22nd March 2010

**A.G. BARR p.l.c.**
**FINAL RESULTS**

A.G. BARR p.l.c. the soft drinks group announces its financial results for the 12 months to 30th January 2010.

**Key Points**

- Profit on ordinary activities before tax and exceptional items increased by **20.8%** to **£27.9m** (2009 – £23.1m).
- Turnover increased by **18.7%** to **£201.4m** (2009 - £169.7 million).
- Like for like sales, stripping out the impact of the Rubicon acquisition and the 53rd week in 2008/09, increased by **10.6%**.
- Basic earnings per share (pre-exceptional) **53.29p** an increase of **20.5%.**
- Proposed final dividend of **16.85p** per share to give a proposed total dividend for the year of **23.1p** per share, an increase of **10.0%** over the previous year.
- Core carbonate brands and still juice brands both grew well ahead of the market.
- The IRN-BRU brand increased revenue by over **5%** with strong growth in England and Wales.
- Rubicon performing ahead of expectations following integration.
- Cash flow remained strong generating **£17.9m** of free cash flow in the period.
- Lower than anticipated net debt of **£22.1m** at year end – prior year net debt £31.3m.
- Investment in new production capacity at Cumbernauld site underway.
- Planning for primary logistics outsourcing has commenced with third party transport and warehouse group Eddie Stobart Group Limited.

**Roger White, Chief Executive commented:**

*"The business has delivered a strong financial performance in the last year despite the difficult macro economic environment.*

*Our core business sales performance was excellent and the Rubicon brand has added a new dimension to our business.*

*Our sales growth continues to be underpinned by substantial investment in our brands and infrastructure. In the last year we have maintained a tight control of all our costs allowing us to improve margins once again.*

*We continue to face an uncertain economic outlook with the additional challenge of substantial operational changes across 2010/11. However, looking forward we remain confident in our ability to deliver against our strategy.*

*Our sales growth in the coming year faces some tough comparative performance from the prior year so it is pleasing to report that sales in the first seven weeks of the new financial year are ahead of the same period last year."*

For more information, please contact:

**A.G.Barr** Tel: 01236 852400
Roger White, Chief Executive
Alex Short, Finance Director

**Buchanan Communications** Tel: 020 7466 5000
Tim Thompson / Nicola Cronk / Christian Goodbody

## Chairman's Statement

Shareholders will be well aware of the current difficult economic climate and the resultant challenges such an environment brings. I believe it is a great tribute to our management teams that I am able to report, in my first year as chairman, continuing strong growth and a real momentum for the future.

The financial performance of the business, as described in detail in the business and financial review, has been driven by strong revenue growth with turnover in the year increasing by 18.7% to £201.4m. Like for like sales excluding the impact of the Rubicon acquisition and the 53rd week in 2008/09 increased by 10.6%. Continuing focus on costs and efficiencies produced a profit before tax, before exceptional items, of £27.9m, an increase of 20.8%.

The Rubicon acquisition in 2008 was partially funded by debt. Good trading and diligent cash management have reduced net debt from £31.3m last year to £22.1m at the end of January 2010. Our balance sheet remains strong.

During the year a one for two share split was approved. After adjusting for the share split, basic earnings per share increased by 5% to 46.8p (2009 44.6p)

Consequently the board is pleased to recommend a final dividend of 16.85p to give a total dividend of 23.1p an increase of 10% on the prior year.

**PROSPECTS**

It remains clear that to maintain and develop our competitive position we need to continue to invest in our major assets of people, brands and operating infrastructure and we are doing so in each area. Extra resources are being provided to enhance our long standing commitment to training and development and we are also benchmarking our performance against the Investors in People standard.

The development of our brands is an ongoing and vital focus of attention. We are also extending and strengthening the sales execution effort in support of that.

During the year we announced a further investment of £10m in production capacity at Cumbernauld and the planned closure of our Mansfield site. Rationalisation is always difficult and in this case will result in the loss of a number of jobs staffed by people who have many years service with the Company.

Within primary logistics we are planning a new approach which will improve our flexibility and overall operational performance.

The new financial year has started well with sales ahead of last year. Our enthusiasm has to be tempered with caution, however, given the challenging overall economic and consumer outlook.

I know that the strong results for the year to January 2010 were built on a solid base and I am confident that we are well placed to maintain the momentum in the business into the future.

R.G. Hanna
**CHAIRMAN**

## Business & Financial Review

### Business Review

In the 52 week period ending 30 January 2010 A.G. BARR has substantially outperformed the U.K. soft drinks market. The combination of significant growth in our existing core business and a full 12 months of accelerating sales in the Rubicon brand have delivered full year sales revenue of £201.4m. This equates to growth, taking out the impact of the 53rd week in 2009, of 21.0%. Stripping out the further effects of the Rubicon acquisition, like for like sales grew by a very healthy 10.6% in the period.

The business has gained significant momentum over the past 12 months building on the solid foundations set over past years. Pre-tax profit, excluding exceptional items, increased by 20.8% to £27.9m from £23.1m. This strong financial performance reflects the continued drive to deliver top line sales growth at the same time as strenuous efforts are made to control and reduce costs across the business. This consistent approach in combination with the positive impact of the Rubicon business has increased operating margins by 1.2% in the period.

The Rubicon business has been successfully integrated over the course of the last financial year. I am pleased to report that the integration was successfully delivered with only £0.1m of exceptional restructuring costs which is well below our original expectations. Importantly during this integration process we have maintained sales momentum in both core Barr brands and in Rubicon. The acquisition of Rubicon has to date exceeded all of our pre-acquisition expectations.

The net debt position of the Group has continued to improve and as at 30 January 2010 stood at £22.1m, a reduction of 29.5% on the prior year end position. This position reflects our continuing effort to improve cash management and capital efficiency across the business.

In November 2009 we announced further manufacturing investment plans and restructuring of both our operating platform and supply chain. These plans include a £10m investment at the Cumbernauld site in production capacity, the outsourcing of a portion of our primary supply chain and the consequential closure of our Mansfield site. Following extensive employee consultation we have now commenced the investment programme which will stretch across 2010/11 and into early 2011/12. As a consequence of this we are recognising significant exceptional costs of £2.9m related to this plan in our 2009/10 financial performance. In addition we have a further £0.5m of exceptional charges outwith the Mansfield position.

The board has proposed a final dividend of 16.85p which represents an increase in the total dividend of 10% on the previous year reflecting the continued financial strength of the business and our continued confidence in the future.

### The Market

The U.K. soft drinks market, in contrast to the prior year's volume decline of over 2%, increased by 1% in volume terms and by 2% in value terms in the 52 week period ending 23 January 2010. The difficult economic environment appears to have had limited impact on the overall soft drinks market and carbonates in particular have continued to show good growth across the year.

Consumers have continued to purchase a wide repertoire of soft drinks and have maintained a preference for established product groups that deliver both quality and value. Retailer branded soft drinks have not increased their share of the market, perhaps reflecting the competitive nature of pricing and promotion across the category as a whole.

Category growth has continued to be driven by the strong performance of carbonates. All sectors within carbonates performed strongly with the fastest growth coming from the energy sector. Still sports drinks have recovered some ground with volume up 2% but at the expense of value, which has declined by 3%, reflecting the increasingly competitive price environment in this sector.

The water market has improved in the period posting 5% volume growth and 2% value growth – this performance has gained momentum across the year.

The soft drinks category has once again demonstrated its ability to deliver growth in volume and in value terms despite difficult macro economic conditions. The landscape remains competitive but consumers continue to respond well to both existing brands and products and to well executed innovation.

**Strategy**
Our platform for sustained profitable growth is based on the following key areas of strategic focus which remain consistent with prior years:

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

Underpinning our excellent financial performance in the last 12 months has been our drive to build momentum across our key brands. We have grown revenue by improving sales fundamentals through our many sales channels and have continued to develop brands that are differentiated and have growing levels of appeal to increased numbers of consumers. All of this has been achieved by delivering quality, service and value both to our customers and ultimately to consumers.

The development of our sustainability and social agenda has continued across the year with much work throughout the Company to eliminate waste, improve recycling and to develop products and packaging which have a reduced impact on the environment. Of particular note has been our continued reduction in PET usage in our bottles which has reduced by 6% on average – removing the requirement for around 300 tonnes of PET per annum. In addition we are now utilising 25% recycled PET in all our Strathmore bottles. This drive towards increased sustainability which we see as simply good business will continue to be at the heart of our future plans.

**Core Brands and Markets**
The development of our core brands and markets received much of our focus across 2009/10. Over the period we have seen excellent growth across our key brands as we look to appeal to more people, more often, in more areas across the market.

Our two major reporting segments are:

- Carbonates
- Still drinks and water

Both of these segments outperformed the market. Still drinks and water, which has historically been the smaller segment within our business, made some significant progress over the financial year 2009/10. The year on year underlying growth in this segment was boosted by the addition of Rubicon stills volume. Our still drinks and water business now represents 22.4% of our total sales mix.

Carbonates has also continued to grow strongly, recording a 10.1% year on year increase in value, well ahead of the market.

Within the carbonates segment, IRN-BRU, which is lapping an incredibly strong prior year revenue performance (+8%), continued to deliver strong growth of 5%. Particularly encouraging is the performance in England and Wales where we have grown volume share by 20% in the period. This growth has been driven by improvements in distribution and is evenly spread across the territory and in a number of channels.

The growth of the IRN-BRU brand was underpinned by substantial marketing investment including sports based sponsorships such as the Scottish Football League and Rugby League in England. In tandem with sponsorship we have increased marketing spend above and through the line with the main creative execution in the period being the IRN-BRU Musical TV advert. We continued our focus towards value added promotional activity with a further IRN-BRU free glass campaign in the summer in addition to numerous on-pack promotional activities across the year. IRN-BRU continues to grow and develop as a brand and continues to offer significant further growth opportunities.

In 2008/09 we saw the Barr range of flavoured carbonates start to gain some momentum and last year that growth accelerated with sales revenue increasing by 33%. This was driven by solid performance in existing outlets and further significant rises in distribution delivered across the year. New flavour additions and additional pack formats also delivered excellent incremental growth and our first significant piece of above the line marketing investment in sponsorship of STV teatime programme "The Hour" cemented our position in the core Scottish market. Further growth through the Barr brand in

England and Wales is anticipated in the future. The total regional range continues to grow and develop and will continue to feature strongly in our commercial growth plans.

The Rubicon brand following our integration efforts is now firmly established within our core brand portfolio. The brand in both still and carbonated formats has performed strongly across the year. The integration process was delivered without disrupting sales momentum and the benefit of placing the Rubicon brand into our sales system and under our commercial management has delivered sales growth ahead of our initial expectations. The addition of the new watermelon flavour and the upweighting of consumer marketing activity including significant sampling and PR around "Mango Week" have built on the already strong growth momentum. As we progress with the development of the Rubicon brand and begin to develop the consumer marketing plans we believe there is significant further opportunity to grow and develop this exciting brand.

Rubicon has added significant weight and diversity to our still portfolio which has grown considerably and it now represents a significant share of our total sales revenue. The wider still brands have continued to make very good progress with Simply and St Clement's juices and juice drinks jointly increasing revenue by 6%. Simply Fruity in particular which plays to the value conscious shopper has continued to deliver strong growth.

The water category has recovered some ground over the course of 2009, the second half of the year especially saw growth with improved late summer weather in the south of the country. Strathmore revenue adjusting for the 53rd week in 2008/09 was broadly flat, although encouragingly the second half performance was 5% ahead of the prior year. Our continued support of and focus on the brand as well as our move back into flavoured waters has helped maintain performance despite our decision to exit from some low margin contracts in the period. We are delighted to have renewed our contractual position with Matthew Clarke in late 2009. This contract was originally struck in 2006 in conjunction with the Strathmore business acquisition and reached the end of its three year duration in 2009. We remain optimistic regarding the category and Strathmore's position within it and anticipate building on the momentum of the second half into next year.

**Portfolio Development**
The development of our portfolio has in the last 12 months been mainly focused on our core brands and the integration and growth of the Rubicon brand. The introduction of flavour extensions, pack format changes and pack size changes have driven significant growth. We elected to scale back our developments and investment in the Taut and Vitsmart brands over the course of the last financial year – this approach has worked to our advantage with difficult market conditions in still sports drinks and difficulty in establishing the consumer proposition within the very new enhanced water category.

It remains our belief that further development of our core brands will bring the greatest immediate benefit and we have an exciting programme of innovation planned for 2010 which also includes products outside our existing category coverage. Our portfolio development plans will continue to take account of the current and forecast near term consumer trends and outlook – keeping close to the consumer remains our key objective.

**Route to Market**
We are building our business from a solid base with multiple routes to market and our focus is on developing the skills, competence and systems to manage and develop these multiple routes to market. We have continued to invest in sales execution and have widened that investment to include further development of our teams in food service and vending.

Our work to strengthen and develop our direct to store operations and our impulse business in general has continued; the benefits of prior year investment in people and systems are now feeding through to performance improvements in this important sector.

**Partnerships**
We have strengthened and developed our key partnerships across 2009/10 to ensure solid foundations in all of these important relationships as we go forward.

We have agreed a new and extended agreement with Rockstar Inc related to the production and sale of the Rockstar brand in Great Britain and Eire. The new 10 year agreement ensures the long term commitment of both sides to building the Rockstar brand giving both parties the certainty to continue to invest in the growth of this exciting brand.

In the period the Orangina business was sold by Lion Capital to Suntory the Japanese consumer goods company. Last year we concluded our new franchise agreement with the Orangina Group that extended our partnership to 31 December 2014 and as such we look forward to continuing to develop the Orangina brand in the U.K. under its new ownership.

Sales of IRN-BRU in Russia through our partnership with Pepsi Bottling Group (PBG) have, in common with all consumer goods in Russia, suffered in the extreme economic downturn that hit that territory. Our volume sales to PBG were down 8.3% in the year. In addition to the difficult economic environment IRN-BRU performance in 2008/09 was excellent making 2009/10 a difficult year on a comparative basis. However in the final quarter the local sales declines flattened out and consumer behaviour began to recover.

Our overall export sales in 2009/10 have grown by 31% with the inclusion of the Rubicon export sales business which is particularly strong in Scandinavia. With increased scale in export markets and a wider portfolio we hope to generate higher levels of overall growth in the future, notwithstanding any challenges in individual markets.

Our partnership relationships on the supply side, in particular our materials supply, especially ingredients and packaging, continues to develop well. Our overall joint objectives related to risk, quality, efficiency and reducing our environmental impact remain the basis of these partnerships.

**Efficient Operations**

Our operational activities across 2009/10 have focused on continuous improvement, the integration of the Rubicon operational activities, the planning of further capacity investment in Cumbernauld, the outsourcing of some logistics functions and the consequential closure of the Mansfield site planned for early 2011.

We have successfully integrated all of the Rubicon production activity into our operational footprint. Over the last year this has delivered improvements in cost and efficiencies at the Tredegar site. We continue to make investments at Tredegar to increase capacity and reduce costs. In tandem with this we reviewed our supply chain requirements and are following an outsourcing approach to allow us to fully consolidate our deliveries to major customers. This will see our storage and distribution operations at Mansfield closing and the Rubicon operations, which are already outsourced, switching to another outsourced provider. It is anticipated this switch will take place over the course of summer 2010.

During the year we have also carried out a wide ranging review of our production assets and future requirements. As a consequence, we announced in November 2009 our intention to close the Mansfield production site and invest in increased production capacity at Cumbernauld. Following a period of extensive consultation it was confirmed that the entire Mansfield site will close in early 2011 and the investment programme at Cumbernauld commenced in late January 2010.

The whole team at the Mansfield site have worked hard to improve the site efficiencies over the past few years following investment in production equipment. Despite their endeavours and success, the requirement for further investment in the infrastructure of the Mansfield site, coupled with the decision to outsource part of our logistics, have contributed to the operationally and financially driven decision to close the site. This decision in no way reflects the quality or endeavour of all of those who continue to work diligently for the Company at the Mansfield site. We are working closely with all of those impacted by these changes to ensure as much support as possible is given to them over the coming 12 months in the run up to the planned closure.

Our overall capital spend in the period has been lower than originally anticipated, impacted by the consultation regarding the Mansfield closure plans. Despite significant capital spend associated to this project we expect our overall spend across the three financial years ending January 2010, 2011 and 2012 will be broadly in line with our previous anticipated capital spend. However the phasing of the spend will be weighted towards next year.

We are now entering a year of significant operational change across the business with all of the increased risk that it brings. However we are confident that the team is well proven in dealing with significant operational change and anticipate only minimal resultant impact to our performance.

**People**

As the momentum has grown in the business so too have our people developed to meet the challenges and demands that this growth has presented. The progress the business has made is as a consequence of the efforts of all individuals and teams who have delivered exceptional performance across the

business for which we are very grateful. It is difficult to single any individuals or groups out but the successful integration of the Rubicon business is worthy of a special mention – a specific thanks to all of those involved.

We continue to ensure Health and Safety is at the forefront of all our team's thinking across the business and once again during last year further efforts have gone into training, communication and auditing of all our working procedures.

Over the course of the last financial year we have embarked on the Investors in People (IIP) standard. This assessment of our performance across a number of people related activities allows us the opportunity to benchmark our performance as well as helping facilitate further improvements. We have completed a number of the IIP reviews and to date I am pleased to report very good progress towards our goal of achieving the standard across all of our sites, which is expected to be completed in late 2010.

Our corporate social responsibility and sustainability agenda has made good progress on all fronts, building momentum on the work of the previous year. It is particularly pleasing to report our progress in relation to waste and recycling, highlighted in the CSR report, which spans the whole organisation in manufacturing, supply chain and all office locations.

**Summary**

The difficult macro economic climate did not materially impact the soft drinks market which has shown some positive growth especially in the second half of the year. A.G. BARR has significantly outperformed the total market and seen its brands build momentum across our key channels and customers.

The smooth integration of the Rubicon business with its growth potential combined with our strong core portfolio of national and regional brands have created a business with increased growth momentum and potential. The investments we have made in our sales execution, systems and infrastructure and those we are planning for our asset base in the next phase of our development should position us well to maintain the momentum we are currently enjoying.

The strong platform for growth created over recent years has given us the opportunity to flourish even in difficult times and looking forward our revenue growth opportunities, cost control ethos, enhanced asset base and strong balance sheet give us confidence to face the challenges of our dynamic and competitive market place.

Roger White
**CHIEF EXECUTIVE**

**Financial Review**
Profit before tax for the year ended 30 January 2010 rose to £24.5m, an increase on the prior year of 5.3%, however this was after charging exceptional items of £3.4m. Normalised profit before tax (pre exceptional items) increased to £27.9m, an increase of 20.8%.

EBITDA (pre exceptional items) increased by 22.7% to £37.7m, representing an improved EBITDA margin of 18.7%, previously 18.1%.

In the financial period A.G. BARR significantly outperformed the U.K. soft drinks market, delivering full year sales of £201.4m, an increase of 18.7% on the prior year. The increase was seen across both the still drinks and water (stills) and carbonates segments. £17.2m of the growth in revenue was delivered through the stills segment which was fuelled by the inclusion of a full year's trading of the Rubicon brand. Stills now account for 22.4% of our total revenue, up from 16.5% in the prior year.

Our core brands performed well, growing volume share, particularly in England and Wales. Across the U.K. our share of carbonates, excluding mixers, increased by 6% and in England and Wales share increased by 20% (Source: A C Nielsen). This was achieved whilst also delivering growth in the average price per litre paid by consumers (Source: A C Nielsen Scantrack Data to 23/01/10).

Eliminating the effect of the Rubicon acquisition and adjusting for the 53rd week, included in the prior financial year, like for like sales increased by 10.6%.

All subcategories within the product portfolio delivered year on year growth in sales revenue with the exception of water. Whilst water revenues were slightly down on the prior year, our focus on cost control and improvements to sales mix led to increased margin from the water category.

The significant corporate activity in 2008/09 related to the acquisition of Groupe Rubicon Ltd. In the financial year to 30 January 2010, our attention turned to the integration of the Rubicon business onto the A.G. BARR platform. The integration has been successfully delivered with restructuring costs of £0.1m, significantly below our original expectations. Top line growth of the Rubicon brand has been above expectation and whilst the acquisition was earnings enhancing in the prior year, we are pleased to report that the acquisition was ROIC (return on invested capital) enhancing in its first full year within A.G. BARR.

**Margins**
At the beginning of the financial year, the business faced the prospect of increasing raw material costs principally as a consequence of a weak Sterling relative to both the US Dollar and the Euro. In conjunction with the delivery of double digit sales growth, the team made strenuous efforts to protect operating margins through successful delivery of modest price increases and tight control of operating costs. This has resulted in an improvement in our gross margin from 49.9% to 51.3%.

During the year we continued to see the benefits of previous operational restructuring programmes and improvements within our manufacturing and distribution activities. The integration of the Rubicon business resulted in a number of redundancies across Finance, HR and general administrative support functions. These activities, together with general efficiency improvements, helped offset inflationary cost pressures and have allowed the Group to further invest in sales execution and brand building, without impacting operating margins.

During the year operating margins (before exceptional items) increased a full percentage point from 13.6% to 14.8%.

**Interest**
A net interest cost of £1.9m was reported in the financial period. This is best represented by the table below:

| | £000s | £000s |
|---|---|---|
| Finance income | | 117 |
| Finance costs | | (1,624) |
| Interest related to group borrowings | | (1,507) |
| | | |
| Pensions interest due on defined benefits obligation | (3,995) | |
| Expected return on scheme assets | 3,624 | (371) |
| | | |
| Total finance cost | | (1,878) |

The interest cost included the full year effect of interest charges amounting to £1.6m, following the acquisition of Groupe Rubicon Ltd, offset to a small extent by £0.1m of interest income on cash balances. A further £0.4m is reported through the interest line, being the difference between interest costs associated with the defined benefit pension scheme deficit relative to the expected return on scheme assets.

In order to manage the Group's exposure to interest rate movements, the Company entered into a three year interest rate Swap with RBS during 2008. In accordance with IAS39 we have continued to elect 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 £(1.4m) to £(1.0m).

**Taxation**
The tax charge of £6.5m represents an effective tax charge of 26.6%. The effective tax rate as reported in the accounts for the previous year was 26.4%.

**Earnings per Share (EPS)**
Basic EPS for the period was 46.84p, up 5.1% on the same period last year.

**Dividends**
The board is recommending a final dividend of 16.85p per share to give a total dividend for the year ending 30 January 2010 of 23.10p. This represents an increase of 10% compared to the prior year.

**Balance Sheet Review**
The Group's balance sheet remains strong with net assets increasing from £92.7m to £100.5m, mostly driven by an increase in current assets, notably cash and trade receivables.

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 £5.0m of debt was repaid in line with the five year facility agreement, with £8.0m due to be repaid in the financial year ending 29 January 2011.

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

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. This review concluded that no impairment of intangible assets was required. The review did however identify a potential impairment relating to the value of the Atherton site, an asset held for sale; consequently an impairment loss of £0.5m has been recognised in the period. A further £1.0m of plant and equipment has been impaired in light of the decision to close the Mansfield site.

**Capital Expenditure**
Capital expenditure during the period amounted to £5.3m. This was lower than previous years and also lower than guidance. The position was impacted by the need to conclude the consultation process regarding the Mansfield site closure and the decision to proceed down the route of contract leasing of Company cars, which have traditionally been purchased. A further £2.5m of expenditure was approved by the board during the period for assets that had not been received by the year end.

The £5.3m compares very favourably with capital expenditure in the year ended 31 January 2009, which was reported at £10.6m. The latter however included the purchase of the "Campsie" warehousing site at Cumbernauld and the purchase of the Rubicon manufacturing facility and adjoining property at Tredegar. Together, these items amounted to £4.9m.

Significant projects include the purchase of a replacement tunnel pasteuriser for the canning line at Cumbernauld, expenditure to provide 500ml canning capability at Cumbernauld, initial deposits for the Cumbernauld capacity increases and commercial vehicles for the Scottish direct sales organisation. On the information technology side, expenditure has included the upgrading of our business intelligence capability through the installation of a data warehouse, further expansion of the CRM system to include the telesales operation in Scotland, an upgrade to our ERP platform and a complete refresh of our PC population.

We are entering a year of significant operational change in 2010 and based on current plans we are anticipating capital investment in 2010/11 of £11.0m. It is anticipated that there will be limited impact

on the underlying 2010/11 financial performance with operating cost benefits associated with the investment feeding through in financial year 2011/12.

Thereafter, we expect capital investment to more closely match depreciation which is currently £7.5m per annum. These estimates exclude the potential sale of the Atherton and Mansfield sites together with the potential sale of any residual Mansfield plant. The estimate also excludes the potentially significant capital cost associated with the purchase of a wind turbine for the Cumbernauld site.

**Current Assets and Liabilities**

Current assets increased in the period from £51.2m to £59.5m, the most significant elements being the increase in cash and cash equivalents and trade and other receivables. The current recessionary environment has required vigilant management of our working capital throughout the year.

Inventories increased by 10% to £16.0m, reflecting increased levels of trading but also a requirement to build inventory ahead of the installation of the new pasteuriser on the canning line, to take account of increasing volumes of fruit-based carbonated products. Despite this build up of inventory, the average inventory holding period reduced by 3 days.

Trade and other receivables increased by £3.0m as a result of higher levels of trading and the timing of the year end. In the year, average debtor days again reduced from 52 to 49 days, this represents a reduction of 8 days or 14% when compared to the position two years ago.

Trade and other payables rose by £0.8m, again reflecting the timing of the year end but the position was also impacted by the timing of a supplier payment of £2.5m immediately prior to the year end. Eliminating the effect of this payment, the average payment period reduced by 5 days.

We are continuing to market the Atherton site which is surplus to our operating requirements.

The overall level of liabilities reduced by £2.9m, despite the inclusion of restructuring provisions of £1.9m relating to the Mansfield site closure.

Return on capital employed for the period increased to 19.2% (previously 16.0%), reflecting the increase in operating profit relative to a fairly flat asset base.

**Cash Flow and Net Debt**

Free cash flow generated in the period was £17.9m, in line with the prior year.

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

Throughout the year we have maintained tight controls over working capital, taxation payable has returned to more normal levels following a previous overpayment in 2008 and the Group has continued to make additional contributions to the defined benefit pension scheme of £2.6m.

The free cash flow position also includes the impact of a full year's interest costs associated with the Groupe Rubicon acquisition although this is more than offset by reduced capital expenditure which was £5.3m lower than the prior year.

As at 30 January 2010 the Group's net debt position was £22.1m, being the closing cash position of £10.9m net of the borrowings of £33.0m. This represents a net debt: EBITDA ratio of just over 0.6 times, with interest cover in excess of 19.6 times. This is a significant reduction on the prior year net debt position of £31.3m.

**Exceptional Items**

In January we confirmed the closure of the Mansfield production site. This is expected to take place in early 2011, with the outsourcing of a proportion of our primary logistics functions proceeding over the course of 2010. This step constitutes the final piece in the integration of the Rubicon business with the cessation of existing in-house storage and distribution operations at the Mansfield site and the exit from existing Rubicon third party logistics operations.

This significant change will coincide with a project to increase capacity at the Cumbernauld site, creating operating capacity that will absorb all current PET packaged products from the Mansfield factory and allow for projected future growth.

During the financial period ended 30 January 2010, we have provided £2.9m for exceptional charges relating to this closure, and anticipate an additional £0.5m of dual running costs in the financial year 2010/11.

A further £0.5m of exceptional charges have been recorded in the financial period, reflecting the costs incurred as part of the Rubicon integration (£0.1m), together with the well documented impact of the recession on property prices, which has led us to impair the valuation of the Atherton site, an asset currently held for sale.

**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.

Under IAS 19, the net pension deficit at the year end stood at just under £5.9m, representing a deterioration of £0.9m when compared to the deficit of £5.0m reported last year. The area of pensions has seen tremendous volatility during the year, with the increase in deficit largely reflecting the fall in corporate bond yields, partially offset by the higher than expected return on assets and the deficit contributions paid by the Company during the year. Future price inflation expectations are consistent with the prior year. 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 last formal actuarial valuation was undertaken as at April 2008 and was completed during the year. The results of the valuation indicated that the deficit recovery plan was performing as expected. The pension trustees and the Company have therefore agreed to maintain the deficit contributions at the current level.

**Share Price and Market Capitalisation**

At a General Meeting of the Company held on 18 September 2009, the shareholders authorised the subdivision of each of the Company's existing ordinary shares into two ordinary shares of 12.5 pence nominal value each. The share subdivision doubled the number of ordinary shares in issue.

At 30 January 2010, following the subdivision, the closing share price for A.G. BARR p.l.c. was £7.92. The Group is a member of the FTSE250, with a market capitalisation of £308.0m at the period end.

During the year the Company continued to fund the purchase by the trustees of the Company's various employee benefit trusts to satisfy the ongoing requirements of maturing share schemes.

Alex Short
**FINANCE DIRECTOR**

**A.G. BARR p.l.c.**
**Consolidated income statement for the year ended 30 January 2010**

The following are the final results for the year to 30 January 2010. The Board recommends the payment of a final dividend of 16.85p per share which if approved will be posted on 3 June 2010. The total distribution proposed for the year amounts to 23.10p (2009: 21.00p)

| | **2010** | | | 2009 | | |
|---|---|---|---|---|---|---|
| | **Before exceptional items** | **Exceptional items** | **Total** | Before exceptional items | Exceptional items | Total |
| | **£000** | **£000** | **£000** | £000 | £000 | £000 |
| Revenue | **201,410** | **-** | **201,410** | 169,698 | - | 169,698 |
| Cost of sales | **(98,153)** | **-** | **(98,153)** | (84,962) | - | (84,962) |
| Gross profit | **103,257** | **-** | **103,257** | 84,736 | - | 84,736 |
| Operating expenses | **(73,497)** | **(3,432)** | **(76,929)** | (61,682) | 130 | (61,552) |
| Operating profit | **29,760** | **(3,432)** | **26,328** | 23,054 | 130 | 23,184 |
| Finance income | **117** | **-** | **117** | 1,062 | - | 1,062 |
| Finance costs | **(1,995)** | **-** | **(1,995)** | (1,037) | - | (1,037) |
| Profit before tax | **27,882** | **(3,432)** | **24,450** | 23,079 | 130 | 23,209 |
| Tax on profit | **(7,462)** | **960** | **(6,502)** | (6,134) | - | (6,134) |
| Profit attributable to equity holders | **20,420** | **(2,472)** | **17,948** | 16,945 | 130 | 17,075 |
| **Earnings per share (p)** | | | | Restated | Restated | Restated |
| Basic earnings per share | **53.29** | **(6.45)** | **46.84** | **44.22** | **0.34** | 44.56 |
| Diluted earnings per share | **52.89** | **(6.40)** | **46.49** | **43.74** | **0.34** | 44.08 |
| **Dividends** | | | | | | Restated |
| Dividend per share paid (p) | | | **21.45** | | | 19.80 |
| Dividend paid (£000) | | | **8,250** | | | 7,604 |
| Dividend per share proposed (p) | | | **16.85** | | | 15.20 |
| Dividend proposed (£000) | | | **6,559** | | | 5,916 |

Record date: 7 May 2010
Ex-div date: 5 May 2010

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

| | Group | |
|---|---|---|
| | **2010** | 2009 |
| | **£000** | £000 |
| Profit after tax | 17,948 | 17,075 |
| **Other comprehensive income** | | |
| Actuarial loss on defined benefit pension plans | (3,498) | (62) |
| Effective portion of changes in fair value of cash flow hedges | 419 | (1,374) |
| Current tax movements on items taken directly to equity | - | 193 |
| Deferred tax movements on items taken directly to equity | 1,322 | (63) |
| **Other comprehensive income for the period, net of tax** | (1,757) | (1,306) |
| **Total comprehensive income attributable to equity holders of the parent** | 16,191 | 15,769 |

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

| **Group** | Share capital £000 | Share premium account £000 | Share options reserve £000 | Cash flow hedge reserve £000 | Retained earnings £000 | Total £000 |
|---|---|---|---|---|---|---|
| **At 31 January 2009** | **4,865** | **905** | **716** | **(1,374)** | **87,553** | **92,665** |
| Movement in cash flow hedge | **-** | **-** | **-** | **419** | **-** | **419** |
| Actuarial loss on defined benefit pension plans | **-** | **-** | **-** | **-** | **(3,498)** | **(3,498)** |
| Deferred tax on items taken directly 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** |
| Own 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** |

| | Share capital £000 | Share premium account £000 | Share options reserve £000 | Cash flow hedge reserve £000 | Retained earnings £000 | Total £000 |
|---|---|---|---|---|---|---|
| As at 26 January 2008 | 4,865 | 905 | 964 | - | 78,044 | 84,778 |
| Movement in cash flow hedge | - | - | - | (1,374) | - | (1,374) |
| Actuarial loss on defined benefit pension plans | - | - | - | - | (62) | (62) |
| Current tax on items taken directly to equity | - | - | - | - | 193 | 193 |
| Deferred tax on items taken directly to equity | - | - | (80) | - | 17 | (63) |
| Profit for the period | **-** | **-** | **-** | **-** | 17,075 | 17,075 |
| Total comprehensive income for the period | - | - | (80) | (1,374) | 17,223 | 15,769 |
| Own shares purchased for use by employee benefit trusts | - | - | - | - | (1,481) | (1,481) |
| Proceeds on disposal of shares by employee benefit trusts | - | - | - | - | 862 | 862 |
| Recognition of share-based payment costs | - | - | 341 | - | - | 341 |
| Transfer of reserve on share award | - | - | (509) | - | 509 | - |
| Dividends paid | - | - | - | - | (7,604) | (7,604) |
| As at 31 January 2009 | 4,865 | 905 | 716 | (1,374) | 87,553 | 92,665 |

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

| | Group | |
|---|---|---|
| | **2010** | 2009 |
| | **£000** | £000 |
| **Non-current assets** | | |
| Intangible assets | **76,416** | 76,807 |
| Property, plant and equipment | **55,902** | 58,861 |
| Financial instruments | **27** | 33 |
| Investment in subsidiaries | **-** | - |
| | **132,345** | 135,701 |
| **Current assets** | | |
| Inventories | **16,041** | 14,528 |
| Trade and other receivables | **30,157** | 27,139 |
| Cash and cash equivalents | **10,926** | 6,680 |
| Assets classified as held for sale | **2,400** | 2,864 |
| | **59,524** | 51,211 |
| **Total assets** | **191,869** | 186,912 |
| **Current liabilities** | | |
| Borrowings | **8,000** | 5,000 |
| Trade and other payables | **31,836** | 30,978 |
| Provisions | **1,962** | 80 |
| Current tax | **3,928** | 2,857 |
| | **45,726** | 38,915 |
| **Non-current liabilities** | | |
| Borrowings | **24,739** | 32,665 |
| Deferred income | **76** | 144 |
| Financial instruments | **1,024** | 1,477 |
| Deferred tax liabilities | **13,940** | 16,057 |
| Retirement benefit obligations | **5,855** | 4,989 |
| | **45,634** | 55,332 |
| **Capital and reserves attributable to equity shareholders** | | |
| Called up share capital | **4,865** | 4,865 |
| Share premium account | **905** | 905 |
| Share options reserve | **1,595** | 716 |
| Cash flow hedge reserve | **(955)** | (1,374) |
| Retained earnings (restated) | **94,099** | 87,553 |
| | **100,509** | 92,665 |
| **Total equity and liabilities** | **191,869** | 186,912 |

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

| | Group | |
|---|---|---|
| | **2010** | 2009 |
| | **£000** | £000 |
| Operating activities | | |
| Profit before tax | **24,450** | 23,209 |
| Adjustments for: | | |
| Interest receivable | **(117)** | (1,062) |
| Interest payable | **1,995** | 1,037 |
| Depreciation of property, plant and equipment | **7,494** | 7,018 |
| Impairment of plant and machinery | **1,031** | - |
| Impairment of assets classified as held for sale | **464** | - |
| Fair value (gains) / losses on financial assets at fair value through profit or loss | **(6)** | 82 |
| Amortisation of intangible assets | **391** | 340 |
| Impairment of intangible assets | **-** | 284 |
| Share options costs | **763** | 341 |
| Gain on sale of property, plant and equipment | **(35)** | (13) |
| Government grants written back | **(68)** | (28) |
| **Operating cash flows before movements in working capital** | **36,362** | 31,208 |
| | | |
| (Increase) / decrease in inventories | **(1,889)** | 1,038 |
| (Increase) / decrease in receivables | **(3,234)** | 1,976 |
| Increase / (decrease) in payables | **2,863** | (468) |
| Net decrease in retirement benefit obligation | **(3,003)** | (2,996) |
| **Cash generated by operations** | **31,099** | 30,758 |
| | | |
| Tax on profit paid | **(6,226)** | (2,142) |
| **Net cash from operating activities** | **24,873** | 28,616 |
| **Investing activities** | | |
| Refund of payment for / (acquisition) of subsidiaries | **216** | (58,694) |
| Acquisition of intangible assets | **-** | (140) |
| Purchase of property, plant and equipment | **(5,358)** | (10,639) |
| Proceeds on sale of property, plant and equipment | **62** | 161 |
| Interest received | **114** | 1,041 |
| **Net cash used in investing activities** | **(4,966)** | (68,271) |
| **Financing activities** | | |
| New loans received | **5,000** | 54,500 |
| Loans repaid | **(10,000)** | (16,500) |
| Bank arrangement fees paid | **-** | (366) |
| Purchase of financial instrument | **-** | (114) |
| Purchase of Company shares by employee benefit trusts | **(1,632)** | (1,482) |
| Proceeds from disposal of Company shares by employee benefit trusts | **772** | 862 |
| Dividends paid | **(8,250)** | (7,604) |
| Interest paid | **(1,551)** | (860) |
| **Net cash used in financing activities** | **(15,661)** | 28,436 |
| | | |
| Net increase / (decrease) in cash and cash equivalents | **4,246** | (11,219) |
| | | |
| Cash and cash equivalents at beginning of period | **6,680** | 17,899 |
| Cash and cash equivalents at end of period | **10,926** | 6,680 |

**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 the Scotland. The address of its registered office is Westfield House, 4 Mollins Road, Cumbernauld G68 9HD.

The Company has its primary 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, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

**Changes in accounting polices**

**Company shares held by employee benefit trusts**
The retained earnings figure at 31 January 2009 has been restated to include the value of the Company's own shares held for use by employee benefit trusts. Previously the purchased value of the shares held by the employee benefit trusts was disclosed as a separate line on the statement of financial position (previously known as the balance sheet). The inclusion of the balance within retained earnings is to bring the reporting in to line with common practice. The restatement has reduced the retained earnings figures and previously presented own shares held figure as follows:

| | As at 30 January 2010 | As at 31 January 2009 |
|---|---|---|
| | £000 | £000 |
| Reduction in Company shares held by employee benefit trusts | 3,885 | 3,258 |
| Reduction in retained earnings | 3,885 | 3,258 |

**Earnings per share**
A share subdivision of the Company's issued and to be issued share capital was approved at a general meeting on 18 September 2009. This resulted in double the number of shares being in issue after the subdivision.

As a result of the change in the number of shares in issue and in line with the requirements of IAS 33 Earnings per share, the earnings per share figures for the year to 31 January 2009 have been restated as if the sub division had taken place at 28 January 2008, the first day of that financial year.

**A.G.BARR p.l.c.**
**Segment reporting**
The 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.

**12 months ended 30 January 2010**

| | **Carbonates £000** | **Still Drinks and water £000** | **Other £000** | **Total £000** |
|---|---|---|---|---|
| Total revenue | **155,706** | **45,168** | **536** | **201,410** |
| Gross profit | **88,867** | **13,931** | **459** | **103,257** |

12 months ended 31 January 2009

| | Carbonates £000 | Still Drinks and water £000 | Other £000 | Total £000 |
|---|---|---|---|---|
| Total revenue | 141,368 | 27,945 | 385 | 169,698 |
| Gross profit | 77,178 | 7,251 | 307 | 84,736 |

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 can vendors and other soft drink related items such as water cups.

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 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 to the total assets figure on the balance sheet has been disclosed for any of the periods presented.

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

| | **2010 £000** | 2009 £000 |
|---|---|---|
| Capital expenditure | **5,358** | 10,639 |
| Depreciation and amortisation | **7,885** | 7,358 |
| Impairment of intangible assets | **-** | 284 |
| Impairment of plant and equipment | **1,031** | - |
| Impairment of assets classified as held for sale | **464** | - |

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

The capital expenditure in the year to 31 January 2009 includes additions resulting from acquisitions through business combinations.

The operating segments include segments which have been aggregated in accordance with IFRS 8.

**A.G.BARR p.l.c.**
**Segment reporting (continued)**

**Geographic segments**
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.

| | **2010** | 2009 |
|---|---|---|
| | **£000** | £000 |
| UK | **199,397** | 168,161 |
| Rest of the world | **2,013** | 1,537 |
| | **201,410** | 169,698 |

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.

| | **2010** | Restated 2009 |
|---|---|---|
| Profit attributable to equity holders of the Company (£000) | **17,948** | 17,075 |
| Weighted average number of ordinary shares in issue (restated) | **38,317,330** | 38,319,120 |
| Basic earnings per share (pence) | **46.84** | 44.56 |

The weighted average number of ordinary shares in issue and the diluted weighted average number of ordinary shares in issue have been restated for the year to 31 January 2009 following the share subdivision that took place during the year to 30 January 2010. This is in line with the requirement of IAS 33 Earnings per share.

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.

| | **2010** | Restated 2009 |
|---|---|---|
| Profit attributable to equity holders of the Company (£000) | **17,948** | 17,075 |
| | | |
| Weighted average number of ordinary shares in issue | **38,318,076** | 38,319,120 |
| Adjustment for share options | **283,115** | 417,268 |
| Diluted weighted average number of ordinary shares in issue | **38,601,191** | 38,736,388 |
| Diluted earnings per share (pence) | **46.49** | 44.08 |

**Dividends**

| | **2010 per share** | | Restated 2009 per share | | **2010 £000** | 2009 £000 |
|---|---|---|---|---|---|---|
| Paid final dividend | **15.20** | **p** | 14.00 | p | **5,837** | 5,373 |
| Paid interim dividend | **6.25** | **p** | 5.80 | p | **2,413** | 2,231 |
| | **21.45** | **p** | 19.80 | p | **8,250** | 7,604 |

The dividend figures per share for the year to 31 January 2009 have been restated to take in to account the share subdivision that took place during the year to 30 January 2010. This share subdivision has had no impact on the total dividend paid by the Company.

The directors have proposed a final dividend in respect of the year ended 30 January 2010 of 16.85p per share amounting to a dividend of £6,559,000. It will be paid on 4 June 2010 to shareholders who are on the Register of Members on 7 May 2010.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 24 May 2010 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 30 January 2010 or 31 January 2009 but is derived from the 2010 accounts. Statutory accounts for 2009 have been delivered to the registrar of companies, and those for 2010 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 237(2) or (3) of the Companies Act 1985 in respect of 2009, or under section 498(2) or (3) of the Companies Act 2006 in respect of 2010.