movements, the Group entered into a three year interest rate swap during 2008. In accordance with IAS39 we have continued to hedge account for this transaction with any resulting volatility in interest movements being reflected through the balance sheet rather than through the income statement. During the year the mark to market fair value of the cash flow hedge reserve improved from a liability of £(1.0m) to £(0.4m). The interest rate hedge will unwind in July 2011 at which time our interest costs are expected to revert to prevailing rates.

The Group continues to operate two banking facilities with RBS. These include a revolving credit facility which expires in July 2011 and a five year acquisition facility, which expires in July 2013. We have successfully concluded refinancing negotiations and will replace the expiring 2011 facility with a new three year working capital facility with coverage through to 2014.

Taxation

The tax charge of £7.9m represents an effective tax rate of 25.8%. The effective tax rate as reported in the accounts for the previous year was 26.6%. The reduction results from the tax relief on the maturity of an SAYE scheme in the year along with the impact of the change in the deferred tax rate from 28% to 27% at the year end.

Earnings per Share (EPS)

Basic EPS for the period was 58.8p, up 25.6% on the same period last year. Underlying EPS at 61.2p represents an increase of 14.9% on the prior year.

Dividends

The board is recommending a final dividend of 18.66p per share to give a total dividend for the year ending 29 January 2011 of 25.41p. This represents an increase of 10% compared to the prior year.

Balance Sheet Review

The Group's balance sheet has strengthened during the period with net assets increasing from £100.5m to £116.7m. This has mostly been driven by an increase in current assets, notably inventory and trade receivables

and a reduction in non-current liabilities being a reduction in retirement benefit obligations and reduced borrowings.

The Group has banking facilities with RBS totalling £70.0m, of which £40.0m is a five year term loan maturing July 2013, with the balance funded by a three year revolving credit facility of £30.0m, expiring July 2011. During the financial year, a further £8.0m of debt was repaid in line with the five year facility agreement, with a further £10m due to be repaid in the financial year ending January 2012.

Leverage and interest cover are comfortably within the required covenant levels.

Return on capital employed for the period increased to 21.4% (previously 19.2%), reflecting the increase in normalised profit of 13.3% relative to a fairly flat asset base.

Non Current Assets

In line with both the requirements of IAS36 and our accounting policies, the Group undertook an impairment review of all tangible and intangible assets during the year. As a consequence of this review the Group has impaired the carrying value of the Taut, Vitsmart and Findlays intangible assets. This has reduced the carrying value of intangible assets by £1.1m. The residual value of intangible assets of £74.9m relates to the carrying value of the Strathmore and Rubicon brands, goodwill and customer lists.

Property, plant and equipment increased by £2.7m in the year to £58.6m

Capital expenditure during the period amounted to £9.8m (net £9.6m); this is significantly higher than the previous year (net £5.3m) but slightly lower than previous guidance.

2010/11 was a year of significant operational change. The most significant project expenditure related to the PET bottling capacity increases at Cumbernauld to facilitate the closure of Mansfield. Combined bottle blowing and filling speeds for small PET bottles have increased from 27,000 bottles per hour to 48,000. Large bottle (2 Litre) PET filling speeds have increased from 14,000 bottles per hour to 21,000. These increased running speeds have necessitated the upgrade of conveyor and palletising systems. The average crew size for each of the four production lines at Cumbernauld is now four people.

Other smaller projects have included the final payments for the replacement tunnel pasteuriser for the canning line at Cumbernauld, a smaller flash pasteuriser to facilitate an increase in fruit carbonate products, process room improvements at Tredegar and replacement warehouse roofing at Forfar. Within logistics, investment has included the purchase of commercial vehicles for the both Scottish and English direct sales operations whilst on the information technology front investment has included the completion of the upgrade to our ERP platform which has included the installation of a trade management module to manage trade promotional expenditure.

In the forthcoming year we anticipate capital expenditure to be at similar levels to 2010/11. Included within this estimate is £2.9m for a proposed wind turbine project. These estimates exclude the sale of the Mansfield site anticipated to conclude in June 2011, the sale of residual Mansfield plant and the potential sale of the Atherton site which is the subject of ongoing discussions.

Current Assets and Liabilities

Current assets increased in the period from £59.5m to £66.6m reflecting an increase in both inventories and trade receivables offset by lower cash balances. In the period inventories increased by just under 30% being an increase of £4.8m on the prior year. Trade receivables increased by 15.2%, an increase of £4.6m, whilst cash balances reduced by £2.5m.

In the period, raw material stocks increased by 49.4% (£2.3m) reflecting both a significant increase in the cost of mango pulp but also the decision to buy forward pulp to benefit from lower cost of goods. This pulp is stored locally at the Tredegar production site. Whilst elements of the finished goods increase related to increased levels of trading, the increase also reflected the requirement to build PET stocks prior to the closure of Mansfield ahead of final production commissioning at Cumbernauld and a requirement to build Strathmore inventory to facilitate a two week production line overhaul. Our inventory holding period has increased to an average of 71 days and the target is to bring this back in line with the prior year on completion of the current operational changes.

Trade and other receivables increased by £4.6m as a result of higher levels of trading and the timing of the year end. In the year, average debtor days increased from 49 to 52 days. With the last trading day being Friday the 28 January the three day increase reflected the fact that a number of receipts did not become due until after the closure of the year end. Debtor management has continued to be a key focus area during the year with the team adopting the use of the Experian 360 software tool to manage credit exposure more proactively. I am

pleased to report that we have continued to experience low levels of bad debt through the credit control team's continued vigilance.

We continue to hold the Atherton site as an asset classified as held for sale. Management are confident based on discussions with interested parties that they will be able to dispose of the site within the next 12 month period.

Current Liabilities

Current liabilities have increased by £3.9m, to £49.7m. Trade and other payables rose by £7.7m, again reflecting the timing of the year end but also an increase in the average payment period of 4 days. The increase in Trade payables has been partially offset by a £3m reduction in borrowings as the repayments relating to the acquisition facility technically fall outside of the 2012 year end. The redundancy provision relating to the closure of the Mansfield site has reduced from £2.0m to £0.8m mainly relating to employees who are expected to leave the site in the first quarter.

Cash Flow and Net Debt

Our financial position remains strong as we continue to see the benefits of improved turnover translating into improved operating profits and strong cash flows.

Free cash flow generated in the period was £15.7m (previously £17.9m) reflecting £4.3m of additional capital expenditure which mostly related to the closure of our Mansfield site and the development of our facility at Cumbernauld.

As at 29 January 2011 the Group's closing net debt position was £16.6m, being the closing cash position of £8.4m, net of the borrowings of £25.0m. This represents a net debt: EBITDA ratio of just over 0.4 times, with interest cover in excess of 25 times. This is a 24.9% reduction on the prior year net debt position of £22.1m.

Free cash flow and net debt ended the year slightly better than our half year expectation following delayed supplier payments relating to final production line commissioning and a delay to the proposed Wind Turbine project.

During the year the Group continued to make additional contributions to the defined benefit pension scheme of £3.1m, dividends totalling £9.0m were distributed, £8.0m of bank borrowings were repaid and the Company funded the purchase of £2.1m (net) of shares on behalf of various employee benefit trusts to satisfy the ongoing requirements of new and maturing share schemes.

Exceptional Items

A total of £1.2m of exceptional charges has been incurred during the year. These relate to the impairment of three intangible brand assets, dual running cost following the closure of our Mansfield distribution operation offset by an exceptional pension curtailment credit.

Following the announcement to close our Mansfield site early in 2011 we progressed with outsourcing a proportion of our primary logistics functions in June of 2010. This move completed the integration of the Rubicon business with the cessation of in-house storage and distribution operations at the Mansfield site and the exit from existing Rubicon third party logistics operations. This change was implemented in parallel with the project to increase capacity at the Cumbernauld site, creating sufficient operating capacity to absorb all current PET packaged products from the Mansfield factory and allow for projected future growth.

As anticipated at the time we have incurred £0.5m of dual running costs in the financial year 2010/11. These costs have been to some extent been offset by a £0.3m pension curtailment credit following the departure of 61 employees from the business. In addition the overall redundancy provision has been reduced by £0.1m reflecting individuals who have left ahead of taking redundancy.

Finally in light of the current economic environment and the current focus on our core brands the Group undertook an impairment review of intangible assets during the year. As a consequence of this review the Group has impaired the carrying value of the Taut, Vitmart and Findlays intangible assets. This review included an assessment of the performance of each brand relative to their category, future growth potential and future investment required to build these brands in line with the Group's objectives. Intangible assets to the value of £1.1m have therefore been impaired during the year.

Pensions

During the year, the Company continued to operate two pension plans, being the A.G. BARR p.l.c. (2005) Defined Contribution Pension Scheme, and the A.G. BARR p.l.c. (2008) Pension and Life Assurance Scheme. The latter is a defined benefit scheme based on final salary which also includes a defined contribution section for

pension provision to new executive entrants. The assets of both schemes are held separately from those of the Company and are invested in managed funds. The main section of the defined benefit scheme was closed to new entrants on 5 April 2002 and the executive section closed on 14 August 2003.

The area of pensions has once again seen tremendous volatility during the year. Under IAS 19, our previously reported deficit of £5.9m has now become a surplus of £2.1m. This follows £4.2m of employee and Company contributions and significant return on assets which at 15% delivered £4.9m more than previously expected. Reductions to ongoing liabilities relating to assumed retirement dates for deferred members and the valuation of deferred pensions in line with CPI have in the main been offset by changing mortality assumptions.

In line with IAS19 and IFRIC14 the pension surplus has been recognised as an asset.

The next formal actuarial valuation will be undertaken as at April 2011. Until the result of this exercise is complete the pension trustees and the Company have agreed to maintain deficit contributions at their current level.

Share Price and Market Capitalisation

At 29 January 2011 the closing share price for A.G. BARR p.l.c. was £11.60. The Group is a member of the FTSE250, with a market capitalisation of £451.5m at the period end. This represents an increase of 46% on the position as at 30 January 2010.

Alex Short
FINANCE DIRECTOR

A.G. BARR p.l.c.**Consolidated income statement for the year ended 29 January 2011**

The following are the final results for the year to 29 January 2011. The board recommends the payment of a final dividend of 18.66p per share which if approved will be posted on 2 June 2011. The total distribution proposed for the year amounts to 25.41p (2010: 23.10p).

	2011			2010		
	Before exceptional items £000	Exceptional items £000	Total £000	Before exceptional items £000	Exceptional items £000	Total £000
Revenue	222,366	-	222,366	201,410	-	201,410
Cost of sales	(107,656)	(331)	(107,987)	(98,153)	-	(98,153)
Gross profit	114,710	(331)	114,379	103,257	-	103,257
Operating expenses	(82,016)	(825)	(82,841)	(73,497)	(3,432)	(76,929)
Operating profit	32,694	(1,156)	31,538	29,760	(3,432)	26,328
Finance income	321	-	321	117	-	117
Finance costs	(1,423)	-	(1,423)	(1,995)	-	(1,995)
Profit before tax	31,592	(1,156)	30,436	27,882	(3,432)	24,450
Tax on profit	(8,084)	233	(7,851)	(7,462)	960	(6,502)
Profit attributable to equity holders	23,508	(923)	22,585	20,420	(2,472)	17,948
Earnings per share (p)						
Basic earnings per share	61.24	(2.40)	58.84	53.29	(6.45)	46.84
Diluted earnings per share	60.90	(2.39)	58.51	52.89	(6.40)	46.49

Record date: 6 May 2011

Ex-div date: 4 May 2011

A.G. BARR p.l.c.
Statement of Comprehensive Income

	Group	
	2011	2010
	£000	£000
Profit after tax	22,585	17,948
Other comprehensive income		
Actuarial gain/(loss) on defined benefit pension plans	4,598	(3,498)
Effective portion of changes in fair value of cash flow hedges	573	419
Deferred tax movements on items taken direct to equity	(1,350)	1,322
Other comprehensive income for the period, net of tax	3,821	(1,757)
Total comprehensive income attributable to equity holders of the parent	26,406	16,191

A.G. BARR p.l.c.**Statement of Changes in Equity**

Group	Share capital £000	Share premium account £000	Share options reserve £000	Cash flow hedge reserve £000	Retained earnings £000	Total £000
At 30 January 2010	4,865	905	1,595	(955)	94,099	100,509
Cash flow hedge - recognition of fair value	-	-	-	573	-	573
Actuarial gain on defined benefit pension plans	-	-	-	-	4,598	4,598
Deferred tax on items taken direct to equity	-	-	82	-	(1,432)	(1,350)
Profit for the period	-	-	-	-	22,585	22,585
Total comprehensive income for the period	-	-	82	573	25,751	26,406
Company shares purchased for use by employee benefit trusts	-	-	-	-	(4,197)	(4,197)
Proceeds on disposal of shares by employee benefit trusts	-	-	-	-	2,078	2,078
Recognition of share-based payment costs	-	-	956	-	-	956
Transfer of reserve on share award	-	-	(652)	-	652	-
Dividends paid	-	-	-	-	(9,045)	(9,045)
At 29 January 2011	4,865	905	1,981	(382)	109,338	116,707
At 31 January 2009	4,865	905	716	(1,374)	87,553	92,665
Cash flow hedge - recognition of fair value	-	-	-	419	-	419
Actuarial loss on defined benefit pension plans	-	-	-	-	(3,498)	(3,498)
Deferred tax on items taken direct to equity	-	-	343	-	979	1,322
Profit for the period	-	-	-	-	17,948	17,948
Total comprehensive income for the period	-	-	343	419	15,429	16,191
Company shares purchased for use by employee benefit trusts	-	-	-	-	(1,632)	(1,632)
Proceeds on disposal of shares by employee benefit trusts	-	-	-	-	772	772
Recognition of share-based payment costs	-	-	763	-	-	763
Transfer of reserve on share award	-	-	(227)	-	227	-
Dividends paid	-	-	-	-	(8,250)	(8,250)
At 30 January 2010	4,865	905	1,595	(955)	94,099	100,509

A.G. BARR p.l.c.
Statement of Financial Position

	Group	
	2011	2010
	£000	£000
Non-current assets		
Intangible assets	74,940	76,416
Property, plant and equipment	58,570	55,902
Financial instruments	-	27
Investment in subsidiaries	-	-
Retirement benefit surplus	2,092	-
	135,602	132,345
Current assets		
Inventories	20,809	16,041
Trade and other receivables	34,733	30,157
Financial instruments	219	-
Cash and cash equivalents	8,411	10,926
Assets classified as held for sale	2,400	2,400
	66,572	59,524
Total assets	202,174	191,869
Current liabilities		
Borrowings	5,000	8,000
Trade and other payables	39,562	31,836
Financial instruments	416	-
Provisions	777	1,962
Current tax	3,920	3,928
	49,675	45,726
Non-current liabilities		
Borrowings	19,814	24,739
Deferred income	72	76
Financial instruments	-	1,024
Deferred tax liabilities	15,906	13,940
Retirement benefit obligations	-	5,855
	35,792	45,634
Capital and reserves attributable to equity shareholders		
Called up share capital	4,865	4,865
Share premium account	905	905
Share options reserve	1,981	1,595
Cash flow hedge reserve	(382)	(955)
Retained earnings	109,338	94,099
	116,707	100,509
Total equity and liabilities	202,174	191,869

A.G. BARR p.l.c.
Cash Flow Statement

	Group	
	2011	2010
	£000	£000
Operating activities		
Profit before tax	30,436	24,450
Adjustments for:		
Interest receivable	(321)	(117)
Interest payable	1,423	1,995
Depreciation of property, plant and equipment	7,325	7,494
Impairment of plant and machinery	-	1,031
Impairment of assets classified as held for sale	-	464
Fair value adjustment to financial instruments	(192)	(6)
Amortisation of intangible assets	392	391
Impairment of intangible assets	1,084	-
Share-based payments costs	956	763
Gain on sale of property, plant and equipment	(6)	(35)
Government grants written back	(4)	(68)
Operating cash flows before movements in working capital	41,093	36,362
(Increase) in inventories	(4,893)	(1,889)
(Increase) in receivables	(4,576)	(3,234)
Increase in payables	6,038	2,863
Net decrease in retirement benefit obligation	(3,105)	(3,003)
Cash generated by operations	34,557	31,099
Tax on profit paid	(7,243)	(6,226)
Net cash from operating activities	27,314	24,873
Investing activities		
Refund of payment for acquisition of subsidiaries	-	216
Purchase of property, plant and equipment	(9,840)	(5,358)
Proceeds on sale of property, plant and equipment	281	62
Interest received	48	114
Net cash used in investing activities	(9,511)	(4,966)
Financing activities		
New loans received	12,000	5,000
Loans repaid	(20,000)	(10,000)
Purchase of Company shares by employee benefit trusts	(4,197)	(1,632)
Proceeds from disposal of Company shares by employee benefit trusts	2,078	772
Dividends paid	(9,045)	(8,250)
Interest paid	(1,154)	(1,551)
Net cash used in financing activities	(20,318)	(15,661)
Net (decrease)/increase in cash and cash equivalents	(2,515)	4,246
Cash and cash equivalents at beginning of period	10,926	6,680
Cash and cash equivalents at end of period	8,411	10,926

A.G. BARR p.l.c.

General information

A.G. BARR p.l.c. ('the Company') and its subsidiaries (together 'the Group') manufacture, distribute and sell soft drinks.

The Group has manufacturing sites in the U.K. and sells mainly to customers in the U.K. but does have some international sales.

The Company is a public limited company incorporated and domiciled in Scotland. The address of its registered office is Westfield House, 4 Mollins Road, Cumbernauld, G68 9HD.

The Company has its listing on the London Stock Exchange.

Basis of preparation

The consolidated and parent Company financial statements of A.G. BARR p.l.c. have been prepared in accordance with International Financial Reporting Standards ('IFRS') as endorsed by the EU. They have been prepared under the historical cost convention.

A.G. BARR p.l.c.

Segment reporting

The Group's management committee has been identified as the chief operating decision-maker. The management committee reviews the Group's internal reporting in order to assess performance and allocate resources. The management committee has determined the operating segments based on these reports.

The management committee considers the business from a product perspective. This has led to the operating segments identified in the table below. The performance of the operating segments is assessed by reference to their gross profit before exceptional items.

12 months ended 29 January 2011

	Carbonates	Still drinks and water	Other	Total
	£000	£000	£000	£000
Total revenue	172,316	49,420	630	222,366
Gross profit before exceptional items	98,932	15,235	543	114,710

12 months ended 30 January 2010

	Carbonates	Still drinks and water	Other	Total
	£000	£000	£000	£000
Total revenue	155,706	45,168	536	201,410
Gross profit before exceptional items	88,867	13,931	459	103,257

There are no intersegment sales. All revenue is from external customers.

Other segments represent income from water coolers for the Findlays 19 litre water business, rental income for vending machines and other soft drink related items such as water cups.

The gross profit from the segment reporting is noted before exceptional costs as the dual running exceptional costs allocated to cost of sales in the income statement relate to both carbonates and still drinks and water. The gross profit from the segment reporting is reconciled to the total profit before income tax as shown in the consolidated income statement.

All of the assets and liabilities of the Group are managed by the management committee on a central basis rather than at a segment level. As a result no reconciliation of segment assets and liabilities to the statement of financial position has been disclosed for any of the periods presented.

Each of the following items are included in the reportable segments results and balances and no adjustments are required in arriving at the costs included in the consolidated primary statements:

	2011	2010
	£000	£000
Capital expenditure	9,840	5,358
Depreciation and amortisation	7,717	7,885
Impairment of intangible assets	1,084	-
Impairment of plant and equipment	-	1,031
Impairment of assets classified as held for sale	-	464

Capital expenditure comprises cash additions to property, plant and equipment.

All of the segments included within Carbonates and Still drinks and water meet the aggregation criteria set out in IFRS 8 Operating Segments.

Geographical information

The Group operates predominately in the U.K. with some worldwide sales. All of the operations of the Group are based in the U.K.

	2011	2010
Revenue	£000	£000
U.K.	218,620	198,439
Rest of the world	3,746	2,971
	222,366	201,410

The split of the turnover between U.K. and Rest of the world has been restated for the year to 30 January 2010. Previously elements of the Rest of the world totalling £958,000 had been included within U.K. revenue and this has been restated this year to give a revised Rest of the world figure of £2,971,000 for the year to 30 January 2010.

All of the assets of the Group are located in the U.K.

Major customers

No single customer accounts for 10% or more of the Group's revenue in either of the periods presented.

A.G. BARR p.l.c.

Earnings per share

Basic earnings per share have been calculated by dividing the earnings attributable to equity holders of the parent by the weighted average number of shares in issue during the year, excluding shares held by the employee share scheme trusts.

	2011	2010
Profit attributable to equity holders of the Company (£000)	22,585	17,948
Weighted average number of ordinary shares in issue	38,385,598	38,318,076
Basic earnings per share (pence)	58.84	46.84

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2011	2010
Profit attributable to equity holders of the Company (£000)	22,585	17,948
Weighted average number of ordinary shares in issue	38,385,598	38,318,076
Adjustment for dilutive effect of share options	216,127	283,115
Diluted weighted average number of ordinary shares in issue	38,601,725	38,601,191
Diluted earnings per share (pence)	58.51	46.49

Dividends

	2011 per share	2010 per share	2011 £000	2010 £000
Paid final dividend	16.85 p	15.200 p	6,450	5,837
Paid interim dividend	6.75 p	6.25 p	2,595	2,413
	23.60 p	21.45 p	9,045	8,250

The directors have proposed a final dividend in respect of the year ended 29 January 2011 of 18.66p per share amounting to a dividend of £7,263,000. It will be paid on 3 June 2011 to shareholders who are on the Register of Members on 6 May 2011.

This dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements in line with the requirements of IAS 10 Events after the Balance Sheet Date.

A.G. BARR p.l.c.**Annual General Meeting**

The Annual General Meeting will be held at 9.30am on 23 May 2011 at the offices of KPMG, 191 West George Street, Glasgow, G2 2LJ.

Statutory Accounts

The financial information set out above does not constitute the Company's statutory accounts for the years ended 29 January 2011 or 30 January 2010 but is derived from the 2011 accounts. Statutory accounts for 2010 have been delivered to the registrar of companies, and those for 2011 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified and (ii) did not contain statements under section 498(2) or (3) of the Companies Act 2006.