

Consolidated Balance Sheets (in millions of US dollars, U.S. GAAP) Unaudited

	April 3, 1999	January 2, 1999
Assets		
<i>Current assets</i>		
Cash and cash equivalents	\$ 22.2	\$ 28.1
Accounts receivable	117.1	113.3
Inventories	82.0	77.3
Prepaid expenses	3.3	2.6
Discontinued operations	11.3	12.0
	235.9	233.3
Property, plant and equipment	287.6	295.8
Investment	12.2	11.6
Goodwill and other assets	138.5	142.4
	\$ 674.2	\$ 683.1
Liabilities and Shareowners' Equity		
<i>Current liabilities</i>		
Short-term borrowings	\$ 23.2	\$ 13.5
Accounts payable and accrued liabilities	119.7	124.4
Current maturities of long-term debt	15.6	12.5
Discontinued operations	4.8	5.7
	163.3	156.1
Long-term debt	388.4	402.4
Deferred income taxes	1.4	2.6
<i>Shareowners' equity</i>		
Capital stock	229.0	229.0
Deficit	(83.1)	(81.8)
Foreign currency translation adjustment	(24.8)	(25.2)
Shareowners' equity	121.1	122.0
	\$ 674.2	\$ 683.1

Consolidated Statements of Income (in millions of US dollars except per share amounts, U.S. GAAP) Unaudited

For the three months ended	April 3, 1999	May 2, 1998
Sales	\$ 232.2	\$ 258.1
Cost of sales	200.3	223.2
Gross profit	31.9	34.9
Selling, general and administrative expenses	20.9	24.0
Operating income	11.0	10.9
Other expenses (income), net	0.3	(0.5)
Interest expense, net	9.2	8.7
Income before income taxes and equity income	1.5	2.7
Provision for income taxes	(1.0)	(0.9)
Equity income	0.3	0.5
Income before change in accounting principle	0.8	2.3
Cumulative effect of change in accounting principle, net of tax	(2.1)	-
Net (loss) income	\$ (1.3)	\$ 2.3
Income (loss) per common share:		
Income before change in accounting principle	\$ 0.01	\$ 0.04
Cumulative effect of change in accounting principle	\$ (0.03)	\$ -
Net (loss) income	\$ (0.02)	\$ 0.04
Diluted income (loss) per common share:		
Income before change in accounting principle	\$ 0.01	\$ 0.04
Cumulative effect of change in accounting principle	\$ (0.03)	\$ -
Net (loss) income	\$ (0.02)	\$ 0.04

Consolidated Statements of Cash Flows (in millions of US dollars, U.S. GAAP) Unaudited

For the three months ended	April 3, 1999	May 2, 1998
Operating Activities		
Income before change in accounting principle	\$ 0.8	\$ 2.3
Depreciation and amortization	9.9	11.9
Deferred income taxes	-	(1.2)
Equity income	(0.3)	(0.5)
Gain on sale of property, plant and equipment	-	(0.3)
Net change in non-cash working capital from continuing operations	(13.9)	(40.6)
Net cash used in operating activities	(3.5)	(28.4)
Investing Activities		
Additions to property, plant and equipment	(4.6)	(19.7)
Proceeds from disposal of property, plant and equipment	-	0.9
Other investing activities	-	(2.3)
Net cash used in investing activities	(4.6)	(21.1)
Financing Activities		
Payments of long-term debt	(7.3)	(1.9)
Short-term borrowings	9.7	(1.0)
Dividends paid	-	(1.1)
Net cash provided by (used in) financing activities	2.4	(4.0)
Net cash provided by (used in) discontinued operations	(0.3)	0.1
Effect of exchange rate changes on cash and cash equivalents	0.1	2.4
Net decrease in cash and cash equivalents	(5.9)	(51.0)
Cash and cash equivalents, beginning of period	28.1	103.6
Cash and cash equivalents, end of period	\$ 22.2	\$ 52.6

Three Months Ended
April 3, 1999

Cott
CORPORATION

The Leader in Premium Retailer
Brand Beverage Innovation

The Company reported positive operating income for the first quarter of 1999 following two quarters of losses. Key factors contributing to these results were improvements in manufacturing efficiency, product rationalization and the strengthening of financial controls. Allowing for the discontinuance of marginal accounts and the divestiture of non-core businesses, first quarter performance is especially encouraging. The Company now strives to deliver results on a sustained basis.

Operations

Consolidated sales for the January–March quarter totaled \$232.2 million versus \$258.1 million for last year’s quarter which ran February through April. Net income in the quarter, before a one-time charge for a change in accounting principle, was \$0.8 million versus \$2.3 million for last year. Adoption of a new change in U.S. GAAP resulted in the Company having to absorb a one-time after-tax charge of \$2.1 million for previously capitalized start-up costs. Overall totals were negatively impacted by a change in the Company’s fiscal periods, as it shifted to calendar-year reporting of results.

Core Markets

United States

Sales in the U.S. for the January-March quarter rose to \$138.2 million from \$136.7 million in the prior year. The unit posted first-quarter operating income of \$9.7 million compared to \$8.3 million last year. Gains in operational efficiencies led to margin improvement while sales to the top retail accounts grew solidly.

United Kingdom/Europe

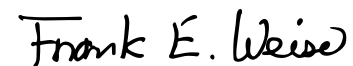
Sales in the U.K. and Europe declined to \$45.2 million from \$65.2 million last year. Operating income was \$1.0 million versus \$3.7 million. The largest factor in the sales shortfall versus prior year was market softness in the U.K. Volume share of the market remained stable in Q1 versus last year. Other factors in sales declines: reduction in co-packing activities and divesting operations in Norway.

Canada

Sales in Canada slowed due to product mix and calendar adjustments falling to \$36.3 million from \$43.9 million last year. Operating income of \$2.6 million versus \$3.3 million was on plan. Sales were hurt by weak winter demand and customers’ timing issues. Currency devaluation offset gains in productivity for the Canadian unit.

Credit for positive performance in the first quarter of 1999 goes to Cott employees as they have seized our values as their own driving forces.

Looking ahead, we are seeing early signals that our strategic plan is working. We are ready to achieve our vision: to be the leader in premium retailer brand beverage innovation.



Frank E. Weise III
President and Chief Executive Officer

Safe Harbor Statements

This quarterly release may contain forward-looking statements relating to the future performance of Cott. Forward-looking statements, specifically those concerning future performance, are subject to certain risks and uncertainties, and actual results may differ materially. These risks and uncertainties are detailed from time to time in the Company’s filings with the appropriate securities commissions.



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