BARR

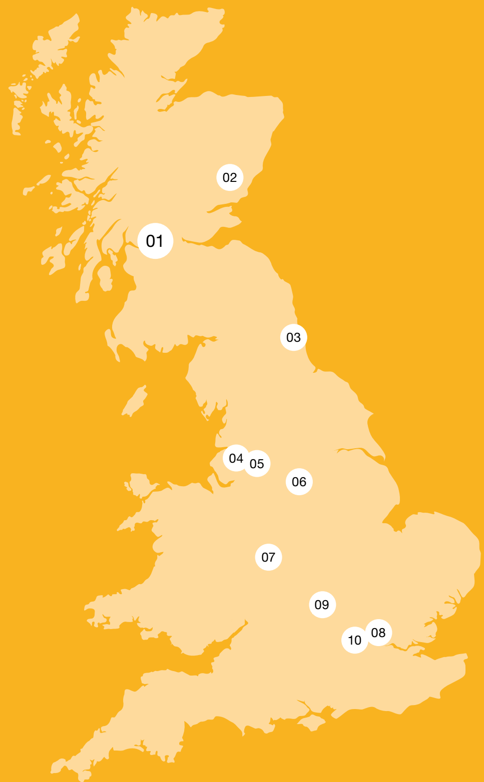
BUILDING BRANDS THAT PEOPLE LOVE

A.G. BARR P.L.C.   INTERIM REPORT JULY 2015

BARR
LEMONADE
Strathmore
Rubicon

Snapple
FUNKIN PRO
ZERO
TIZER
KA
IRN BRU

WE ARE A BRANDED SOFT DRINKS BUSINESS MAKING, MARKETING AND SELLING SOME OF THE U.K.'S BEST LOVED SOFT DRINKS BRANDS.



BUILDING OUR BRANDS ACROSS THE U.K.

Head Office
01 Cumbernauld

Sales and Administration Offices
01 Cumbernauld
04 Middlebrook
10 Camden

Sales Branches
03 Newcastle
05 Moston
06 Sheffield
07 Wednesbury
08 Walthamstow

Supply Chain Sites
01 Cumbernauld
02 Forfar
09 Milton Keynes

Turnover
£130.3m

Profit before tax (pre-exceptional items)
£16.9m

Free cash flow
£7.4m

Interim dividend
8% increase

Interim Statement
John R. Nicolson & Roger White

A.G. BARR has been through an extremely demanding 6 months in which we have delivered a substantial level of change and business improvement. The period began with the closure of the Tredegar factory and the subsequent successful clearance and sale of the site which completed in September 2015. During the early part of the year we also commissioned carton packaging capability at our Milton Keynes site, increasing capacity and improving flexibility in this important product format. The acquisition of the Funkin cocktail mixer business also completed in the period and we are pleased to report the business is meeting our high expectations. Alongside all of these highly visible actions and activities we have completed the planning and go-live of our Business Process Redesign (BPR) project which means we are now operating our business on a much more effective, modern and robust system and business process platform, capable of supporting sustained future growth.

As we reported in July, the go-live of our BPR project, despite our significant efforts to reduce executional risk, proved to be more challenging than anticipated. We experienced a period of difficult internal operating conditions post go-live which undoubtedly impacted our revenue performance and our customer service. We have now stabilised our systems and our focus is to realise the business benefits our new improved operating platform offers.

TRADING

The soft drinks market in the period has been impacted by continued price deflation and very poor weather, especially in the north of the UK. As expected, our relative revenue performance has also been affected by the stretching prior year comparatives driven by better than average weather, strong execution behind the Glasgow 2014 Commonwealth Games and specific brand promotional phasing changes in the current year.

ROGER WHITE, CHIEF EXECUTIVE

JOHN R. NICOLSON, CHAIRMAN

OUR BUSINESS IS WELL PLACED AND WE REMAIN CONFIDENT IN DELIVERING FURTHER ON OUR GROWTH POTENTIAL AND CONTINUING TO GENERATE LONG-TERM SHAREHOLDER VALUE.

Total revenue for the period was £130.3m. Adjusting for the impact of discontinued business, turnover from ongoing business, including the recently acquired Funkin Limited ("Funkin"), declined 2.8%.

The total soft drinks market, as measured by Nielsen, experienced a 0.6% decline in revenue during the period, with modest growth of 1.4% in volume driven by strong performance in water and the continued positive performance of the energy drinks category.

We have maintained our long-term strategy of investing behind our core brands with further significant marketing activity. The prior year's activity was weighted to the first half in support of the Glasgow 2014 Commonwealth Games. This year's marketing programme sees a return to more normal phasing with greater proportionate activity later in the year.

In the period we have continued to see gross margin improvement benefiting from a combination of improved procurement conditions and further delivery of supply chain savings. Operating margins have been adversely impacted by a combination of lower volumes and our commitment to maintaining brand and business investment.

Adjusted* profit increased by 3.3% to £17.8m. Statutory profit before tax and exceptional items in the period was £16.9m.

In the period we have continued to support the long-term growth of IRN-BRU, developing the brand across the UK as a whole, with national TV and digital advertising and the development of an exciting sponsorship plan with both the English Football League and the Scottish Professional Football League.

The IRN-BRU brand continues to feature heavily in social media and digital channels, with positive consumer engagement during both our "Tartan Packs" promotion and our "Bru Planet" summer initiative.

We announced in late August a £5m investment at our Cumbernauld factory with the installation of new, high-speed glass filling capability. The investment will lead to the discontinuation of our returnable glass bottle system at the end of 2015. However moving to non returnable, recyclable glass will support the long-term development of this popular product format. The investment will also facilitate a number of exciting brand development projects in 2016.

Acquisition of Funkin Limited
In February 2015 we acquired Funkin Limited, enhancing and diversifying our portfolio by taking our business into the new and growing cocktail solutions market, providing premium fruit purées, cocktail mixers and syrups. With continued strong growth, along with an exciting innovation programme, bringing unique and new premium products to the market, the Funkin brand is already delivering against our high expectations. With Funkin's market leading position in the UK, and its growing international presence in the US and Europe, this move into cocktail mixers offers exciting opportunities to build even further on the continuing success of the Funkin brand.

In the period, we also announced phase 3 of the ongoing investment at our Milton Keynes site. Our plans include the building of increased warehouse capacity to improve operational efficiency, flexibility and costs, as well as the purchase of 4 acres of development land adjacent to the site. The total expected cost of this development phase, including the additional land for future expansion, is £11m.

Our actions to drive efficiency, as well as our continued investment in our asset base and brands, indicate our commitment to building a platform which will effectively support significant future growth across our whole business.

In the period we had no exceptional charges (2014: £2.5m).

BALANCE SHEET

Our balance sheet remains strong.

Intangible asset additions of £27.7m reflect the brand and goodwill valuation associated with the Funkin acquisition and the capitalisation of the investment in our BPR Project.

We also continue to invest in our tangible asset base. Cash capital expenditure during the period amounted to £7.9m, a combination of normal operational replacement and the acquisition of additional land at our Milton Keynes site.

Working capital continues to be tightly managed. The impact of lower receivables, a result of the Glasgow 2014 Commonwealth Games impact on comparatives, has more than offset slightly higher inventories.

The Group continues to benefit from strong cash-flow and low leverage. Net debt at 25 July 2015 stood at £19.9m, having funded the Funkin acquisition, the Milton Keynes land purchase and the BPR project investment.

Free cash flow of £7.4m was generated in the 6 month period. This was £3.8m less than in the comparable period in the prior year, arising from the addition of Funkin, underlying trading performance and slightly higher tax payments.

DIVIDEND

The Board has declared an interim dividend of 3.36 pence per share, payable on 16 October 2015 to shareholders on the register on 2 October 2015. This represents an increase on the prior year of 8.0% and reflects the Board's confidence in the current financial position and the future prospects of the Group.

BOARD UPDATE

In April, we were very pleased to welcome David Ritchie, CEO of Bovis Homes Group PLC, on to the Board as an independent non-executive director and Chair of the Remuneration Committee.

OUTLOOK

Having delivered significant internal change over the last 6 months our focus is to return the business to sales growth. Market conditions across the first half have been difficult and are forecast to remain so. The business is responding well to the market challenges but the weather since we updated the market in July has been poor and, although we have recovered some sales momentum, it is not yet at the run rate we have targeted. Assuming a satisfactory trading performance in the key Christmas period, the Board now expects the Company to deliver a full year result broadly similar to that achieved last year.

Despite the specific challenges of the current year, our business is well placed and we remain confident in delivering further on our growth potential and continuing to generate long-term shareholder value. We expect to regain sales momentum and to see the benefits of improved operational execution as we enter 2016.

John R. Nicolson
Chairman
22 September 2015

Roger A. White
Chief Executive

*Adjusted profit is defined as statutory operating profit before interest and tax and after adjusting for discontinued business (£1.0m), income associated with the 2014 termination of the Orangina franchise (£0.7m) and one-off transaction fees related to the acquisition of the Funkin Cocktails business (£0.7m).

IRN-BRU becomes Official Soft Drink Partner of The Football League

In March 2015 IRN-BRU became the Official Soft Drink Partner of The Football League. This new three year partnership provides an exciting opportunity for us to deliver strong brand presence and engagement with millions of consumers as well as the 15 million fans who attend the 1,600 matches each season across England. With an established and successful football sponsorship agreement already in place with the Scottish Professional Football League (SPFL), this new deal enhances our sports sponsorship strength, giving us national reach across 114 different football communities.

Carton capability installed at Milton Keynes site

The first half of 2015 has seen further investment in our flagship site at Milton Keynes with the installation of new carton filling capability. Fully operational since May, the new high speed production lines produce 1 litre and 288ml cartons across our Rubicon, KA and Sun Exotic brands. This significant investment drives much greater operational efficiency, with cartons produced at high speed and much closer to our growing consumer base, as well as providing additional capacity to support future growth.

Consolidated Condensed Income Statement

	Note	6 months ended 25 July 2015	6 months ended 27 July 2014		
		Total £000	Before exceptional items Restated (note 3(c)) £000	Exceptional items (note 8) £000	Total Restated (note 3(c)) £000
Revenue	6	**130,260**	135,703	–	135,703
Cost of sales		**(69,068)**	(74,362)	(2,325)	(76,687)
Gross profit	6	**61,192**	61,341	(2,325)	59,016
Other income	8	**–**	747	–	747
Operating expenses		**(43,882)**	(42,923)	(218)	(43,141)
Operating profit	8	**17,310**	19,165	(2,543)	16,622
Finance income		**26**	46	–	46
Finance costs		**(460)**	(183)	–	(183)
Profit before tax		**16,876**	19,028	(2,543)	16,485
Income tax expense	9	**(3,538)**	(4,202)	532	(3,670)
Profit attributable to equity holders		**13,338**	14,826	(2,011)	12,815
Earnings per share (p)					
Basic earnings per share	10	**11.57**			11.09
Diluted earnings per share	10	**11.50**			11.03

Consolidated Condensed Income Statement
Continued

	Note	Year ended 25 January 2015 Before exceptional items Restated (note 3(c)) £000	Exceptional items (note 8) £000	Total Restated (note 3(c)) £000
Revenue	6	260,895	–	260,895
Cost of sales		(140,996)	(2,910)	(143,906)
Gross profit	6	119,899	(2,910)	116,989
Other income	8	747	–	747
Operating expenses		(78,513)	(376)	(78,889)
Operating profit	8	42,133	(3,286)	38,847
Finance income		103	–	103
Finance costs		(322)	–	(322)
Profit before tax		41,914	(3,286)	38,628
Income tax expense	9	(9,318)	687	(8,631)
Profit attributable to equity holders		32,596	(2,599)	29,997
Earnings per share (p)				
Basic earnings per share	10			26.00
Diluted earnings per share	10			25.86

Consolidated Condensed Statement of Comprehensive Income

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Profit for the period	**13,338**	12,815	29,997
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements on defined benefit pension plans (note 19)	**4,600**	(2,660)	(19,770)
Deferred tax movements on items taken direct to equity	**(1,434)**	22	2,934
Current tax movements on items taken direct to equity	**514**	544	1,121
Items that will be or have been reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedges	**114**	(294)	67
Deferred tax movements on items above	**(22)**	59	(14)
Other comprehensive income for the period, net of tax	**3,772**	(2,329)	(15,662)
Total comprehensive income attributable to equity holders of the parent	**17,110**	10,486	14,335

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
At 25 January 2015	4,865	905	2,318	(481)	148,930	156,537
Profit for the period	–	–	–	–	13,338	13,338
Other comprehensive income	–	–	–	92	3,680	3,772
Total comprehensive income for the period	–	–	–	92	17,018	17,110
Company shares purchased for use by employee benefit trusts (note 20)	–	–	–	–	(1,976)	(1,976)
Proceeds on disposal of shares by employee benefit trusts (note 20)	–	–	–	–	1,305	1,305
Recognition of share-based payment costs	–	–	265	–	–	265
Transfer of reserve on share award	–	–	(262)	–	262	–
Deferred tax on items taken direct to reserves	–	–	(66)	–	–	(66)
Dividends paid	–	–	–	–	(10,402)	(10,402)
At 25 July 2015	4,865	905	2,255	(389)	155,137	162,773

Consolidated Condensed Statement of Changes in Equity
Continued

	Share capital £000	Share premium account £000	Share options reserve £000	Cash flow hedge reserve £000	Retained earnings £000	Total £000
At 26 January 2014	4,865	905	1,826	(534)	148,174	155,236
Profit for the period	–	–	–	–	12,815	12,815
Other comprehensive income	–	–	–	(235)	(2,094)	(2,329)
Total comprehensive income for the period	–	–	–	(235)	10,721	10,486
Company shares purchased for use by employee benefit trusts (note 20)	–	–	–	–	(1,214)	(1,214)
Proceeds on disposal of shares by employee benefit trusts (note 20)	–	–	–	–	1,164	1,164
Recognition of share-based payment costs	–	–	470	–	–	470
Transfer of reserve on share award	–	–	(463)	–	463	–
Deferred tax on items taken direct to reserves	–	–	136	–	–	136
Dividends paid	–	–	–	–	(9,455)	(9,455)
At 27 July 2014	4,865	905	1,969	(769)	149,853	156,823

Consolidated Condensed Statement of Changes in Equity
Continued

	Share capital £000	Share premium account £000	Share options reserve £000	Cash flow hedge reserve £000	Retained earnings £000	Total £000
At 26 January 2014	4,865	905	1,826	(534)	148,174	155,236
Profit for the year	–	–	–	–	29,997	29,997
Other comprehensive income	–	–	–	53	(15,715)	(15,662)
Total comprehensive income for the year	–	–	–	53	14,282	14,335
Company shares purchased for use by employee benefit trusts (note 20)	–	–	–	–	(2,310)	(2,310)
Proceeds on disposal of shares by employee benefit trusts (note 20)	–	–	–	–	1,301	1,301
Recognition of share-based payment costs	–	–	893	–	–	893
Transfer of reserve on share award	–	–	(534)	–	534	–
Deferred tax on items taken direct to reserves	–	–	133	–	–	133
Dividends paid	–	–	–	–	(13,051)	(13,051)
At 25 January 2015	4,865	905	2,318	(481)	148,930	156,537

Consolidated Condensed Statement of Financial Position

	Note	**As at 25 July 2015 £000**	As at 27 July 2014 £000	As at 25 January 2015 £000
Non-current assets				
Intangible assets	14	**108,266**	76,349	80,917
Property, plant and equipment	15	**82,090**	74,688	79,663
		190,356	151,037	160,580
Current assets				
Inventories		**18,029**	16,115	16,761
Trade and other receivables		**64,988**	74,535	51,899
Derivative financial instruments	16	**20**	–	66
Cash and cash equivalents		**10,583**	11,281	25,437
Assets held for sale	12	**850**	–	–
		94,470	101,931	94,163
Total assets		**284,826**	252,968	254,743
Current liabilities				
Loans and other borrowings	18	**–**	–	73
Trade and other payables		**58,371**	63,341	51,119
Derivative financial instruments	16	**508**	914	666
Provisions	17	**112**	1,100	1,009
Current tax		**2,625**	3,172	3,314
		61,616	68,527	56,181
Non-current liabilities				
Loans and other borrowings	18	**30,402**	14,931	14,944
Derivative financial instruments	16	**4,500**	47	–
Deferred tax liabilities		**11,777**	10,854	8,612
Retirement benefit obligations	19	**13,758**	1,786	18,469
		60,437	27,618	42,025
Capital and reserves attributable to equity holders				
Share capital		**4,865**	4,865	4,865
Share premium account		**905**	905	905
Share options reserve		**2,255**	1,969	2,318
Cash flow hedge reserve		**(389)**	(769)	(481)
Retained earnings		**155,137**	149,853	148,930
		162,773	156,823	156,537
Total equity and liabilities		**284,826**	252,968	254,743

Consolidated Condensed Cash Flow Statement

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Operating activities			
Profit for the period	**16,876**	16,485	38,628
Adjustments for:			
Interest receivable	**(26)**	(46)	(103)
Interest payable	**460**	183	322
Depreciation of property, plant and equipment	**3,593**	3,347	6,739
Impairment of property, plant and equipment	**–**	1,365	1,483
Amortisation of intangible assets	**343**	126	253
Share-based payment costs	**265**	470	893
Loss/(gain) on sale of property, plant and equipment	**138**	(35)	(119)
Operating cash flows before movements in working capital	**21,649**	21,895	48,096
Increase in inventories	**(611)**	(69)	(715)
Increase in receivables	**(11,651)**	(27,060)	(4,424)
Increase in payables	**4,045**	21,730	10,208
Difference between employer pension contributions and amounts recognised in the income statement	**(379)**	(963)	(1,368)
Cash generated by operations	**13,053**	15,533	51,797
Tax on profit paid	**(3,689)**	(3,383)	(7,031)
Net cash from operating activities	**9,364**	12,150	44,766
Investing activities			
Acquisition of subsidiary (net of cash acquired)	**(15,757)**	–	–
Acquisition of intangible assets	**(4,757)**	(2,368)	(7,063)
Purchase of property, plant and equipment	**(7,941)**	(2,198)	(11,493)
Proceeds on sale of property, plant and equipment	**87**	487	585
Interest received	**26**	24	60
Net cash used in investing activities	**(28,342)**	(4,055)	(17,911)
Financing activities			
New loans received	**47,000**	15,000	15,000
Loans repaid	**(31,500)**	(15,000)	(15,000)
Bank arrangement fees paid	**(55)**	(80)	(80)
Purchase of Company shares by employee benefit trusts	**(1,976)**	(1,214)	(2,310)
Proceeds from disposal of Company shares by employee benefit trusts	**1,305**	1,164	1,301
Dividends paid	**(10,402)**	(9,455)	(13,051)
Interest paid	**(175)**	(161)	(283)
Net cash generated by/(used in) financing activities	**4,197**	(9,746)	(14,423)
Net (decrease)/increase in cash and cash equivalents	**(14,781)**	(1,651)	12,432
Cash and cash equivalents at beginning of period	**25,364**	12,932	12,932
Cash and cash equivalents at end of period	**10,583**	11,281	25,364

Notes to the Financial Statements

1. 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. with some international sales.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the U.K. The address of its registered office is A.G. BARR p.l.c., Westfield House, 4 Mollins Road, Cumbernauld, G68 9HD.

This consolidated condensed interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 25 January 2015 were approved by the board of directors on 24 March 2015 and delivered to the Registrar of Companies. The comparative figures for the financial year ended 25 January 2015 are an extract of the Company's statutory accounts for that year. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

This consolidated condensed interim financial information is unaudited but has been reviewed by the Company's Auditor.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information for the six months ended 25 July 2015 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority (previously the Financial Services Authority) and with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 25 January 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

Going concern basis

The Group meets its day-to-day working capital requirements through its bank facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group's forecasts and projections, taking account of reasonable sensitivities, show that the Group should be able to operate within available facilities. The Group therefore continues to adopt the going concern basis in preparing its consolidated condensed interim financial statements.

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 25 January 2015, as described in those annual financial statements except as noted below.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following revised IFRSs have been adopted in this consolidated condensed interim financial information. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods.

- Annual Improvements 2010-2012 Cycle, IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.
- Amendments to IAS 19 Defined Benefit Plans relating to employee contributions.
- Annual Improvements 2011-2013 Cycle, IFRS 1, IFRS 3, IFRS 13 and IAS 40.

3. ACCOUNTING POLICIES CONTINUED

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 26 January 2015 and not adopted early

A number of new standards and amendments to standards and interpretations are effective for future year ends, and have not been applied in preparing these interim financial statements. These standards and amendments are listed in the table below:

International Accounting Standards and Interpretations	Effective Date
IFRS 9 Financial Instruments (as amended in 2014) IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013)	1 January 2018
Amendment to IFRS 7 Financial Instruments: Disclosures relating to transition to IFRS 9 (or otherwise when IFRS 9 is first applied)	When IFRS 9 is first applied
IFRS 14 Regulatory deferral accounts	1 January 2016
Amendments to IAS 39 Financial instruments – Continuation of hedge accounting	When IFRS 9 is first applied
Amendments to IFRS 11 – Accounting for acquisitions of Interests in Joint operations	1 January 2016
Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 and IAS 41 – Agriculture: Bearer plants	1 January 2016
IFRS 15 – Revenue from contracts with customers	1 January 2018
Amendment to IAS 27 Separate Financial Statements (as amended in 2011) relating to reinstating the equity method as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements	1 January 2016
Amendments resulting from September 2014 Annual Improvements to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting	1 January 2016
Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 regarding the application of the consolidation exception	1 January 2016
IAS 1 Presentation of Financial Statements: Amendments resulting from the disclosure initiative	1 January 2016

Management anticipates that the application of the above Standards and Interpretations in future periods will have no material impact on the consolidated financial statements of the Group.

3. ACCOUNTING POLICIES CONTINUED

(c) Restatement of segment reporting

(i) In the segment reporting to 25 January 2015 a misstatement has been noted between the gross profit for Carbonates and the Other segments. An element totalling £2.3m of gross profit in relation to Carbonates was reported within the Others segment. This has been restated in the table below. There has been no change to the total reported revenue or gross profit before exceptional items or any other element of the financial statements.

(ii) In the six months to 25 July 2015 a new enterprise resource planning system was implemented. This implementation included an alignment of the internal management reporting and the statutory reporting. The review concluded that some distribution costs previously recorded within operating expenses would be more appropriately recorded within cost of sales as this reflects more accurately the costs incurred in manufacturing products. This has resulted in a reduction in the gross profit of £3.4m in the year to 25 January 2015 and a reduction of £1.8m in the six months to 25 July 2015. Operating expenses have reduced by an equivalent amount in these periods with there being no change to the previously reported operating profit. There has been no impact on any other element of the financial statements.

6 months ended 27 July 2014

	Carbonates £000	Still drinks and water £000	Other £000	Total £000
Total revenue	102,612	31,638	1,453	135,703
Gross profit before exceptional items as previously stated	53,189	9,495	490	63,174
Reclassification of distribution costs (note ii)	(2,515)	654	28	(1,833)
Restated gross profit before exceptional items	**50,674**	**10,149**	**518**	**61,341**

Year ended 25 January 2015

	Carbonates £000	Still drinks and water £000	Other £000	Total £000
Total revenue	198,249	58,218	4,428	260,895
Gross profit before exceptional items as previously stated	102,235	17,349	3,729	123,313
Restatement of gross profit (note i)	2,342	–	(2,342)	–
Reclassification of distribution costs (note ii)	(4,852)	1,338	100	(3,414)
Restated gross profit before exceptional items	**99,725**	**18,687**	**1,487**	**119,899**

4. PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining 27 weeks of the financial year remain substantially the same as those stated on pages 26-29 of the Group's annual financial statements as at 25 January 2015, which are available on our website, www.agbarr.co.uk.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements should be read in conjunction with the Group's annual financial statements as at 25 January 2015 as they do not include all financial risk management information and disclosures contained within the annual financial statements. There have been no changes in the risk management policies since the year end.

6. SEGMENT REPORTING

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

The management committee considers the business from a product perspective. This led to the operating segments identified in the table below: there has been no change to the segments during the period (after aggregation).

The performance of the operating segments is assessed by reference to their gross profit before exceptional items. Exceptional items are reported separately in note 8.

6. SEGMENT REPORTING CONTINUED

6 months ended 25 July 2015

	Carbonates £000	Still drinks and water £000	Other £000	Total £000
Total revenue	**96,298**	**27,563**	**6,399**	**130,260**
Gross profit before exceptional items	**50,150**	**8,196**	**2,846**	**61,192**

6 months ended 27 July 2014

	Carbonates £000	Still drinks and water £000	Other £000	Total £000
Total revenue	102,612	31,638	1,453	135,703
Gross profit before exceptional items (Restated – note 3 (c))	50,674	10,149	518	61,341

Year ended 25 January 2015

	Carbonates £000	Still drinks and water £000	Other £000	Total £000
Total revenue	198,249	58,218	4,428	260,895
Gross profit before exceptional items (Restated – note 3(c))	99,725	18,687	1,487	119,899

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

Other segments represent the sale of Funkin cocktail solutions, rental income for vending machines, the sale of ice-cream and other soft drink related items. In the six months to 27 July 2014 this segment also included income from water coolers for the Findlays 19 litre water business. This business was disposed of in the second half of the year to 25 January 2015.

The gross profit before exceptional items from the segment reporting is reconciled to the total profit before income tax as shown in the consolidated condensed 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 and liabilities to the consolidated condensed statement of financial position has been disclosed for any of the periods presented.

7. SEASONALITY OF OPERATIONS

Historically, approximately half the revenues and operating profits are expected in each half of the year.

8. OPERATING PROFIT

The following items have been charged to operating profit during the period:

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Acquisition costs (note 13)	**667**	–	–
Inventory write down	**20**	51	134
Foreign exchange losses recognised	**563**	351	1,063

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completing production and selling expenses.

During the six months to 27 July 2014 the contract for the production and selling of Orangina was terminated by the recently formed Lucozade Ribena Suntory Group. This resulted in compensation of £0.7m being received by A.G. BARR p.l.c. This has been shown on the consolidated condensed income statement as other income.

The following exceptional items have been charged or credited before operating profit:

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Redundancy costs relating to the closure of the Tredegar manufacturing site	**–**	960	1,427
Impairment charges relating to the closure of the Tredegar manufacturing site	**–**	1,365	1,483
Total cost of sales	**–**	2,325	2,910
Pension curtailment	**–**	(523)	(523)
Redundancy costs for finance, telesales, distribution, demand and supply planning reorganisation	**–**	741	899
Total operating costs	**–**	218	376
Total exceptional costs	**–**	2,543	3,286

During the six months to 27 July 2014 A.G. BARR p.l.c. announced the closure of its manufacturing site at Tredegar. This resulted in an impairment charge of £1.4m in respect of buildings and plant at the site with a further £0.1m charge in the second half of the year ended 25 January 2015. £3,000 of redundancy related costs were incurred in the six months to 27 July 2014 with a further £1.0m of redundancy costs provided for. A further £0.5m was incurred in the second half of the year to 25 January 2015.

8. OPERATING PROFIT CONTINUED

Redundancy, recruitment and training costs in relation to the finance, telesales, distribution, demand and supply planning operations within England were incurred during the six months to 27 July 2014 and year ended 25 January 2015 and treated as exceptional.

As a result of the finance, telesales, distribution, demand and supply planning reorganisation, a curtailment in the Group's retirement pension plan arose in the 6 months ended 27 July 2014 and year ended 25 January 2015. This resulted in an exceptional credit arising from the reduction in the retirement benefit obligation following a reduction in the number of employees remaining with the scheme. The value of this credit was £0.5m.

9. TAX ON PROFIT

The interim period tax charge is accrued based on the estimated average annual effective income tax rate of 21.0% (six months ended 27 July 2014: 22.3%; year ended 25 January 2015: 22.3%).

The Chancellor announced in his Summer Budget on 8 July 2015 that the main rate of corporation tax will be reduced to 19% from 1 April 2017 and 18% from 1 April 2020 and the future current tax charges will reduce accordingly. These changes are contained in the Finance Bill 2015 which is not expected to be substantively enacted until October 2015 and at that point the changes will be reflected in the Company's deferred tax liabilities.

10. 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.

	6 months ended 25 July 2015	6 months ended 27 July 2014	Year ended 25 January 2015
Profit attributable to equity holders of the Company (£000)	**13,338**	12,815	29,997
Weighted average number of ordinary shares in issue	**115,280,958**	115,516,417	115,377,541
Basic earnings per share (pence)	**11.57**	11.09	26.00

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 period. 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.

10. EARNINGS PER SHARE CONTINUED

	6 months ended 25 July 2015	6 months ended 27 July 2014	Year ended 25 January 2015
Profit attributable to equity holders of the Company (£000)	**13,338**	12,815	29,997
Weighted average number of ordinary shares in issue	**115,280,958**	115,516,417	115,377,541
Adjustment for dilutive effect of share options	**676,859**	623,121	623,962
Diluted weighted average number of ordinary shares in issue	**115,957,817**	116,139,538	116,001,503
Diluted earnings per share (pence)	**11.50**	11.03	25.86

The underlying EPS figure is calculated by using profit attributable to equity holders before exceptional items:

	6 months ended 25 July 2015	6 months ended 27 July 2014	Year ended 25 January 2015
Profit attributable to equity holders of the Company before exceptional items (£000)	**13,338**	14,826	32,596
Weighted average number of ordinary shares in issue	**115,280,958**	115,516,417	115,377,541
Underlying earnings per share (pence)	**11.57**	12.83	28.25

This measure has been included in the financial statements as it provides a closer guide to the underlying financial performance as the calculation excludes the effect of exceptional items.

11. DIVIDENDS PAID

	6 months ended 25 July 2015 per share (p)	6 months ended 27 July 2014 per share (p)	Year ended 25 January 2015 per share (p)	**6 months ended 25 July 2015 £000**	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Paid final dividend	**9.01**	–	–	**10,402**	–	–
Paid first interim dividend	**–**	–	3.11	**–**	–	3,596
Paid second interim dividend	**–**	8.19	8.19	**–**	9,455	9,455
	9.01	8.19	11.30	**10,402**	9,455	13,051

An interim dividend of 3.36p (an increase of 8% on last year) per share was approved by the board on 22 September 2015 and will be paid on 16 October 2015 to shareholders on record as at 2 October 2015.

12. HELD FOR SALE ASSETS

The property, plant and equipment related to the manufacturing site at Tredegar have been presented as held for sale following the decision to close the site. The property, plant and equipment was sold during September 2015 (note 22).

13. ACQUISITION OF SUBSIDIARY

On 2 February 2015, the Group acquired 100% of the share capital of Funkin Limited ('Funkin'), a company which offers a broad range of premium cocktail solutions including fruit purées, cocktail mixers and syrups.

In the six months to 25 July 2015, Funkin contributed revenue of £4.9m and an operating profit of £0.7m to the Group's results. Had Funkin been consolidated from 26 January 2015, the consolidated condensed income statement for the six months ended 25 July 2015 would not be materially different.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	£000
Cash	17,511
Contingent consideration	4,500
Total consideration	**22,011**

Contingent consideration

The Group has agreed to pay the former owners of Funkin a contingent consideration based on achievement of certain financial targets by Funkin in the two years from the date of its acquisition by the Group. The potential undiscounted amount of all future payments that the Group could make under the acquisition agreement is between £nil and £4.5m.

The fair value of the contingent consideration arrangement of £4.5m was estimated by assessing the expected growth of Funkin over the two years trading post acquisition. No discount rate has been applied to the fair value estimate of the contingent consideration as due to the short time period the effect of discounting has a negligible effect on the fair value.

The fair value of trade and other receivables is £1.4m and includes trade receivables with a fair value of £1.2m. The gross contractual amount for trade receivables due is £1.3m of which £0.1m is expected to be uncollectible.

The fair value of the acquired identifiable intangible assets of £7.2m, is provisional pending receipt of the final valuations for those assets. A deferred tax liability of £1.5m has been provided in relation to these fair value adjustments in relation to intangible assets.

Acquisition-related costs

The Group incurred acquisition-related costs of £0.7m relating to external legal fees and due diligence costs. These costs have been included in operating costs in the consolidated condensed income statement.

13. ACQUISITION OF SUBSIDIARY CONTINUED

Recognised amounts of identifiable assets acquired and liabilities assumed

	£000
Cash and cash equivalents	**1,754**
Funkin brand	**6,800**
Customer list	**414**
Property, plant and equipment	**13**
Inventories	**657**
Trade and other receivables	**1,438**
Trade and other payables	**(3,167)**
Current tax liability	**(149)**
Deferred tax liabilities	**(1,470)**
Total identifiable net assets	**6,290**
Goodwill	**15,721**

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

The goodwill of £15.7m arises from a number of factors including expected synergies through combining an experienced senior team and obtaining greater production efficiencies through knowledge transfer; marketing expertise; obtaining economies of scale by cost reductions from purchasing efficiencies; price reductions and greater volume rebates from suppliers; sales synergies arising from introducing Funkin to A.G. BARR's route to market and sales channels; and unrecognised assets such as the workforce.

14. INTANGIBLE ASSETS

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Opening net book value	**80,917**	74,107	74,107
Additions	**27,692**	2,368	7,063
Amortisation	**(343)**	(126)	(253)
Closing net book value	**108,266**	76,349	80,917

The additions for periods presented represent goodwill and other intangible assets acquired as part of the acquisition of Funkin (note 13), internally generated software development costs and third party consultancy costs incurred in relation to the Business Process Redesign project.

14. INTANGIBLE ASSETS CONTINUED

The amortisation charge for the six months to 25 July 2015 represents £0.2m (six months ended 27 July 2014: nil; year ended 25 January 2015: nil) of charges in relation to the Business Process Redesign project, £0.1m (six months ended 27 July 2014: £0.1m; year ended 25 January 2015: £0.3m) of charges for the Rubicon customer list and £34,000 of charges for the Funkin customer list.

15. PROPERTY, PLANT AND EQUIPMENT

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Opening net book value	**79,663**	76,314	76,314
Additions	**7,082**	3,538	12,037
Additions acquired during acquisition (note 13)	**13**	–	–
Disposals	**(225)**	(452)	(466)
Property, plant and equipment classified as held for sale (note 12)	**(850)**	–	–
Impairment of property, plant and equipment	**–**	(1,365)	(1,483)
Depreciation	**(3,593)**	(3,347)	(6,739)
Closing net book value	**82,090**	74,688	79,663

The closing balance includes £0.6m (as at 27 July 2014: £2.5m; as at 25 January 2015: £6.7m) of assets under construction.

16. FINANCIAL INSTRUMENTS

Current assets of £20,000 (at 27 July 2014: £nil; 25 January 2015: £0.1m) relate to forward foreign currency contracts with a maturity of less than 12 months and are classified as fair value through the cash flow hedge reserve.

Current liabilities of £0.5m (at 27 July 2014: £0.9m; 25 January 2015: £0.7m) represents forward foreign currency contracts with a maturity of less than 12 months and are classified as fair value through the cash flow hedge reserve.

Non-current liabilities of £nil (at 27 July 2014: £47,000; 25 January 2015: £nil) relate to forward foreign currency contracts with a maturity of more than 12 months and are classified as fair value through the cash flow hedge reserve.

16. FINANCIAL INSTRUMENTS CONTINUED

Fair value hierarchy

IFRS 7 requires all financial instruments carried at fair value to be analysed under the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The fair value of the forward foreign exchange contracts is determined using forward exchange rates at the date of the statement of financial position, with the resulting value discounted accordingly as relevant.

All financial instruments carried at fair value are Level 2.

Fair values of financial assets and financial liabilities

The table below sets out the comparison between the carrying amount and fair value of all of the Group's financial instruments, with the exception of trade and other receivables and trade and other payables.

	Carrying amount				Fair value
	Fair value – hedging instruments £000	Loans and receivables £000	Other financial liabilities at amortised cost £000	Total £000	Level 2 £000
As at 25 July 2015					
Financial assets not measured at fair value					
Cash and cash equivalents	–	10,583	–	10,583	10,583
	–	**10,583**	**–**	**10,583**	**10,583**
Financial assets measured at fair value					
Foreign exchange contracts used for hedging – current	20	–	–	20	20
	20	**–**	**–**	**20**	**20**
Financial liabilities measured at fair value					
Foreign exchange contracts used for hedging – current	508	–	–	508	508
Contingent consideration	–	–	4,500	4,500	4,500
	508	**–**	**4,500**	**5,008**	**5,008**
Financial liabilities not measured at fair value					
Unsecured bank borrowings – non-current	–	–	30,500	30,500	30,402
	–	–	**30,500**	**30,500**	**30,402**

16. FINANCIAL INSTRUMENTS CONTINUED

Fair values of financial assets and financial liabilities continued

	Carrying amount				Fair value
	Fair value – hedging instruments £000	Loans and receivables £000	Other financial liabilities at amortised cost £000	Total £000	Level 2 £000
As at 27 July 2014					
Financial assets not measured at fair value					
Cash and cash equivalents	–	11,281	–	11,281	11,281
	–	11,281	–	11,281	11,281
Financial liabilities measured at fair value					
Foreign exchange contracts used for hedging – current	914	–	–	914	914
Foreign exchange contracts used for hedging – non-current	47	–	–	47	47
	961	–	–	961	961
Financial liabilities not measured at fair value					
Unsecured bank borrowings – non-current	–	–	14,931	14,931	14,931
	–	–	14,931	14,931	14,931

	Carrying amount				Fair value
	Fair value – hedging instruments £000	Loans and receivables £000	Other financial liabilities at amortised cost £000	Total £000	Level 2 £000
As at 25 January 2015					
Financial assets not measured at fair value					
Foreign exchange contracts used for hedging	66	–	–	66	66
Cash and cash equivalents	–	25,437	–	25,437	25,437
	66	25,437	–	25,503	25,503
Financial liabilities measured at fair value					
Foreign exchange contracts used for hedging	666	–	–	666	666
	666	–	–	666	666
Financial liabilities not measured at fair value					
Unsecured bank borrowings – current	–	–	73	73	73
Unsecured bank borrowings – non-current	–	–	14,944	14,944	14,944
	–	–	15,017	15,017	15,017

16. FINANCIAL INSTRUMENTS CONTINUED

Fair values of financial assets and financial liabilities continued

The carrying value of non-current borrowings is disclosed before the deduction of the unamortised arrangement fee of £0.1m. The fair values of the non-current borrowings are based on cash flows discounted using the current variable interest rate charged on the borrowings of 1.50% and a discount rate of 1.50%.

17. PROVISIONS

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Opening provision	**1,009**	396	396
Provision created in the period	**–**	1,469	1,469
Provision released during the period	**–**	(36)	(97)
Provision utilised during the period	**(897)**	(729)	(759)
Closing provision	**112**	1,100	1,009

18. BORROWINGS AND LOANS

Movements in borrowings are analysed as follows:

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Opening loan balance	**15,073**	15,000	15,000
Borrowings made	**47,000**	15,000	15,000
Bank overdrafts	**–**	–	73
Repayments of borrowings and overdrafts	**(31,573)**	(15,000)	(15,000)
Closing loan balance before arrangement fees	**30,500**	15,000	15,073
Unamortised arrangement fee	**(98)**	(69)	(56)
Closing loan balance	**30,402**	14,931	15,017

The reconciliation to net debt is as follows:

	As at 25 July 2015 £000	As at 27 July 2014 £000	As at 25 January 2015 £000
Closing loan balance before arrangement fees	**30,500**	15,000	15,073
Cash and cash equivalents	**(10,583)**	(11,281)	(25,437)
Net debt	**19,917**	3,719	(10,364)

18. BORROWINGS AND LOANS CONTINUED

The undrawn facilities at 25 July 2015 are as follows:

	Total facility £000	Drawn £000	Undrawn £000
Revolving credit facilities	45,000	30,500	14,500
Overdraft	5,000	–	5,000
	50,000	**30,500**	**19,500**

During the six months to 25 July 2015, the Group renegotiated a £35m revolving credit facility. A total arrangement fee of £0.1m was incurred and will be amortised over the life of the loan facility. The revolving credit facility will expire in January 2018. A further £10m revolving credit facility was arranged in the year to 26 January 2014 and will expire in March 2017.

The directors confirm that the Group has sufficient headroom to enable it to meet the covenants on its existing borrowings. There are sufficient working capital and undrawn funding facilities available to meet the Group's ongoing requirements.

19. RETIREMENT BENEFIT OBLIGATIONS

The defined retirement benefit scheme had a deficit of £13.8m as at 25 July 2015. The reconciliation of the closing deficit is as follows:

	6 months ended 25 July 2015 £000	6 months ended 27 July 2014 £000	Year ended 25 January 2015 £000
Closing present value of obligation	**(122,143)**	(102,025)	(131,005)
Closing fair value of plan assets	**108,385**	100,239	112,536
Closing net deficit	**(13,758)**	(1,786)	(18,469)

The key financial assumptions used to value the liabilities were as follows:

	As at 25 July 2015 %	As at 27 July 2014 %	As at 25 January 2015 %
Discount rate	**3.70**	4.10	3.20
Future salary increases	**4.40**	4.30	4.20
Inflation assumption	**3.40**	3.30	3.20

20. MOVEMENTS IN OWN SHARES HELD BY EMPLOYEE BENEFIT TRUSTS

During the six months to 25 July 2015 the employee benefit trusts of the Group acquired 321,789 (six months to 27 July 2014: 196,769; year to 25 January 2015: 383,790) of the Company's shares. The total amount paid to acquire the shares has been deducted from shareholders' equity and is included within retained earnings. At 25 July 2015 the shares held by the Company's employee benefit trusts represented 1,366,277 (27 July 2014: 1,220,454; 25 January 2015: 1,350,184) shares at a purchased cost of £8.6m (27 July 2014: £6.7m; 25 January 2015: £7.5m).

305,696 (six months to 27 July 2014: 288,633; year to 25 January 2015: 345,924) shares were utilised in satisfying share options from the Company's employee share schemes during the same period.

The related weighted average share price at the time of exercise for the six months to 25 July 2015 was £6.18 (six months to 27 July 2014: £6.27; year to 25 January 2015: £6.12) per share.

21. CONTINGENCIES AND COMMITMENTS

	As at 25 July 2015 £000	As at 27 July 2014 £000	As at 25 January 2015 £000
Commitments for the acquisition of property, plant and equipment	**6,444**	1,170	1,195

22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Interim dividend

As disclosed in note 11, an interim dividend of 3.36p per share will be paid to shareholders on 16 October 2015.

The closure of the manufacturing site at Tredegar was disclosed in the Annual Report and Accounts for the year ended 25 January 2015. The site was closed during the six months to 25 July 2015 and the related property, plant and equipment was sold in September 2015.

23. RELATED PARTY TRANSACTIONS

There have been no related party transactions in the first 26 weeks of the current financial year which have materially affected the financial position or performance of the Group.

With the exception of Funkin, which was acquired on 2 February 2015 (note 13), related parties and transactions with them over the six months to 25 July 2015 are consistent with those disclosed in the Group's Annual Report and Accounts for the year ended 25 January 2015.

Statement of Directors' Responsibilities

The directors' confirm that these consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The directors of A.G. BARR p.l.c. are listed in the Annual Report and Accounts for the 52 weeks ended 25 January 2015, with the exception of Mr David Ritchie who was appointed on 1 April 2015.

For and on behalf of the board of directors

Roger White
Chief Executive
22 September 2015

Stuart Lorimer
Finance Director
22 September 2015

Independent Review Report to A.G. BARR p.l.c.

INTRODUCTION

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 25 July 2015 which comprises Consolidated Condensed Income Statement, the Consolidated Condensed Statement of Comprehensive Income, the Consolidated Condensed Statement of Changes in Equity, the Consolidated Condensed Statement of Financial Position, the Consolidated Condensed Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ('the DTR') of the U.K.'s Financial Conduct Authority ('the U.K. FCA'). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the U.K. FCA.

The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

OUR RESPONSIBILITY

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on *Review Engagements (U.K. and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the U.K.. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (U.K. and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Review Report to A.G. BARR p.l.c.
Continued

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 25 July 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the U.K. FCA.

Alex Sanderson
for and on behalf of KPMG LLP
Chartered Accountants
191 West George Street, Glasgow G2 2LJ
22 September 2015

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