

The following replaces the 'Interim Results' announcement released today at 07:00 under RNS No 7884Z.

The announcement has now been amended to include the dividend statement on page 9.

For immediate release

29 September 2009

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

**INTERIM RESULTS**

A.G.BARR p.l.c. the soft drinks group announces its interim results today for the six months ended 1 August 2009.

**Key Points**

- Total turnover versus the comparable period up **27.1%** at **£104.7m** (2008 – £82.4m).
- Like for like turnover stripping out the acquisition of Rubicon increased by **11.5%**.
- Profit on ordinary activities before tax increased by **19.5%** to **£13.50m** (2008 – £11.26m).
- Strong free cash flow in the period of **£11.0m**.
- Net debt of **£25.5m** significantly better than forecast.
- The IRN-BRU brand grew revenue by **6.5%**, with particularly strong market share gains in England and Wales.
- Rubicon has grown sales on a like for like basis by **22%** - contributing **£12.8m** sales revenue in the period.
- Rubicon integration delivered earlier than planned with little disruption and minimal cost.
- Interim dividend of **6.25p** per share, a like for like increase of **7.8%** post share split.

Commenting on the results Chief Executive, Roger White, said:

"We are pleased to report a strong financial performance in a period of continued economic uncertainty. We have benefited from some better year on year weather, although not the previously forecast "barbecue summer". In the period, sales momentum across our portfolio has continued to gain pace. Strong performances from all our core carbonates brands and some real momentum behind the Rubicon brand have delivered excellent revenue growth.

The early integration of the Rubicon business has gone to plan and is now beginning to deliver further opportunities to grow the brand across a wider front. The acquisition has, to date, been financially enhancing to our business and is also improving our overall business balance across product sectors and geographically.

As a consequence of our increased focus on cash across the business we have delivered strong free cash flow and improvements in our net debt position ahead of expectations.

Comparative sales growth in the second half of the year is more challenging than that of the first half, however we believe we are well positioned to meet our expectations for the full year."

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## **Interim Statement**

We are pleased to report strong sales and profit growth in the six months to 1 August 2009.

### **Trading**

Total turnover increased by 27.1% to £104.7m delivered by both strong organic growth in our core business and from Rubicon which was acquired in August 2008. Rubicon contributed £12.8m of turnover. Eliminating the effect of Rubicon, like for like sales increased by 11.5%.

Profit before tax increased by 19.5% to £13.5m. Basic earnings per share were 51.3 pence (2008: 44.2 pence), an increase of 16.2%.

The trading environment during the period remained challenging. Against the backdrop of difficult general economic conditions, the soft drinks market declined by 1% in both volume and value (source Nielsen). The carbonates segment performed better with 3% volume growth and 1% growth in value with consumers appearing to favour high-quality established brands.

It was widely reported that better than average weather was forecast for the U.K. this summer however the impact of weather was less marked than anticipated, with favourable comparisons in late June and early July but a less favourable comparison in May.

Operating margins held up despite continued pressure on input costs. Recent increases in oil and plastic pricing would suggest that cost volatility is likely to be an ongoing feature of our operating environment.

The integration benefits from the Rubicon acquisition are being achieved ahead of schedule, with minimal cost and as forecast the acquisition is earnings enhancing. The combination of the positive integration performance and strong sales growth in the period has meant that overall Rubicon has delivered ahead of our expectations. This is testament to the cooperation between the teams across the business.

Our core business remains the main driver of our performance. Our growth in the carbonates sector substantially outperformed the market. IRN-BRU grew revenue by 6.5% in the period with growth being particularly strong in England and Wales reflecting further increases in brand distribution.

Overall our regional portfolio continued to show strong growth in both carbonates and stills. The water market however remains competitive and Strathmore sales were down 5.9% reflecting the decline in the out of home channel.

Despite the difficult economic climate we have continued to invest in our business and brands - increasing spend on marketing activity across our core brands and investing in increased instore execution and sales resources. Operationally our performance has continued to improve reflecting the significant investments in prior years.

### **Balance Sheet**

During the period the business has increased its focus on cash management and has generated a free cash flow of £11m and increased EBITDA by 29.8% to £18.2m.

The Group net debt position as at 1 August 2009 of £25.5m was substantially better than previously forecast. However this position is flattered to an extent by payables which fell due in early August.

As previously announced, the 2 for 1 share split, which is aimed at improving liquidity and marketability of the company's shares became effective on 21 September.

The only note of substance to the strong Statement of Financial Position (formerly the Balance Sheet) is the change in the net pension deficit which has increased to £8.9m reflecting the increase in pension liabilities driven by lower gilt yields but partially offset by improved asset values in the period. A formal actuarial valuation was carried out as at April 2008 and concluded that the pension deficit recovery plan

was performing as expected. The pension trustees and the company have agreed that no change to the deficit recovery plan is required at this time.

### **Dividend**

Given the increase in profits and the continued satisfactory financial position of the company the board has declared an interim dividend of 6.25 pence per share, payable on 23 October 2009. This is an increase of 7.8% on a like for like basis on the interim dividend paid last year.

### **Current Trading and Outlook**

Despite mixed weather in August and September in contrast to the forecast "barbecue summer" total turnover has continued to run ahead of last year. In contrast the overall soft drinks market has performed less well in August and overall competition in the sector is forecast to remain fierce.

In the first half we moved decisively to integrate the Rubicon business ahead of plan to help offset cost pressures due to weak sterling and the business has responded extremely well with strong sales momentum.

We anticipate continued volatility in our material costs and expect strong competition in our market place. Given our platform for sustainable, profitable growth and our investment in the development of the business, we are confident that we will meet our expectations for the full year.

R G Hanna  
**CHAIRMAN**

R A White  
**CHIEF EXECUTIVE**

**29 September 2009**

**Consolidated Condensed Income statement**

	<b>6 months ended 1 August 2009 £000</b>	6 months ended 26 July 2008 £000	Year ended 31 January 2009 £000
<b>Revenue</b>	<b>104,658</b>	82,373	169,698
Cost of sales	<b>50,390</b>	41,807	84,962
<b>Gross profit</b>	<b>54,268</b>	40,566	84,736
Net operating expenses	<b>40,048</b>	29,920	61,552
<b>Operating profit</b>	<b>14,220</b>	10,646	23,184
Operating profit before exceptional items	<b>14,220</b>	10,516	23,054
Exceptional credit	-	(130)	(130)
Operating profit	<b>14,220</b>	10,646	23,184
Finance income	<b>46</b>	689	1,062
Finance costs	<b>(804)</b>	(74)	(1,037)
Profit before tax	<b>13,462</b>	11,261	23,209
Tax on profit	<b>3,589</b>	2,775	6,134
<b>Profit attributable to equity holders</b>	<b>9,873</b>	8,486	17,075
<b>Earnings per share</b>			
Basic earnings per share	<b>51.31 p</b>	44.16 p	89.12 p
Diluted earnings per share	<b>51.02 p</b>	43.52 p	88.16 p
<b>Dividends</b>			
Dividend per share paid	<b>30.40 p</b>	28.00 p	39.60 p
Dividend paid (£000)	<b>5,837</b>	5,373	7,604
Dividend per share proposed	<b>6.25 p</b>	11.60 p	30.40 p
Dividend proposed (£000)	<b>2,433</b>	2,258	5,916

**Consolidated Condensed Statement of Comprehensive Income**

	<b>6 months ended 1 August 2009</b>	6 months ended 26 July 2008	Year ended 31 January 2009
Profit after tax for the period	<b>9,873</b>	8,486	17,075
<b>Other comprehensive income</b>			
Actuarial loss recognised on defined benefit pension plans	<b>(5,009)</b>	-	(62)
Fair value gains on cash flow hedges	-	-	102
Effective portion of changes in fair value of cash flow hedges	<b>280</b>	-	(1,476)
Deferred tax movements on items taken directly to equity	<b>1,493</b>	(87)	(63)
Current tax movements on items taken directly to equity	-	-	193
<b>Other comprehensive income for the period, net of tax</b>	<b>(3,236)</b>	(87)	(1,306)
<b>Total comprehensive income attributable to equity holders of the parent</b>	<b>6,637</b>	8,399	15,769

## Consolidated Condensed Statement of Financial Position

	As at 1 August 2009 £000	Restated As at 26 July 2008 £000	Restated As at 31 January 2009 £000
<b>Non-current assets</b>			
Intangible assets	76,612	10,687	76,807
Property, plant and equipment	56,265	53,869	58,861
Financial instruments	98	-	33
	<b>132,975</b>	64,556	135,701
<b>Current assets</b>			
Inventories	15,178	11,687	14,528
Trade and other receivables	39,505	35,093	27,139
Cash and cash equivalents	10,469	21,290	6,680
Assets classified as held for sale	2,864	2,864	2,864
	<b>68,016</b>	70,934	51,211
<b>Total assets</b>	<b>200,991</b>	135,490	186,912
<b>Current liabilities</b>			
Borrowings	10,000	-	5,000
Trade and other payables	41,895	35,344	30,978
Provisions	75	80	80
Current tax	4,098	2,734	2,857
	<b>56,068</b>	38,158	38,915
<b>Non-current liabilities</b>			
Borrowings	25,702	-	32,665
Deferred income	110	72	144
Financial instruments	1,197	-	1,477
Retirement benefit obligations	8,900	6,595	4,989
Deferred tax liabilities	14,808	2,634	16,057
	<b>50,717</b>	9,301	55,332
<b>Capital and reserves attributable to equity holders</b>			
Called up share capital	4,865	4,865	4,865
Share premium account	905	905	905
Share options reserve	838	582	716
Cash flow hedge reserve	(1,094)	-	(1,374)
Retained earnings	88,692	81,679	87,553
	<b>94,206</b>	88,031	92,665
<b>Total equity and liabilities</b>	<b>200,991</b>	135,490	186,912

## Consolidated Condensed Cash Flow Statement

	<b>6 months ended 1 August 2009 £000</b>	6 months ended 26 July 2008 £000	Year ended 31 January 2009 £000
<b>Operating activities</b>			
Profit before tax	<b>13,462</b>	11,261	23,209
Adjustments for:			
Interest receivable	<b>(46)</b>	(689)	(1,062)
Interest payable	<b>804</b>	74	1,037
Depreciation of property, plant and equipment	<b>3,781</b>	3,387	7,018
Fair value adjustment to financial instruments	<b>(65)</b>	-	82
Amortisation of intangible assets	<b>195</b>	114	340
Impairment of intangible assets	<b>-</b>	-	284
Share-based payment costs	<b>243</b>	175	341
Loss / (Gain) on sale of property, plant and equipment	<b>3</b>	(15)	(13)
Government grants written back	<b>(34)</b>	-	(28)
<b>Operating cash flows before movements in working capital</b>	<b>18,343</b>	14,307	31,208
(Increase) / decrease in inventories	<b>(815)</b>	721	1,038
(Increase) / decrease in receivables	<b>(12,582)</b>	(9,044)	1,976
Increase / (decrease) in payables	<b>11,146</b>	7,406	(468)
Net (decrease) in retirement benefit obligation	<b>(1,098)</b>	(1,920)	(2,996)
<b>Cash generated by operations</b>	<b>14,994</b>	11,470	30,758
Tax on profit paid	<b>(2,104)</b>	669	(2,142)
<b>Net cash from operating activities</b>	<b>12,890</b>	12,139	28,616
<b>Investing activities</b>			
Refund of payment for / (acquisition) of subsidiary	<b>216</b>	(20)	(58,694)
Acquisition of intangible assets	<b>-</b>	(140)	(140)
Purchase of property, plant and equipment	<b>(1,381)</b>	(3,995)	(10,639)
Proceeds on sale of property, plant and equipment	<b>94</b>	113	161
Interest received	<b>43</b>	689	1,041
<b>Net cash used in investing activities</b>	<b>(1,028)</b>	(3,353)	(68,271)
<b>Financing activities</b>			
New loans received	<b>5,000</b>	-	54,500
Loans repaid	<b>(7,000)</b>	-	(16,500)
Bank arrangement fees paid	<b>-</b>	-	(366)
Purchase of financial instrument	<b>-</b>	-	(114)
Purchase of company shares by employee benefit trusts	<b>(228)</b>	(767)	(1,482)
Proceeds from disposal of company shares by employee benefit trusts	<b>726</b>	819	862
Dividends paid	<b>(5,837)</b>	(5,373)	(7,604)
Interest paid	<b>(734)</b>	(74)	(860)
<b>Net cash (used in) / generated by financing activities</b>	<b>(8,073)</b>	(5,395)	28,436
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,789</b>	3,391	(11,219)
<b>Cash and cash equivalents at beginning of period</b>	<b>6,680</b>	17,899	17,899
<b>Cash and cash equivalents at end of period</b>	<b>10,469</b>	21,290	6,680

## Consolidated Condensed Statement of Changes in Equity

	Share capital £000	Share premium account £000	Share options reserve £000	Cash flow hedge reserve £000	Retained earnings £000	Total £000
<b>At 31 January 2009</b>	<b>4,865</b>	<b>905</b>	<b>716</b>	<b>(1,374)</b>	<b>87,553</b>	<b>92,665</b>
Cash flow hedge - recognition of fair value	-	-	-	280	-	280
Actuarial loss on defined benefit pension plans	-	-	-	-	(5,009)	(5,009)
Deferred tax on items taken directly to equity	-	-	90	-	1,403	1,493
Profit for the period	-	-	-	-	9,873	9,873
Total comprehensive income for the period	-	-	90	280	6,267	6,637
Purchase of company shares by employee benefit trusts	-	-	-	-	(228)	(228)
Proceeds from disposal of company shares by employee benefit trusts	-	-	-	-	726	726
Recognition of share-based payment costs	-	-	243	-	-	243
Transfer of reserve on share award	-	-	(211)	-	211	-
Dividends paid	-	-	-	-	(5,837)	(5,837)
<b>At 1 August 2009</b>	<b>4,865</b>	<b>905</b>	<b>838</b>	<b>(1,094)</b>	<b>88,692</b>	<b>94,206</b>
At 26 January 2008	4,865	905	964	-	78,044	84,778
Deferred tax on items taken directly to equity	-	-	(87)	-	-	(87)
Profit for the period	-	-	-	-	8,486	8,486
Total comprehensive income for the period	-	-	(87)	-	8,486	8,399
Purchase of company shares by employee benefit trusts	-	-	-	-	(767)	(767)
Proceeds from disposal of company shares by employee benefit trusts	-	-	-	-	819	819
Recognition of share-based payment costs	-	-	175	-	-	175
Transfer of reserve on share award	-	-	(470)	-	470	-
Dividends paid	-	-	-	-	(5,373)	(5,373)
At 26 July 2008	4,865	905	582	-	81,679	88,031
At 26 January 2008	4,865	905	964	-	78,044	84,778
Cash flow hedge - recognition of fair value	-	-	-	(1,476)	-	(1,476)
Movement in cash flow hedge	-	-	-	102	-	102
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
Purchase of company shares by employee benefit trusts	-	-	-	-	(1,481)	(1,481)
Proceeds from disposal of company 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)
At 31 January 2009	4,865	905	716	(1,374)	87,553	92,665

### Restatement

Consistent with the presentation in the financial statements for the year ended 31 January 2009, the deferred tax assets and liabilities as disclosed in the 26 July 2008 comparatives have both been reduced by £3.3m as they related to the same items of property that had historically been eligible for Industrial Buildings Allowance relief. Whilst the adjustment has no effect on the profit for the year or net assets, non-current assets and liabilities have reduced from £67.9m and £12.6m to £64.6m and £9.3m respectively.

The retained earnings figure as at 26 July 2008 has been restated to include the value of the 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 balance sheet. The inclusion of the balance with 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 26 July 2008 £000	As at 31 January 2009 £000
<b>Earnings per share</b>		
Reduction in own shares held	2,629	3,258
Reduction in retained earnings	2,629	3,258

### Post Balance Sheet Event

The interim dividend of 6.25p per share was approved by the board on 29 September 2009 and will be paid on 23 October 2009 to shareholders on record as at 9 October 2009.