

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

**Pre close trading update**

A.G. BARR p.l.c. ("A.G. Barr"), the soft drinks group, will announce its interim financial results for the six months to 30 July on 27 September 2011.

In the year to date the total soft drinks market has remained resilient, driven by increased promotional intensity, increasing volume by 1% and value by 6% in the 26 weeks to 9 July. However, the overall soft drinks market performed particularly poorly in the four weeks to 9 July with volume declining by 9% and value declining by 3%, reflecting the impact of poor weather and difficult year on year comparative trading.

A.G. Barr has performed consistently and in line with our expectations across the first half of the year. We anticipate total sales revenue of £123 million for the six month period ending 30 July, an increase of c.3.5% on the same period last year. We are pleased to have matched the market volume growth figures without responding to the significant increase in competitor price promotion activity in the period. Overall our sales momentum is increasing and despite difficult market conditions in June the business has performed well in July building on the growth experienced earlier in the year.

Operating margins are in line with our expectations although slightly down on the prior year reflecting higher levels of brand investment as we continue to build consumer equity and extend the distribution of our core brands.

We have faced a number of operational challenges related to the late delivery of the final stages of our manufacturing investment at Cumbernauld, which have driven short term capacity issues and subsequent costs into the business during the first half. Final installation activities are expected to be completed in the next few weeks and we anticipate a gradual improvement in our production capacity and efficiencies over the coming months.

Over the period our free cash-flow generation and Balance Sheet remain strong with net debt reducing in line with our expectations, assisted by the sale of our Mansfield site in June 2011. In addition we expect to complete on the £2.5 million sale of the Atherton site in August 2011.

Outlook

The market we operate in remains volatile. However, the soft drinks market remains in growth and A.G. Barr has the proven strategy, brands and executional capability to be successful in its market. We will maintain investment in long term brand equity, delivering successful innovation to the market and offering consistent consumer value. We have offset significant raw material cost rises by focusing our efforts on driving efficiency in order to avoid passing on very significant price increases to customers and consumers. With recent operational challenges behind us, we look forward to the second half with cautious optimism and the full year remains on track to meet our expectations.

For further information, please contact:

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