

30th March 2009

A.G.BARR p.l.c.
PRELIMINARY RESULTS FOR THE YEAR ENDED
31st JANUARY 2009

A.G.BARR p.l.c. the soft drinks group announces its preliminary results for the 12 months to 31st January, 2009.

Key Points

- Profit on ordinary activities before tax and exceptional items increased by **9.7%** to **£23.4m** (2008 – £21.3 m).
- Turnover increased by **14.4%** to **£169.7m** (2008 - £148.4 million).
- The underlying business showed excellent growth up **6.6%** after adjusting for the acquisition of the Rubicon business and the 53rd week.
- Proposed final dividend of **30.4p** per share to give a proposed total dividend for the year of **42.0p** per share, an increase of **7.7%** over the previous year.
- IRN-BRU and Diet IRN-BRU revenue increased by almost 8% – growing in all territories.
- Core carbonate brands and still juice brands both grew well ahead of the market.
- Cash flow remained strong generating **£18m** of free cash flow in the period.
- Lower than anticipated net debt of **£31.3m** and long term banking facilities in place.
- Integration of Rubicon business into core operations is well underway.
- Orangina Schweppes Group agrees new 6 year Orangina franchise deal.

Commenting Roger White, Chief Executive said:

“Over the last 12 months we have seen substantial growth in both sales revenues and profit despite a further summer of poor weather and the difficult economic environment. We are now benefiting from our continued investments in brands and people as well as the restructuring activity which we have undertaken in recent years.

Despite the challenging economic climate our business is financially strong and well capable of continuing to deliver sustainable growth.

Like for like sales in the first seven weeks of the new financial year are ahead of the same period last year.”

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Chairman's Statement

Review of Results

Profit before taxation for the 53 weeks to January 2009 was – excluding exceptional items and impairment charges – £23.4m compared with £21.3m for the previous 52 weeks. This increase of 9.7% represents another excellent performance in a year during which the summer weather was again disappointing and general economic conditions deteriorated across the UK.

Turnover for the 53 weeks was £169.7m – an increase of 14.4% over the 52 weeks to January 2008. However adjusting for the 53rd week and stripping out the turnover associated with the Rubicon acquisition, the like-for-like increase was 6.6%.

Basic earnings per share have risen from 86.75p to 89.12p and your directors are pleased to recommend a final dividend of 30.4p per share to give a total dividend for the year to January 2009 of 42.0p. This increase of 7.7% demonstrates our continuing confidence in the ability of our company to maintain its progress despite the current economic uncertainties.

People

The further strong performance of the business was achieved through the skills and commitment of our employees. I would like, on behalf of our external shareholders, to thank them all for delivering such a successful outcome.

Board

We announced in March the appointment of Jonathan Warburton as an independent non-executive director. Jonathan is Chairman of Warburtons Limited one of the UK's largest bakers and has therefore substantial commercial experience. I clearly recommend that shareholders confirm his appointment at the forthcoming AGM.

We also intimated in the March announcement that it was my intention, at the close of the AGM, to step down as chairman after 31 years in that role. My colleagues have invited me to remain on the board as a non-executive director and I have been pleased to accept that offer. Given the stability now provided, for the foreseeable future, by last year's changes at executive level on the board I am sure that it is the right time to make this further change.

I am pleased to advise you that the board will appoint Ronnie Hanna as non-executive chairman in succession to myself. Ronnie has now been a non-executive director of our company for over 5 years and has already made a significant contribution to the ongoing success of our business. I am confident that he will be able to provide the board with the leadership which will ensure continuing positive progress for our company

James Espey will shortly complete ten years service as a non-executive director, but he will continue in that role for a further limited period. I therefore recommend that you confirm his re-appointment at the AGM.

Annual General Meeting

Shareholders will find details in the enclosed letter of a number of proposals which will be introduced at the A.G.M. as special business.

A full explanation of these proposals is contained within the letter.

Prospects

Last year's acquisition of Groupe Rubicon Ltd should become increasingly positive as we continue the growth momentum and deliver the anticipated synergies. The financing of this acquisition has of course moved us from holding cash surpluses to a modest level of indebtedness but satisfactory terms were negotiated in respect of the required bank facilities which run until July 2013.

Turnover in the new financial year is to date ahead of last year. The soft drinks market remains, thus far, resilient in the face of the economic downturn in the UK. The depth and duration of the recession are however potentially unprecedented and we cannot be certain that our own industry will not to some degree be affected.

It is naturally satisfactory – notwithstanding the effect of inflation – to compare last years profit with the figure of £1.2m achieved by our company in the year immediately preceding my appointment as chairman in 1978. Substantial progress has of course been achieved since then but I have no doubt

that during the years ahead there will continue to be opportunities for further advances. I am confident that, guided by our new chairman, our executive team led by Roger White will be able to grasp them for the benefit of all stakeholders in the company.

W R G Barr
CHAIRMAN

Business & Financial Review

Business Review

In the 53 weeks to 31st January, 2009, the Barr business has accelerated its growth momentum. Our core business has grown strongly and we have benefited from new acquisitions and developing partnerships as well as further core brand innovation. We have out performed the market across almost all of the categories in which we operate, delivering revenue of £169.7m a growth of 14.4% across the 53 week period. Adjusting for the acquisition of the Rubicon business and the 53rd week our like-for-like business grew by 6.6% to £158.2m.

We have maintained our efforts behind the value based strategy which has continued to deliver well despite a second consecutive year of poor summer weather and the increasingly troubled economic climate in the UK. We also continued to aggressively manage costs across the business while at the same time we increased our focus on stepping up our sales growth momentum across our range. The continued focus on cost and growth have seen pre-tax profits excluding exceptional items and impairment charges increase to £23.4m from £21.3m an increase of 9.7% on the prior year.

The acquisition of Groupe Rubicon Limited in August 2008 for £59.8m further strengthened our business. The acquisition added a strong exotic juice drinks brand with high levels of consumer brand loyalty as well as adding further scale to our business in England. We also gained the operational capability and capacity of aseptic carton packing through our new manufacturing facility at Tredegar, South Wales. As planned we have run Rubicon as a stand alone operating business for the 22 weeks up to the end of the financial year – during this period the business delivered the earnings enhancement we anticipated. We announced in January 2009 that we would commence the integration of the Rubicon business into the core Barr business with the specific objectives of improving sales execution and delivering growth plans, improving supply management processes and ensuring we achieve our expected synergy plans. The integration planning process is progressing well. Our integration plans are all the more important because the Rubicon business has been impacted by the rapid and significant devaluation of Sterling as a large proportion of its packaging and raw materials are sourced outside of the UK. We anticipate the commercial actions we are taking in tandem with the accelerated operational integration plans will mitigate the significant impact of the increased costs related to the devaluation of Sterling.

As a consequence of the acquisition of Rubicon we have entered into new long term financing arrangements with Royal Bank of Scotland with a £70m total facility. Our net debt position at 31st January, 2009 was £31.3m which represents a net debt to EBITDA ratio of just over 1 times. We have achieved this improvement to our anticipated net debt position by increased efforts to proactively manage cash as well as improving capital expenditure disciplines and by continuing our drive for operational efficiency improvements across the whole business.

The board continues to believe in the importance of a progressive dividend policy and has proposed a further growth in dividend of 7.7% as described by the chairman.

The Market

The UK soft drinks market in the period fell by 2.2% in volume terms but was flat on an overall value basis (source Nielsen Scantrack 12 months to 31st January, 2009). Volumes were impacted by the poor summer weather and value progress has slowed due to the effects of the worsening economic climate and its consequential impact on consumer behaviour in particular in the impulse channel.

The soft drinks market has continued to see momentum behind the carbonates category with many of the largest brands now growing volume ahead of the overall soft drinks market. The carbonates category delivered volume growth of almost 5% in the year. This growth reflects consumers' continued trend towards a more balanced purchase repertoire where the position of major carbonate brands is holding firm. Much comment is now being made of consumers desire to find 'value for money' – this is undoubtedly true but consumers are also seeking the reassurance of brands they know and trust. Despite the likely growth in retailer brands we believe that well supported differential brands that taste great will continue to be important to all groups of consumers across all channels.

During the course of 2008 we have seen the continued growth in carbonated sports and energy drinks which grew by 11% across the year as the category has seen further innovation and a number of new entrants. Annual growth figures did slow in the final quarter to 5%. Still sports and energy drinks have not maintained their previous growth levels with annual growth of 2% impacted by final quarter declines of 12%.

Once again the categories that have been negatively impacted most significantly are still drinks which declined by 4.5% in volume terms. Included in this is water and a number of the more premium categories such as smoothies and premium juices. These declines, in particular water which was around 10%, can be attributed largely to the poor summer weather but it is undoubtedly also a consequence of the ongoing debate regarding the sustainability of bottled water and in the case of more premium products the tightening of consumer budgets in the second half of the year.

The soft drinks market overall is a resilient sector which has put in a creditable performance in 2008 despite the challenges it faced. The increasingly difficult general economic conditions will have an impact on the market going forward especially in the split of category growth; however the total soft drinks market remains robust in overall terms.

Strategy

We remain committed to growing our business profitability and our strategic focus is around the following main areas:

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

Last year we indicated that we were increasing our efforts around the goal of developing our sales growth ambitions – the results of which can be clearly seen in our revenue growth. This focus will continue to drive our operating plans.

In addition we are increasing the profile and pace of our sustainability agenda within the business. Sustainability is not new for our company; efficiency, waste control and continuous improvement which are at the heart of sustainability have been part of our key focus for many years. However we have now increased the level of co-ordination and focus across the business in this area. At A.G.BARR the sustainability agenda is simply part of being a better business.

Core Brands and Markets

The commitment to develop our core brands and markets, despite some changes to consumer behaviour over the last five years, continues to pay dividends. Our strength in core carbonates on both a national and regional basis has seen improvements to our market share across the year and across all core brands. As we have deliberately increased our focus on our core brands we have as a consequence let some of our smaller brands and labels, such as Findlays, Prize, Liptons and the last of our remaining own label business naturally decline during the period.

Our core brands have never been stronger; increasingly consumers from all areas of the UK and from many differing ethnic backgrounds prefer our diverse range of unique brands.

IRN-BRU grew revenue in the period by almost 8% with strong growth on both sides of the border and record market share in Scotland. In the 4 week period ending 24th January, 2009 IRN-BRU was the number one other flavoured carbonate drink within mainland UK by value for the first time ever – overtaking Fanta. Growth in IRN-BRU has been in both standard and diet with IRN-BRU 32 now accounting for less than ½% of our total IRN-BRU sales.

With the highest marketing and promotion spend ever behind the IRN-BRU brand in 2008 the mix of activities included significant growth in new pack sizes to ensure we can increase the range of occasions on which the brand can be drunk, such as a new 1 litre PET bottle shaped in line with the 500ml design and a new 4x250ml PET multipack following on from the successful launch of the new 250ml “wee bru” format in the prior year.

Consumer communication continues to develop within the FMCG sector and IRN-BRU has increased its digital presence with new web sites and a number of digital campaigns aimed at reaching the growing audience of, especially younger, consumers who spend increasing time online. However, we have also continued to utilise the more traditional mainstream advertising activity with our award winning “IF” television advertising campaign going out across the summer months.

Our promotional activity across the summer followed a value added approach with the main event being our first ever free IRN-BRU glass promotional mechanic. This mechanic involved us giving away branded glasses with certain IRN-BRU purchases, allowing us to improve sales, reward consumer loyalty and maintain a relatively high level of average PPL (pence per litre) throughout the promotion.

IRN-BRU continued its sponsorship programme with the completion of the first full year of our sponsorship of the Scottish Football Leagues and an increasing set of activities both at Club level and centrally planned to be delivered across the second year of our sponsorship. In addition to our Scottish Football League sponsorship IRN-BRU has announced a new sponsorship deal with Rugby League – IRN-BRU is now the official soft drink of Superleague – a three year deal. In addition we have secured full broadcast sponsorship of Sky Sports Rugby League coverage for the 2009 season. This coverage will reach over 10 million consumers over the course of the season and is designed to reinforce our growing position on a national basis.

The IRN-BRU brand is now stepping up to face the future on a national basis with real momentum from a strong base.

During the course of the last 12 months we have seen excellent growth from our regional carbonates range with the Barr brand of flavoured carbonates growing revenue by over 10% versus the prior year. This range of traditional products has had the addition of new flavours Cherryade and Shandy plus flavour extensions into 2 litre PET and 500ml PET over the course of the year. Consumers across the category and in different channels have positively received the increasingly attractive proposition of high quality traditional drinks at good value prices in a variety of formats. In addition we launched the Barr's "Originals" range of traditional recipe glass bottles. Designed to be reminiscent of what traditional "pop" used to taste like. The range is aimed at both food service and retail customers, further highlighting the wide growth potential of the Barr brand.

Across our full regional range we grew revenue by 11% with an excellent performance from Caribbean brand KA which grew by 46% and is now a £5m sales brand. Tizer has stabilised its sales performance with second half revenue flat versus the prior year. We will change the Tizer consumer proposition once more in 2009 with the launch of an impactful sleeved bottle and a new recipe with increased flavour aimed at once more getting Tizer into stronger growth.

Our core still brand offering under the Simply/St Clement's brands significantly out performed the market with revenue growth of 17% in the period. Despite the relatively small size of these brands they are growing momentum especially in the value segment of the market within the impulse, wholesale and discounter channels. Offering high quality products in exciting packaging at good value has been our objective – this strategy is now beginning to deliver wider acceptance of the brands in other retail channels and with a wider consumer audience.

The Strathmore brand has performed broadly in line with the general market place for bottled water. Our strategy to build a premium brand in the water category remains intact and we have maintained our brand building activity despite the difficult market conditions. Strathmore performance in our target impulse channel has been excellent despite the poor summer weather but the gains made in impulse have been more than offset by declines in the on-trade and catering market place where we have lost some contracts on a price basis. The water market will continue to be very competitive but we believe bottled water is an essential component of our overall portfolio and Strathmore is the right brand to build for the long term. We anticipate some continuing weakness in the licensed/on-trade sector but will look to build on our success in impulse in 2009. Further brand development took place during 2008 with 750ml sports cap launched in April, television advertising in Scotland over the summer as well as numerous sports/running sponsorships throughout the year. In September 2008 we refreshed the Strathmore brand with a packaging re-design which improved our stand out and re-inforced its premium positioning.

In 2009 we will launch Strathmore twist – a range of flavoured water. Strathmore was the first significant brand in the UK to launch flavoured water and we believe the 'twist' range can add further momentum behind the brand in 2009.

Portfolio Development

We have continued our drive to broaden our overall portfolio across an increasingly wide range of soft drinks categories. The development of our still and fruit based range has continued with St Clement's juices and smoothies. Despite the category declines in these sectors we have used our good value for money positioning to drive our ranges at the expense of other more premium competitor brands. We

have also focused these ranges down to fewer variants as the market has contracted and we remain positive regarding the opportunities in this sector.

We acquired the Taut and Vitsmart brands to speed our entry into both the still sports drinks market and the fledgling enhanced water market. Over the early course of 2008 we invested considerable effort in re-packaging and re-developing both of these brands. We now have products, packaging and consumer propositions which we believe are well positioned to meet consumer demands in these two sub categories. Both brands were re-launched in 2008 but on a relatively low key, low cost basis due to our perception of the changing economic circumstances in the UK. Both Taut and Vitsmart have great potential but we must get the timing correct before we increase our weight of effort behind these exciting new brands. This is an example where we are realistic and make difficult choices regarding our portfolio – we have in recent months focused our efforts on our more mainstream and core brands and will continue to do so while the economic climate is uncertain.

The last significant change to our portfolio during the year was the acquisition of the Rubicon brand. Rubicon exotic juice drinks with strong core ethnic consumers and a growing base of mainstream consumers offer us some real growth opportunities. With strength in the South East and London we can use our route to market strength to develop the brand as part of our core offering on a more national basis. The addition of the carton format in both 1 litre take home and 288ml “drink now” also gives us a huge opportunity to develop our sales further. The integration and further growth of the Rubicon business and brand is a key business priority for 2009/10.

Our portfolio priorities are very clear. Further development of our range will take place but in the short term we are focused on building core brands, integrating and developing Rubicon and positioning our offering to meet consumer’s current financial and lifestyle needs.

Route to Market

The impulse market has had a difficult year with poor summer weather and the difficult economic environment driving consumers to move to more planned purchases and less impulse purchases. Overall soft drinks sales in impulse dropped by 3.6% in value with volume down 5.4%. However carbonates did relatively better, flat in value terms with a 2.2% volume decline.

We have continued to drive our impulse business but this is against the headwind of sector declines. We maintain our belief that a strong impulse business is vital in soft drinks and we have further invested in the year (although in the final quarter) in an additional 31 sales personnel to further drive our impulse business. This investment will begin to deliver in 2009/10. In addition we have further strengthened our food service and on-trade teams since those areas remain for us an opportunity, despite their current well publicised difficulties.

Our channel split across the business continues to be well balanced with good growth from core brands in take home and increased sales opportunities for impulse helped by the Rubicon acquisition.

At the same time as increasing our executional resources and capabilities we have completed, later than planned, the roll out of our Customer Relationship Management (CRM) system to build further service and commercial competence for customers. The value added impact of this investment is expected in 2009/10.

Partnerships

All of our partnerships are important and 2008/09 was a successful year for both us and our partners.

The launch of the Rockstar brand into the UK commenced in November 2007 with the 2008/09 financial year being the first full year of our partnership with Rockstar. During the course of last year we sold over 10 million cans of Rockstar making this the most successful carbonate launch of the year. The focus in this first year has been to build awareness and the profile of the brand which has been done through a combination of sampling, with over 1.2 million consumers sampled at over 700 events, and sponsorship activity such as the Ricky Hatton boxing sponsorship and headline sponsorship of the Taste of Chaos UK music tours.

Over the course of the year listings and distribution have been growing and in September we introduced a new Guava Punched variant. The early success of the Rockstar brand has allowed us to now bring production, which was previously outsourced, in-house to further strengthen our partnership with Rockstar for 2009/10.

The Orangina brand has continued to out perform its peer orange carbonates during the year with further focus behind the iconic bulby bottle. We are delighted to have in March 2009, signed a new franchise arrangement with Orangina Schweppes Group that will see our partnership extended to 31st December, 2014. This only serves to re-inforce our commitment to building the Orangina brand in the UK.

The partnership arrangements we previously held with Rubicon have now obviously moved on – bringing together the existing strong working relationships we have enjoyed with our long term partners at Rubicon into the core of our business.

Sales of IRN-BRU in Russia have continued to grow with revenue growth of 23%. Given the context of very significant economic problems in Russia and a carbonated soft drinks market which has fallen by 7% during 2008 this is an excellent performance which highlights both the resilience and quality of the brand and the capability and commitment of Pepsi Bottling Group our partner in Russia.

Value exports to other territories increased by 21% during the year with further growth potential in Scandinavia and the Middle East being developed.

Partnership relations across the supply side of the business are also important; never more so than now as we face volatility and uncertainty across much of our key materials supply base. Our objectives of managing risk, enhancing quality, improving efficiency and reducing environmental impact remain central to these key partnerships.

Efficient Operations

During the course of the 2008/09 financial year our operating teams have been far from idle. This has however been the first time for 3 years we have not had a major restructuring or investment programme underway.

We have during 2008/09 for the first time produced more than 500 million units across our production sites and at the same time improved overall line efficiency in our manufacturing sites by over 5%. Across the business we have continued to reduce waste and improved energy consumption. During the year we reduced our CO2 production per tonne of product produced across our main sites by 9.5%. In addition we have reduced water usage by 8% and carried out product/packaging re-engineering projects designed to save well in excess of £0.5m per annum.

In addition to our continuous improvement activities we have improved operating efficiency at our Cumbernauld site through the purchase of further on-site storage capacity. The purchasing of an adjacent site of some 20 acres with 150,000 square feet of warehouse capacity has eliminated our requirement for costly external storage and reduced miles travelled for our product by over 80,000 miles. The site was acquired in September 2008 and was fully refurbished and in operation within 4 weeks.

The acquisition of Rubicon and its integration now provides us with the opportunity to further optimise our supply chain and to seek best practice operational performance across all of our sites including the new carton packing facility at Tredegar in South Wales.

The past year has challenged our ability to manage significant price volatility in both raw materials and energy across our business. We have continued to make good progress to find creative solutions to manage as much risk out of our business as possible. However the current weakness of Sterling has increased the cost challenges in particular within our Rubicon products.

Our capital spend, outside of building and land, was as forecast much smaller than in previous years reflecting the focus on delivering performance from the prior years' investments. It is likely that this trend will continue into 2009/10 but we continue to look forward and to plan our asset base to be fit to allow us to compete successfully in the increasingly complex and competitive market place in which we operate.

People

The A.G.BARR business has stepped up in 2008/09; it has delivered strong financial performance despite difficult market conditions. Much of our improvement is as a consequence of our previous investments and restructuring programmes. No single investment is more important than the investment we have made in building the core capabilities and strength of our teams. The combination of long standing experienced individuals and new thinking from outside the company continues to see the A.G.BARR team make huge strides forward collectively and as individuals. We would like to thank

everybody who has worked so hard over the past year across the whole business to deliver our plans. The combination of personal leadership and enhanced team working are taking A.G.BARR to the next level.

We would also like to take this opportunity to thank all the Rubicon team for the positive start which has been made to our new working relationship following the acquisition in August 2008.

We have announced that after 31 years as chairman, Robin Barr will step down to a non-executive role and Ronnie Hanna will step up to the role of non-executive chairman. It is expected to be a smooth transition as Ronnie brings both experience and capability as well as a strong knowledge of our business from the 5 years he has spent as a non-executive director. We would also like to welcome to our board Jonathan Warburton who brings an exceptional track record of brand building, asset development and FMCG experience.

Throughout the business we have further improved our Health & Safety performance across the past year with fewer reportable accidents and improved scores in our internal Health & Safety audits. Despite the progress we have made we cannot afford to be complacent and Health & Safety remains at the top of everybody's agenda.

Last year we entered our first year of working with the Prince's Trust – supporting young people across the UK. We have completed our first programme with the Prince's Trust team and a group of young people and at the same time we have raised a significant amount of money to further support the Prince's Trust Charity. Thanks should be given to all of those people in the company who have given up considerable time to help support the Prince's Trust.

We will continue to face communication challenges as our business grows in size and complexity. Over the last year we have further developed our communication and consultation frameworks allowing us to better communicate with everyone across the business and importantly giving us increased understanding of how we can improve the business for the future.

Summary

Over the course of the last 12 months the resilience of the business has been demonstrated by the growth of both sales revenue and profit in what has been a tough year. Poor summer weather, volatility in costs and an increasingly difficult economic climate have all challenged our market and our business. The soft drinks market has held up well and we have out performed in that market.

In difficult times it is even more important to be building from a strong base – it is from a strong base that A.G.BARR is stepping up. We remain focused on managing our cost base and understand the need to adapt quickly to any changes in the external environment. The early integration of the Rubicon business is a necessary challenge that will allow us to off set much of the impact of a weakened Sterling and our further investments in sales execution and the development of our core brands provide us with good growth opportunities across the market place.

We look forward into uncertain times with confidence that our business is financially strong and in the knowledge that we have the people and plans in place for 2009/10.

Roger White
CHIEF EXECUTIVE

Financial Review

A.G.BARR's profit before tax for the year ended 31st January, 2009 rose to £23.2m, an increase on the prior year of 11.4%. This included release of a restructuring provision no longer required of £0.1m.

Normalised profit before tax, i.e. eliminating the impact of exceptional items and impairment charges, increased to £23.4m an increase of 9.7% on the prior year.

EBITDA (before exceptional items) increased by 12.5% to £30.7m, representing an EBITDA margin of 18.1%.

Turnover ended the year ahead of expectations at £169.7m, an increase of 14.4% on the previous financial period.

Together with a strong performance of the core brands within the portfolio, the results were enhanced by the acquisition of Groupe Rubicon Limited (Rubicon). The inclusion of 22 weeks turnover, relating to Rubicon, delivered an increase in turnover of £8.8m in the financial period. In addition the timing of the year end resulted in the inclusion of an additional 53rd week of trading in the period; this equated to an additional £2.7m of turnover. On a like-for-like basis the core business achieved turnover growth of 6.6%.

As expected the acquisition of Rubicon was earnings enhancing in the financial period ending 31st January, 2009, delivering £1.4m of incremental profit before interest costs. We continue to expect the acquisition to deliver further earnings enhancement in its second year.

All sub categories within the product portfolio delivered year-on-year growth in sales revenue with the exception of water.

Margins

In spite of an increase in raw material and utility costs, a successful delivery of price increases together with a favourable mix delivered an improvement in our gross margin from 48.7% to 49.9%.

Operating profit margins remained flat despite an increased level of marketing and promotional investment and also further investment in our sales execution infrastructure.

During the year we continued to see the benefits of the previous operational restructuring programme and improvements within our manufacturing and distribution activities. The company announced a limited number of voluntary redundancies within the Strathmore manufacturing operation during the period. In addition the purchase of a distribution facility, adjacent to our Cumbernauld site, reduced costs and improved efficiencies. These activities together with general team based continuous improvements helped offset some inflationary cost pressures.

The operating profit margin (before exceptional items) achieved in the period was 13.7%.

Interest

Interest income of £25k was reported in the period, being in the main £1.1m of interest earned on cash balances up to the end of August, offset by interest charges following our move to an indebted position, after the acquisition of Rubicon.

Moving into an indebted position and in line with our internal policies, the company entered into a three year interest rate swap with the Royal Bank of Scotland to hedge a significant portion of the risk associated with fluctuations in interest rate movements, securing a rate below our acquisition model.

Taxation

The tax charge of £6.1m represents an effective tax charge of 26.4%. The effective tax rate reported in the accounts for the previous year was 19% which reflected the disposal of properties following the restructuring process completed last year.

Earnings per Share (EPS)

Basic EPS for the period was 89.12p, up 2.7% on the same period last year.

Dividends

The board is recommending a final dividend of 30.4p per share to give a total dividend for the year ending 31st January, 2009 of 42.0p. This represents an increase of 7.7% compared to the prior year.

Balance Sheet Review

The group's Balance Sheet remains strong with net assets increasing from £84.8m to £92.7m mostly driven by an increase in intangible assets and strong operational cashflow.

On 29th August, 2008, the company completed the acquisition of Groupe Rubicon Limited for a consideration of £59.8m. This was funded from existing cash resources and a new debt facility that was negotiated with the Royal Bank of Scotland. The facility totals £70m of which £40m is a five year term loan maturing July 2013 with the balance funded by a three year revolving credit facility of £30m, expiring July 2011.

An initial repayment of £2.0m was made towards the five year facility on 29th January, 2009, in line with the facility agreement.

Leverage and interest cover are significantly within the required covenant levels. At 31st January, 2009 the group's net debt position was £31.3m representing just over 1 times EBITDA with interest cover in excess of 22 times.

In line with both the requirements of IAS36 and our accounting policies, the group undertook an impairment review of all intangible assets during the year. This review identified a potential impairment relating to the value of intangible assets for the Findlays' water rights; consequently an impairment charge of £0.3m has been recognised.

Capital Expenditure

Following a period of significant capital investment in the business as part of the restructuring programme, capital investment was at more normal levels with focus turning to delivering operational efficiencies.

Capital expenditure in the period was £10.6m. Significant expenditure included the purchase of a 20 acre warehousing site for £2.85m. The site, which is adjacent to our Cumbernauld facility, became operational in October 2008 providing the benefits of reduced external storage costs as well as reducing transportation of raw materials and finished goods. The other item of significant expenditure during the period was the purchase of the Rubicon manufacturing facility at Tredegar in August for £1.3m; this was followed by the purchase of the neighbouring property in January for £0.7m, again in order to reduce our dependence on external distribution and storage.

Current Assets and Liabilities

Current assets reduced in the period from £59.7m to £51.2m with the most significant aspect being the reduction in cash and cash equivalents following the Rubicon acquisition in the year.

The movement to a net debt position together with the current economic conditions means that careful management of our working capital position is more important than ever. Inventories in the period increased by £2.2m again being the effect of Rubicon which offset a reduction in inventories from the core business; inventory days increased marginally following a decision to forward purchase some packaging material to take advantage of favourable pricing being offered.

Trade and other receivables increased by £1.2m again due to the inclusion of Rubicon, but also as a result of higher levels of trading and the timing of the year end falling five days later. Trade and other payables rose by £2.8m again reflecting the timing of the year end. Debtor days have reduced from 57 days to 52, whilst trade payable days have remained flat.

We are continuing to market the Atherton site which is surplus to our operating requirements and remain confident that the proceeds of the disposal will exceed the net carrying value of £2.9m and are therefore continuing to classify the asset as held for sale.

Return on capital employed for the period reduced to 17.3% (previously 26.3%) reflecting the increase in intangible assets relating to the Rubicon acquisition.

Cash Flow and Net Debt

The most significant single item on the cash flow statement is of course the acquisition of Rubicon which was funded in part by historic cash balances and the new debt facility.

Free cash flow generated in the period was £18.0m, significantly ahead of the prior year driven by improved trading performance, a strong focus on working capital management, reduced tax payable (due to a previous overpayment) and a reduced level of capital expenditure. Additional contributions

were made to the defined benefit pension scheme as part of the deficit recovery plan. These totalled £2.7m and were in line with the prior year.

As at the 31st January the group's net debt position was £31.3m being the closing cash position of £6.7m net of the borrowings of £38m.

Pensions

During the year the company operated two main 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 the pension provision of 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 £5m representing an improvement of £3m on the deficit of £8m that was reported last year. The majority of the improvement has resulted from the additional contributions paid by the company during the year, the increase in bond yields over the last year and a change in assumption regarding the amount of tax-free cash that members will elect to take on retirement. These factors have been offset by a slight increase in future price inflation expectations and a lower than expected return on assets during the year.

The latest formal actuarial valuation was carried out as at April 2008 and is in the process of completion. The results of this valuation indicate that the recovery plan is progressing as expected. The pension trustees and the company have therefore agreed to maintain the deficit contributions at the current level of £2.7m per annum.

In addition to the main A.G.BARR schemes, the company also operated two defined contribution group Personal Pension Schemes for a limited number of employees.

Share Price and Market Capitalisation

At 31st January, 2009 the closing share price for A.G.BARR p.l.c. was £11.40. The group became a member of the FTSE250 during the year and had a market capitalisation of £222m at the period end.

During the year, the trustees of the company's various employee benefit trusts continued to purchase a modest amount of shares to satisfy the ongoing requirements of the company's share schemes.

Alex Short
FINANCE DIRECTOR

A.G.BARR p.l.c.**Consolidated Income statement
for the year ended 31st January, 2009**

The following are the unaudited results for the year to 31st January, 2009. The Board recommends the payment of a final dividend of 30.40p per share which if approved by the shareholders will be posted on 4th June, 2009. The total distribution proposed for the year amounts to 42.00p per share (2008 – 39.00p)

| | 2009 | 2008 |
|---|----------------|---------|
| | £000 | £000 |
| Revenue | 169,698 | 148,377 |
| Cost of sales | 84,962 | 76,068 |
| Gross profit | 84,736 | 72,309 |
| Net operating expenses | 61,552 | 52,388 |
| Operating profit | 23,184 | 19,921 |
| Operating profit before exceptional items | 23,054 | 20,389 |
| Exceptional items | (130) | 468 |
| Operating profit | 23,184 | 19,921 |
| Finance income | 1,062 | 924 |
| Finance costs | (1,037) | (12) |
| Profit before tax | 23,209 | 20,833 |
| Tax on profit | 6,134 | 3,995 |
| Profit attributable to equity holders | 17,075 | 16,838 |
| Earnings per share | | |
| Basic earnings per share | 89.12 p | 86.75 |
| Diluted earnings per share | 88.16 p | 85.65 |
| Dividends | | |
| Dividend per share paid | 39.60 p | 35.75 |
| Dividend paid (£000) | 7,604 | 6,751 |
| Dividend per share proposed | 30.40 p | 28.00 |
| Dividend proposed (£000) | 5,916 | 5,449 |

Record date: 8th May, 2009

Ex-div date : 6th May, 2009

The financial information set out in this announcement does not constitute statutory accounts. The financial information for the year ended 26th January, 2008 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors have reported on those accounts and their report was unqualified and did not contain a statement under S237 Companies Act 1985.

A.G.BARR p.l.c.**Statement of Recognised Income and Expense
for the year ended 31st January, 2009**

| | Group | | Company | |
|---|----------------|-------------|----------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| Actuarial (loss) / gain recognised on defined benefit pension plans | (62) | 5,167 | (62) | 5,167 |
| Fair value gains on cash flow hedges net of tax | 102 | - | 102 | - |
| Effective portion of changes in fair value of cash flow hedges | (1,476) | - | (1,476) | - |
| Deferred tax movements on items taken directly to equity | (63) | (2,649) | (63) | (2,649) |
| Current tax movements on items taken directly to equity | 193 | 909 | 193 | 909 |
| Income and expense recognised directly in equity | (1,306) | 3,427 | (1,306) | 3,427 |
| Profit for the year | 17,075 | 16,838 | 16,077 | 16,668 |
| Total recognised income and expense for the period | 15,769 | 20,265 | 14,771 | 20,095 |
| Attributable to equity holders of the company | 15,769 | 20,265 | 14,771 | 20,095 |

A.G.BARR p.l.c.
Balance Sheets
As at 31st January 2009

| | Group | | Company | |
|--|----------------|---------|----------------|---------|
| | 2009 | 2008 | 2009 | 2008 |
| | £000 | £000 | £000 | £000 |
| Non-current assets | | | | |
| Intangible assets | 76,807 | 10,656 | 10,020 | 10,656 |
| Property, plant and equipment | 58,861 | 53,373 | 56,861 | 52,751 |
| Financial instruments | 33 | - | 33 | - |
| Investment in subsidiaries | - | - | 61,081 | 205 |
| | 135,701 | 64,029 | 127,995 | 63,612 |
| Current assets | | | | |
| Inventories | 14,528 | 12,339 | 10,107 | 12,285 |
| Trade and other receivables | 27,139 | 25,965 | 25,565 | 25,634 |
| Cash and cash equivalents | 6,680 | 17,899 | 5,517 | 17,593 |
| Current tax asset | - | 557 | - | 648 |
| Assets classified as held for sale | 2,864 | 2,910 | 2,864 | 2,864 |
| | 51,211 | 59,670 | 44,053 | 59,024 |
| Total assets | 186,912 | 123,699 | 172,048 | 122,636 |
| Current liabilities | | | | |
| Borrowings | 5,000 | - | 5,000 | - |
| Trade and other payables | 30,978 | 28,163 | 32,432 | 29,085 |
| Provisions | 80 | 284 | 80 | 284 |
| Current tax | 2,857 | - | 2,077 | - |
| | 38,915 | 28,447 | 39,589 | 29,369 |
| Non-current liabilities | | | | |
| Borrowings | 32,665 | - | 32,665 | - |
| Deferred income | 144 | 72 | 72 | 72 |
| Financial instruments | 1,477 | - | 1,477 | - |
| Deferred tax liabilities | 16,057 | 2,393 | 3,569 | 2,388 |
| Retirement benefit obligations | 4,989 | 8,009 | 4,989 | 8,009 |
| | 55,332 | 10,474 | 42,772 | 10,469 |
| Capital and reserves attributable to equity holders | | | | |
| Called up share capital | 4,865 | 4,865 | 4,865 | 4,865 |
| Share premium account | 905 | 905 | 905 | 905 |
| Own shares held | (3,258) | (3,717) | (3,258) | (3,717) |
| Share options reserve | 716 | 964 | 716 | 964 |
| Cash flow hedge reserve | (1,374) | - | (1,374) | - |
| Retained earnings | 90,811 | 81,761 | 87,833 | 79,781 |
| | 92,665 | 84,778 | 89,687 | 82,798 |
| Total equity and liabilities | 186,912 | 123,699 | 172,048 | 122,636 |

A.G.BARR p.l.c.

Cash Flow Statements

For the year ending 31st January, 2009

| | Group | | Company | |
|---|-----------------|--------------|-----------------|--------------|
| | 2009 £000 | 2008 £000 | 2009 £000 | 2008 £000 |
| Operating activities | | | | |
| Profit before tax | 23,209 | 20,833 | 21,826 | 20,628 |
| Adjustments for: | | | | |
| Interest receivable | (1,062) | (924) | (1,038) | (913) |
| Interest payable | 1,037 | 12 | 1,065 | 12 |
| Depreciation of property, plant and equipment | 7,018 | 6,668 | 6,697 | 6,393 |
| Impairment of assets classified as held for sale | - | 96 | - | - |
| Impairment of financial instruments | 82 | - | 82 | - |
| Amortisation of intangible assets | 340 | 233 | 255 | 233 |
| Impairment of intangible assets | 284 | - | 284 | - |
| Share options costs | 341 | 385 | 341 | 385 |
| Gain on sale of property, plant and equipment | (13) | (33) | (13) | (33) |
| Government grants written back | (28) | (1) | - | (1) |
| Operating cash flows before movements in working capital | 31,208 | 27,269 | 29,499 | 26,704 |
| Decrease / (increase) in inventories | 1,038 | (930) | 2,175 | (986) |
| Decrease / (increase) in receivables | 1,976 | (559) | 83 | (651) |
| (Decrease) / increase in payables | (468) | (1,922) | 2,880 | (1,571) |
| Net (decrease) in retirement benefit obligation | (2,996) | (2,855) | (2,996) | (2,855) |
| Cash generated by operations | 30,758 | 21,003 | 31,641 | 20,641 |
| Tax on profit paid | (2,142) | (3,259) | (1,711) | (3,216) |
| Net cash from operating activities | 28,616 | 17,744 | 29,930 | 17,425 |
| Investing activities | | | | |
| Acquisition of subsidiaries, net of cash acquired | (58,694) | - | (60,876) | - |
| Acquisition of intangible assets | (140) | (892) | (140) | (892) |
| Purchase of property, plant and equipment | (10,639) | (12,448) | (10,553) | (12,234) |
| Proceeds on sale of property, plant and equipment | 161 | 1,043 | 138 | 993 |
| Interest received | 1,041 | 924 | 1,017 | 913 |
| Net cash used in investing activities | (68,271) | (11,373) | (70,414) | (11,220) |
| Financing activities | | | | |
| New loans received | 54,500 | - | 54,500 | - |
| Loans repaid | (16,500) | - | (16,500) | - |
| Bank arrangement fees paid | (366) | - | (366) | - |
| Purchase of financial instrument | (114) | - | (114) | - |
| Purchase of own shares | (1,482) | (2,227) | (1,482) | (2,227) |
| Sale of own shares | 862 | 1,421 | 862 | 1,421 |
| Dividends paid | (7,604) | (6,751) | (7,604) | (6,751) |
| Interest paid | (860) | (12) | (888) | (12) |
| Net cash used in financing activities | 28,436 | (7,569) | 28,408 | (7,569) |
| Net (decrease) in cash and cash equivalents | (11,219) | (1,198) | (12,076) | (1,364) |
| Cash and cash equivalents at beginning of period | 17,899 | 19,097 | 17,593 | 18,957 |
| Cash and cash equivalents at end of period | 6,680 | 17,899 | 5,517 | 17,593 |