
Cott
Analyst Call
November 2014

Safe Harbor Statements

Forward Looking Statements: This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and applicable Canadian securities laws conveying management's expectations as to the future based on plans, estimates and projections at the time the Company makes the statements. Forward-looking statements involve inherent risks and uncertainties and the Company cautions you that a number of important factors could cause actual results to differ materially from those contained in any such forward-looking statement. The forward-looking statements contained in this presentation include, but are not limited to, statements related to the expected results of DS Services, expected future operating results of the combined company, the anticipated timing of the transaction, the completion of the transaction on the terms proposed, the financing of the transaction on terms currently anticipated, the potential impact the acquisition will have on the Company and estimated synergies, capital expenditures and taxes. The forward-looking statements are based on assumptions regarding the timing of receipt of the necessary financing and approvals, the time necessary to satisfy the conditions to the closing of the transaction, and management's current plans and estimates. Management believes these assumptions to be reasonable but there is no assurance that they will prove to be accurate. Factors that could cause actual results to differ materially from those described in this presentation include, among others: (1) the ability to consummate the proposed transaction; (2) receipt of regulatory approvals without unexpected delays or conditions; (3) changes in estimates of future earnings and cash flows; (4) changes in expectations as to the closing of the transaction; (5) expected synergies and cost savings are not achieved or achieved at a slower pace than expected; (6) integration problems, delays or other related costs; (7) retention of customers and suppliers; (8) the cost of capital necessary to finance the transaction; and (9) unanticipated changes in laws, regulations, or other industry standards affecting the companies. The foregoing list of factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Readers are urged to carefully review and consider the various disclosures, including but not limited to risk factors contained in the Company's press release issued on November 6, 2014, the Company's Annual Report on Form 10-K for the year ended December 28, 2013 and its quarterly reports on Form 10-Q, as well as other periodic reports filed with the securities commissions. The Company does not, except as expressly required by applicable law, undertake to update or revise any of these statements in light of new information or future events.

Non-GAAP Measures: Cott routinely supplements its reporting of GAAP measured by utilizing certain non-GAAP measures to separate the impact of certain items from its underlying business results. Since the Company uses these non-GAAP measures in the management of its business, management believes this supplemental information, including on a pro forma basis, is useful to investors for their independent evaluation and understanding of the transaction with DS Services. The non-GAAP financial measures described above are in addition to, and not meant to be considered superior to, or a substitute for, the Company's financial statements prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this presentation reflect management's judgment of particular items, and may be different from, and therefore may not be comparable to, similarly titled measures reported by other companies. A reconciliation of these non-GAAP measures may be found on www.cott.com. The inability to access information with respect to DS Services makes a reconciliation of 2014 expected DS Services and pro forma EBITDA (and measures utilizing 2014 expected DS Services and pro forma EBITDA) impracticable, and as a result, reconciliations for such items have not been provided.

Transaction rationale

1. DS Services ("DSS") is a scale business in expanding categories and improves Cott's overall growth profile
2. Significant product and package diversification while reducing exposure to commodities
3. Meaningfully enhances margin profile
4. Accretive to adjusted free cash flow per share
5. Offers new direct route-to-market – improves channel mix and reduces customer concentration
6. Substantial cost and revenue synergies
7. Experienced DSS management team equipped to drive growth of business

Today's agenda

- Drivers of DS Services Performance
- DS Services Financial Model
- Cash Flow, Balance Sheet and Accounting Impacts

Drivers of DS Services Performance

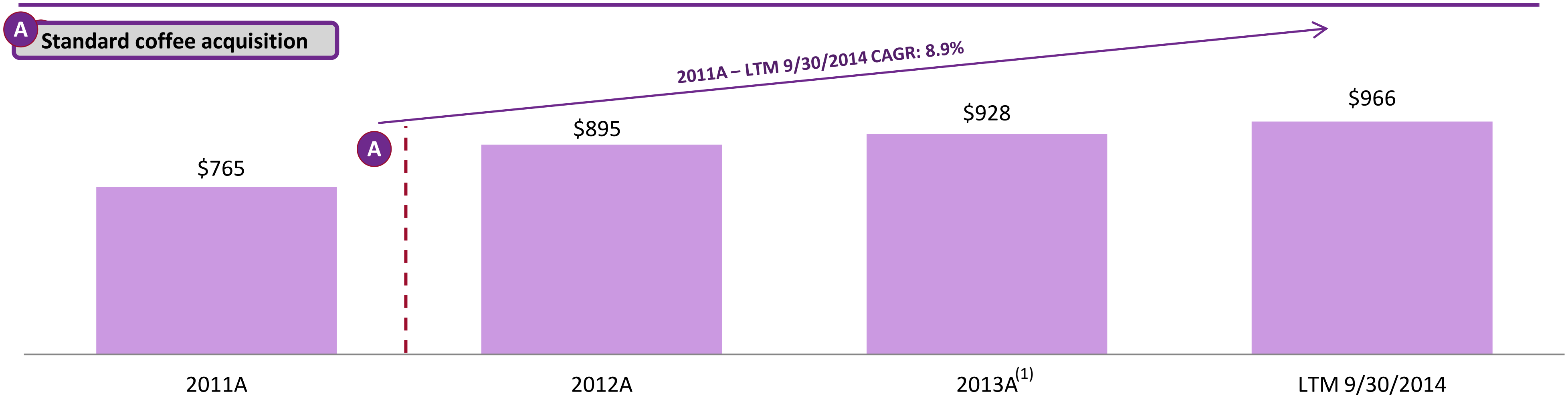
Key drivers of DS Services performance

What drives DS Services business		What drives DS Services profitability	
Growth in the Customer Base	▪ Customer acquisition channels include: retail partnerships, business acquisitions and print and online advertising ▪ Cross-selling of water and coffee services ▪ High customer retention and service level	**Improved Route Density**	▪ Existing route density creates low marginal cost for new customers
Pricing	▪ Ability to implement price increases facilitated by strong brand equity ▪ Customer service differentiation ▪ New product innovation and shift to higher priced products	**Input Costs Variability**	▪ Energy surcharge insulates DS from ~90% of movement in energy related costs ▪ Reduced costs from vertical integration of water production and distribution
Growth in Consumption per Customer	▪ Increased focus on health and wellness ▪ Consumer concerns over municipal water quality ▪ Conversion to single cup coffee service ▪ Increased employment (more staff per office)	**Decreased Customer Acquisition Cost**	▪ Costco partnership lowers customer acquisition costs ▪ Business acquisitions yield lower acquisition cost per customer
Favorable Industry Trends	▪ Strong growth in single cup coffee ▪ Improving employment levels	**Variable Commission Structure**	▪ Route Sales Representatives, Sales Associates and Costco agreement based on variable commission structure

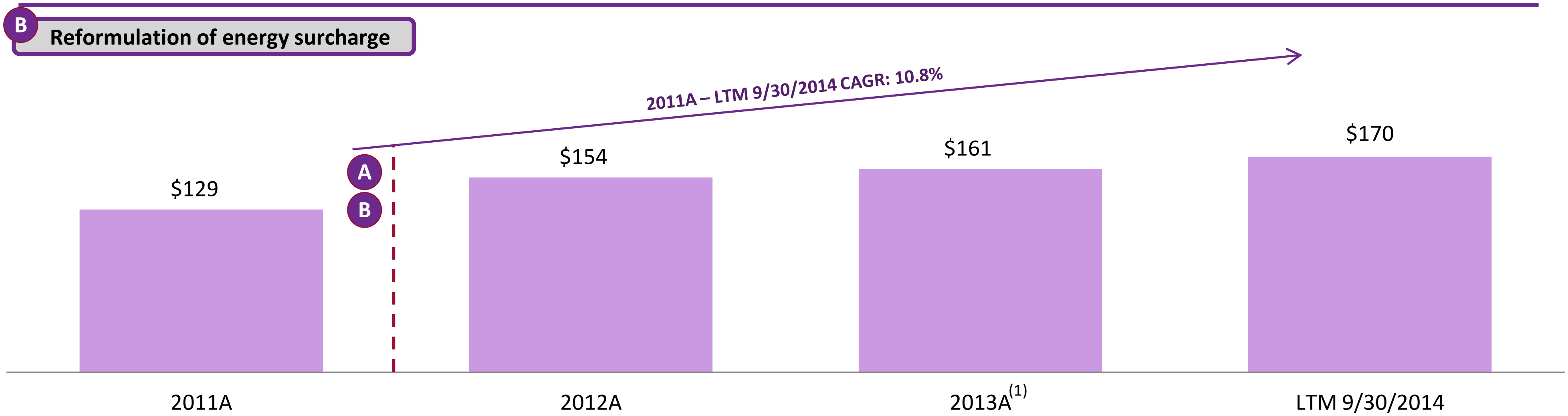
Steady historical growth

Historical financial summary

Revenue ($ in millions)



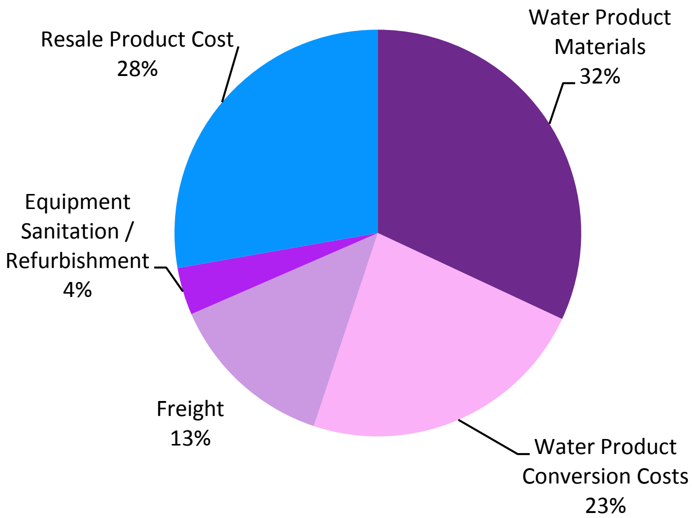
Adj. EBITDA ($ in millions)



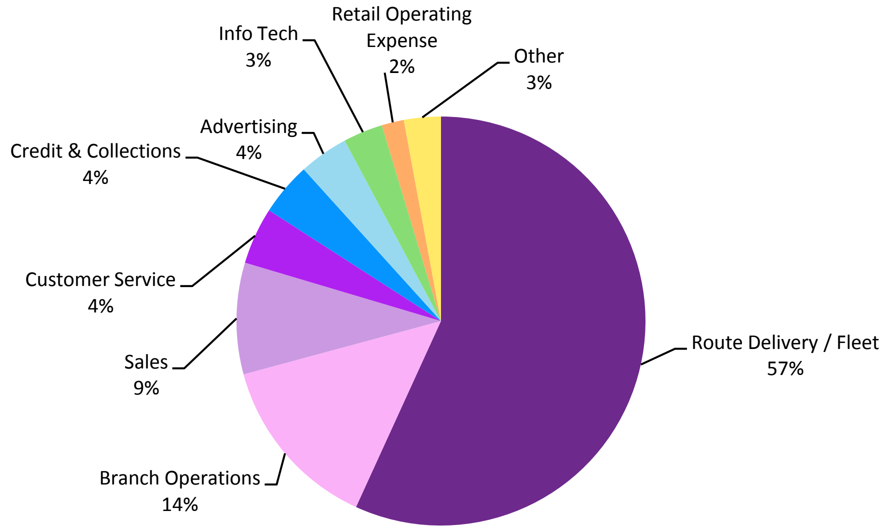
Source: DSS filings.
(1) 2013 includes Predecessor and Successor financials, reflecting the Crestview acquisition.

COGS and SG&A

COGS breakdown (2013)



SG&A breakdown (2013)

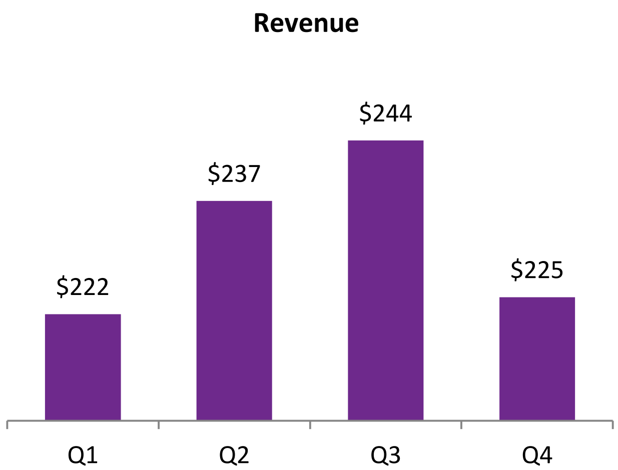


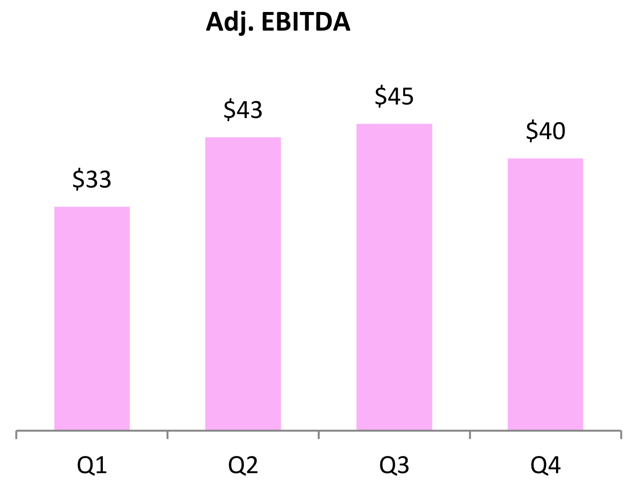
Quarterly business seasonality

($ in millions)

FY2013

DSS[(1)]





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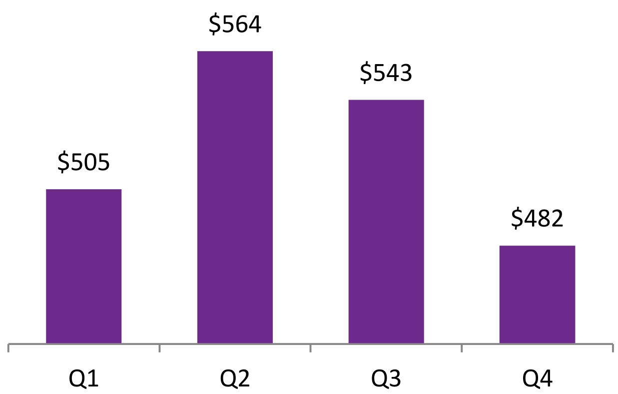
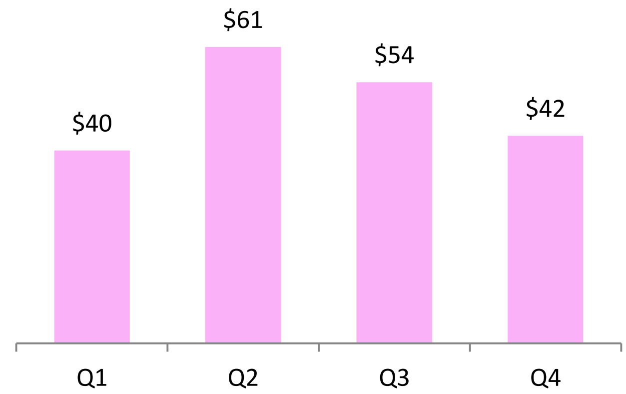




Source: Company filings.
(1) DSS 2013 figures include Predecessor and Successor financials, reflecting the Crestview acquisition.

DS Services Financial Model

DSS key growth drivers

	General	Prior ownership: 2014E	Cott ownership: 2015E	Cott ownership: 2016E+
Net revenue growth	Market growth ▪ Water delivery: ~2% in volume (69% of DSS net revenue) ▪ OCS: ~5% in dollars (15% of DSS net revenue) ▪ Filtration: ~10% (2% of DSS net revenue)	▪ Total net revenue: ~6– 7% ▪ Water delivery (w/ Primo): ~5 – 6% ▪ Water delivery (ex-Primo): ~3 – 4% ▪ OCS: ~(1 – 2)% ▪ Filtration: ~10%	▪ Total net revenue: ~5 – 6% ▪ Water delivery (w/ Primo): ~5 – 6% ▪ Water delivery (ex-Primo): ~3 – 4% ▪ OCS: ~2 – 3% ▪ Filtration: ~7 – 8%	▪ Total net revenue: ~3 – 4% ▪ Water delivery: ~2 – 4% ▪ OCS: ~3 – 5% ▪ Filtration: ~7 – 8%
Gross margin	▪ Commission and freight costs other than plants to DS branches excluded from COGS	▪ ~66 – 67% of net revenue	▪ ~65 – 66% of net revenue ▪ ~$3 million additional rent expense	▪ ~65 – 66% of net revenue ▪ ~$3 million additional rent expense
SG&A	▪ 22% fixed and 78% variable ▪ Crestview transaction added amortization of ~$36 million per year ▪ Incremental amortization from Cott transaction	▪ ~59 – 61% of net revenue	▪ ~61 – 63% of net revenue ▪ ~$3 million Cott LTIP ▪ Incremental amortization(1) of ~$28 million	▪ ~60 – 63% of net revenue ▪ ~$3 million Cott LTIP ▪ Incremental amortization(1) of ~$23million in 2016, stepping down to ~$10 million by 2018
Synergies & integration costs	▪ Run rate synergies of $25 million by 2017 ▪ ~$10 million of cost to achieve	▪ N/A	▪ Synergies of $6.25 million ▪ Integration expenses of ~$4 – 8 million	▪ Synergies of $18.75 million in 2016 and $25 million in 2017 ▪ Integration expenses of $4 – 8 million in 2016
Taxes	▪ Advantaged Cott Canadian ownership structure ▪ Significant US NOLs at Cott and DSS	▪ Statutory tax rate of 38.4% ▪ Leveraged capital structure ▪ Significant NOLs	▪ New Cott not expected to be US corporate tax payer for near term ▪ GAAP tax benefit of ~$20 – 25 million	▪ GAAP tax benefit of ~$10 – 15 million in 2016, stepping down to ~zero by 2017
Capex	▪ ~6 – 8% of revenue	▪ ~$69 – 74 million ▪ Higher capex in 2014 due to increased investment in new plant	▪ Ongoing capex $65 – 70 million per year ▪ Additional integration capex of $5million	▪ Ongoing capex $65 – 70 million per year
Unlevered free cash flow(2)	▪ ~$95 – 125 million annually	▪ ~$80 – 90 million	▪ ~$95 – 105 million	▪ ~$115 – 120 million per year

Source: Cott & DSS management and company filings.
(1) Most of incremental amortization expected to be included in SG&A.
(2) Unlevered free cash flow calculated as cash flow from operations – capex + interest.

Substantial cost and revenue synergies

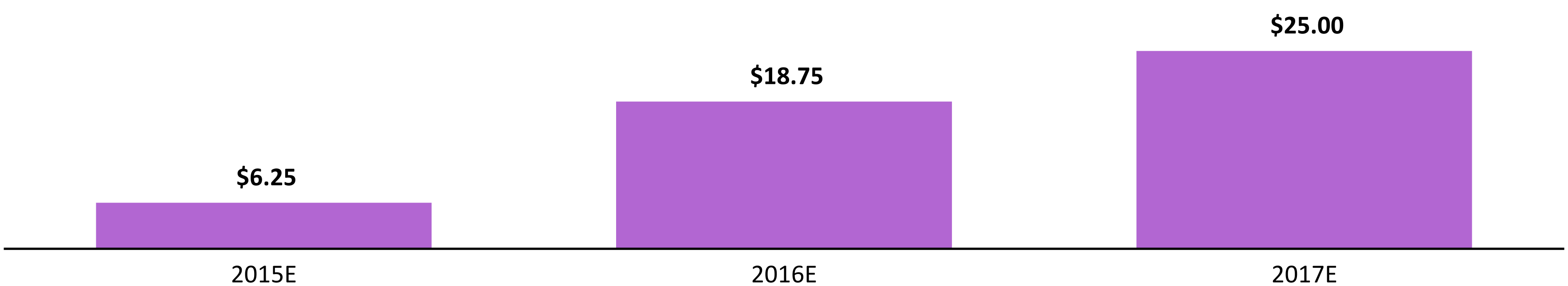
Cost Synergies – $18 million

- **Procurement (~$3.5 million)**
  - Leverage Cott's scale
- **Freight savings (~$1.5 million)**
  - Combined efficiencies
- **SG&A (~$5 million)**
  - Back office efficiencies
- **Cost Actions (~$5 million)**
  - Implement Cott's 4C philosophy
- **Cost Actions (~$2.5 million)**
  - Integrated systems

Revenue Synergies – $7 million

- **Sparkling waters**
  - Increase the DSS product offerings to sparkling waters manufactured by Cott
- **Range substitution**
  - Transfer the production of certain DSS third-party products to Cott's manufacturing plants
- **Flavored Sparking Water**
  - Launch Flavored Sparking Water range distributed via DSS
- **Vertical integration and supply**

Estimated run rate synergies of $25 million per year phased-in over three years



Estimated Cost to Achieve:	$4 – 8 million	$4 – 8 million	

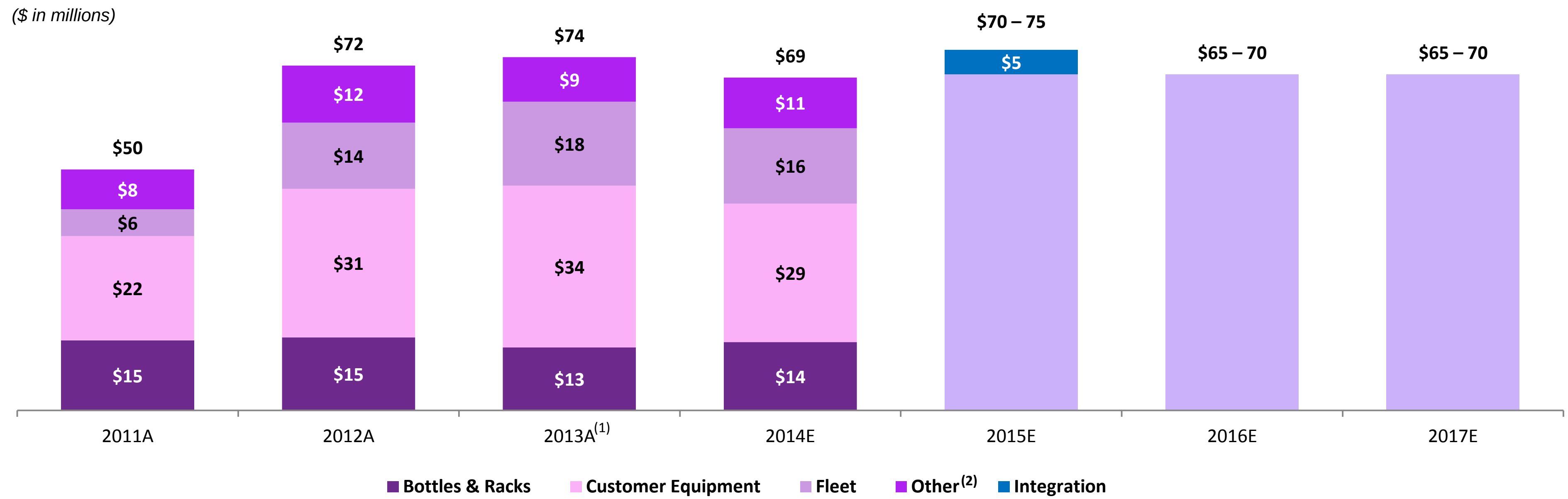
Source: Cott management.

Cash Flow, Balance Sheet and Accounting Impacts

Capital expenditures

- Capital expenditures are generally predictable
  - Fleet: average life of 18-20 years, expenditure is predictable and relatively discretionary in any given year
  - Customer Equipment, Bottles & Racks: includes Coolers and Brewers that are tied to new customer wins and replacement of older equipment
- Investment in coolers / customer equipment elevated in past several years due to dispenser model upgrade
- Additional integration capex of $5 million in 2015

Capital expenditures



(1) 2013 includes Predecessor and Successor financials, reflecting the Crestview acquisition.
(2) Other includes IT, machinery and equipment, call center buildout and facilities.

Adjusted unlevered free cash flow

($ in millions)	2012	2013[1]	LTM 9/30/2014
Reported EBITDA	$125	$124	$148
Adjustments:			
Refinancing and reorg costs	7	23	9
Mergers and Acquisitions	8	3	2
Non-Cash Compensation	2	2	3
Non-Cash Asset Write-Offs	3	2	2
Non-One Time Cash Items	(0)	3	5
Pro-forma results	10	2	1
Adjusted EBITDA	$154	$161	$170
Cott Adjustments in Computing FCF			
Non-One Time Cash Items	0	(3)	(5)
Pro-forma results	(10)	(2)	(1)
Capex	(72)	(74)	(69)
Change in Working Capital	(3)	(4)	(16)
Adjusted Unlevered Free Cash Flow	**$69**	**$78**	**$78**

Source: DSS filings and Ernst & Young.
(1) 2013 Financials are the combination of DSS's Predecessor and Successor periods, while excluding certain costs specific to DSS's acquisition by Crestview Capital in Q3 2013.

Acquisition financing overview

The proposed acquisition is expected to be funded through a combination of rollover of existing DSS bonds, new bonds and preferred equity issued to the sellers:

- Existing $350 million of DSS 10.00% Senior Secured Notes due 2021 (the “2021 Notes”) are rolled into the pro forma capital structure as secured debt, subject to bondholder consent
  - No obligation to complete the transaction without bondholder consent
- $615 million of debt financed through new unsecured notes
- The Company also plans to amend its existing ABL facility to allow for the proposed transaction (upsize to $400 million) – expected draw at closing of $175 million
- Remainder of purchase price funded with $117 million of convertible preferred shares (9% dividend with 1% ratchet per annum) and $32 million of non-convertible preferred shares (10% dividend with 1% ratchet per annum) which we expect to redeem by the end of 2016

Sources and Uses

($ in millions)

Sources	**$**
ABL Draw	$175
New Senior Debt	615
Rollover DSS Notes	350
Convertible Preferred	117
Non-Convertible Preferred	32
Total Sources	**$1,289**

Uses	**$**
Purchase Equity[1]	$578
Refinanced DSS debt	318
Rollover DSS notes	350
Fees and Expenses	43
Total Uses	**$1,289**

- Annual interest expense expected to be ~$120 million
- Preferred dividend estimated as
  - $13 – 15 million in 2015
  - $5 – 7 million in 2016
  - $0 onwards

- Weighted average cost of financing: 7.7%
- Weighted average cost of financing (excluding preferred equity issued in the transaction): 7.5%

Source: Cott and DS management.

(1) Excludes proceeds from proposed sale leaseback transaction.

Preferred equity overview

(Preferred Convertible shares cannot convert to common shares until 3 years after issuance)

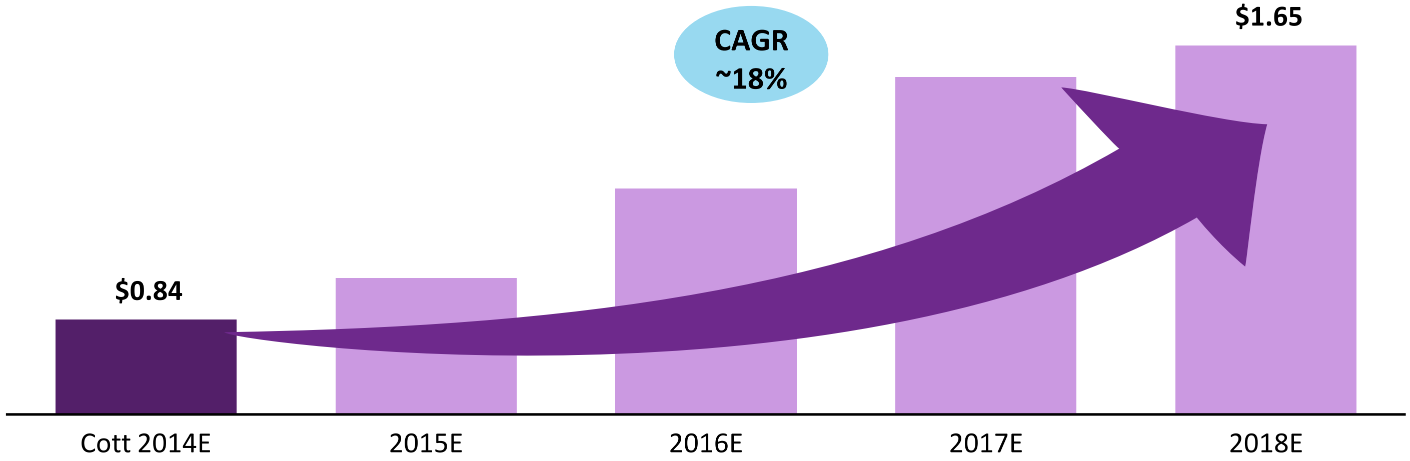
	Convertible preferred equity	Non-convertible preferred equity
Capital structure rank	• Ranks senior to all common shares and other capital stock • Pari passu with non-convertible preferred equity • Includes limitation of incurrence of indebtedness (net leverage) in excess of 5.0x LTM EBITDA	• Ranks senior to all common shares and other capital stock • Pari passu with convertible preferred equity
Size	• Limited to 19.9% of current Cott market capitalization	• N/A
Dividend	• Cumulative quarterly dividend at annual rate of 9.0%, with rate increasing 1.0% per year for first five years: – 2015 – 9.0% – 2016 – 10.0% – 2017 – 11.0% – 2018 – 12.0% – 2019 – 13.0%	• Cumulative quarterly dividend at annual rate of 10.0%, with rate increasing 1.0% per year for first five years: – 2015 – 10.0% – 2016 – 11.0% – 2017 – 12.0% – 2018 – 13.0% – 2019 – 14.0% • Payable in cash or in-kind
Conversion	• Only convertible beginning three years after issuance • Converts at the option of the holders into 159.74 common shares per $1,000 face value of convertible preferred shares, which is equivalent to a conversion price of $6.28 per common share. • Redemption notice is subject to right of conversion (after 3 years) • Upon conversion, right to designate Board members as follows: – If 10% or more of common shares, 2 directors – If greater than 6% but less than 10% of common shares, 1 director – If less than 6% of common shares, 0 directors	• N/A
Redemption	• Redeemable at any time or any amount at par and at choice of Cott • Right to require the Company to redeem shares in change of control	• Could be redeemed at par at the option of the Company • Right to require the Company to redeem shares in nine years or upon change of control
Voting	• No voting rights in the first 18 months: – Between 18 and 36 months after issuance, can vote alongside common shares on as-converted basis (except on the election of directors) – After 36 months, can vote alongside common shares on as-converted basis with no restrictions	• No voting rights

Cott

Cash flow and leverage schedule

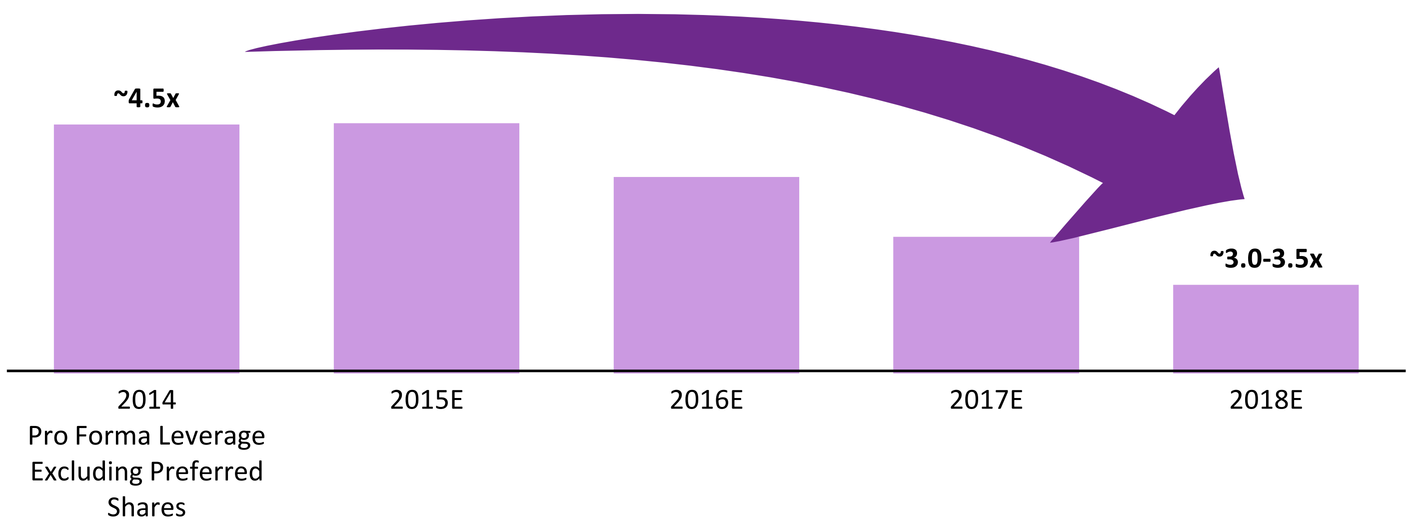
Adjusted Free Cash Flow Per Share[1] (2014E – 2018E Cott and DSS)

- Adjusted free cash flow per share[1] accretive beginning in 2015
- All per share amounts are calculated inclusive of dividends on preferred shares and assuming no conversion of the convertible preferred equity



Pro Forma Net Debt to EBITDA (2014E – 2018E)

- Committed to prudent capital management and rapid delevering post-transaction
- Expect to fully redeem preferred equity by 2016 using free cash flows
- Continuation of dividend policy
- Suspension of share repurchase program



Source: Cott and DSS management.
(1) Inclusive of the preferred shares on an unconverted basis.