So good afternoon welcome back from lunch. Jerry Fowden has been the CEO of Cott for just over eight years having joined the firm in 2007 so he must be doing something right. He has held senior management positions at various consumer sector firms including AB InBev at the group's Bass Brewers Unit. I first met Jerry when he was CEO of Heroes European Beverage Operations in Switzerland and like me he also worked for Mars. He also serves on the board of constellation brands of the American Beverage Association and of Tchibo UK. Basically if you can drink it he does it. Jay Wells has been Cott's CFO for five years before that he held various senior finance positions with Molson Corrs from 2005 to 2012 including CFO of Molson Corrs Canada yet more beverage knowhow. I remember seeing Cott at Cagney in the late 90s long before the current management team was in place. It was then and is still today the pre-eminent private label bottler of soft drinks in the US and the UK. Since Jerry took over there have been many changes that have included water and coffee solutions but I will let him tell you about that. Jerry over to you thank you.

Good afternoon and thank you James and of course Cage for providing us this opportunity to present and answer questions today. Before we begin I would like to ask everyone to have a quick glance at our safe harbour statement on the screen something I'm sure you are familiar with. So onto our presentation as James said I am Jerry Fowden Cott CEO and I am joined here today by Jay Wells our CFO and Jarrod Langhans our Head of Investor Relations. After the presentation we will be available to answer questions. I will kick things off today by providing a short overview of Cott for those of you who are less familiar with the current shape and size of our company. And then I'll provide some additional details on our largest business segments. I'll then move onto our vision key business drivers and investment highlights and after that we can open up for questions. So now let's take a look at Cott and the transformation we have undertaken over the last few years. I would also like to explain the strategic planning process we undertake and how it forms the basis for everything we do. Each year we undertake an annual update to our business planning process or strategic plan looking out over the next three, five, seven and ten years. This analysis takes place at the back half of each year and we review the categories trends, economic indicators, shifts in consumer behaviour and numerous other factors. While this process is updated annually to ensure everything stays fresh in terms of changes in market dynamics which were appropriately incorporated we also take a deeper dive every few years with help of external advisors to ensure no stone is untouched. It was during such a strategic review in 2013 that we developed our accelerated diversification strategy that we have been implementing ever since. Our goal was to transition our business through a combination of organic actions as well as synergistic transactions in order to progressively shift towards a higher margin, higher growth business while keeping a strong focus on our four Cs of customers, low cost, tight capital controls and a focus especially on free cash flow with the goal of building a more predictable lower risk business with strong compound annual growth in adjusted free cash flow. Since announcing this strategy we have undertaken a significant amount of organic and transactional activity to reposition our business into higher margin categories. In 2014 we acquired DS Services a market leader in the growing US home and office water delivery segment. As well as a top five position in office coffee services and a smaller but faster growing water filtration business. In addition to transactional activity such as this acquisition we organically focused on growing our contract manufacturing business on behalf of global brand owners and our share of the value added sparkling and flavoured waters category within our traditional Cott North

America business in order to offset the ongoing market declines in sugar sweetened beverages whether they be overall market or private label such as carbonated soft drinks and shelf stable juices. Since the beginning of 2014 we have won over fifty million serving equivalent cases of new contract manufacturing business and grown our sparkling waters and mixers business annually by double digits which has allowed our traditional business to maintain volumes and maintain our high asset utilisation and the associated strong free cash flow despite the market declines in sugar sweetened beverages. After integrating DS Services we acquired Aquaterra in January of 2016 Canada's leading home office water business creating the largest North American platform for home and office water delivery. In June 2016 we announced the acquisition of Eden Springs, Europe's largest home and office water delivery business and in August of 2016 we announced our acquisition of S&D Coffee and Tea a leading US based manufacturer distributor and service provider of custom coffee roasting and tea blending for the food service industry. Both of these transactions closed in August 16. The combination of these actions provide a significantly improved business profile with meaningfully lower customer concentration, reduced exposure to mature categories, a deceased proportion of our business in the hands of big box or multiple grocer retailers and most importantly an attractive outlook for compound annual growth in free cash flow. Through these actions you can see in the charts Cott is now a highly diversified company with regards to both product and channel spreads that means we are not overly dependent on any one product, channel or customer as shown in the pie charts. This page also explains the two business segments we operate in. The water and coffee solutions segment which provides direct to customer bottled water, coffee, tea and filtration services to customers across 20 countries where we are market leader with over 2.3 million customers and around 2 billion of revenue in a market that grows around 2 to 3% per annum in top line terms. This segment includes DS Services, Aquaterra, Eden Springs and S&D Coffee and Tea. The other segment is our traditional business that produces sparkling value added and flavoured waters, carbonated soft drinks and shelf stable juices as well as many other products such as sports drinks, energy drinks and iced teas. This business has revenues of just under 1.7 billion dollars high asset utilisation and strong free cash flow and produces for more than 500 of the world's largest retailers and global brand owners. This accelerated organic and transactional diversification strategy has supported strong financial performance over the past few years and positions Cott well to deliver on our goal of driving a mid teens compound annual growth in free cash flow as we look out over the next three years. As you can see here Cott's revenue, free cash flow and EBITDA have all risen substantially as we have executed against this strategy and this performance has also been positively reflected in our market cap and shareholder returns over the same period. So let's just take a closer look at each of our larger business segments. Moving to slide 5 and DS Services. DS Services is the largest home and office water delivery business in North America. With the leading volume base market share in the US of just over 30% and coverage of more than 90% of the US population within home and office water delivery as well as the leading position in Canada the business serves roughly 1.6 million customers through 2,000 direct delivery routes more than 200 depots and 37 manufacturing plants. As you can see on the slide the water delivery service is by far and away the largest channel within this business segment generating over 60% of revenues. In addition we provide coffee services to commercial customers throughout North America, utilise one and two gallon production lines for retail sales at a leverage fixed cost within our water manufacturing network and we also have a smaller but growing filtration segment. Now let's look at Eden Springs. Eden is a 350 million

Euro business that contributes a complimentary product and customer portfolio as well as a significant production and route truck distribution infrastructure. Eden is in effect the European equivalent to DS Services in North America with over 800,000 customers. Eden operates in four key business segments each shown on the slide with again the home office water delivery segment being by far and away the largest of the four. As you can see in the pictures just like DS Services revenues are driven by large format returnable bottles delivered mainly to offices and larger corporations across 18 countries. Eden also has a leading position in office coffee services with a heavy eschew towards larger premium commercial accounts as well as water filtration and a retail small pack water offering. When you combine DS Services and Eden Springs Cott now has home office water leadership positions in 20 countries with well over 2 million customers creating the ideal platform for further organic and tuck in transactional growth for years to come. Turning to slide 7 and S&D Coffee and Tea. S&D Coffee and Tea has US revenues of approximately 550 million dollars and contributes a very complementary product and customer portfolio that has posted compound annual volume and revenue growth of 3% over recent years which we expect to continue. In addition S&D has made significant infrastructure investments over the last few years leading to a well invested in manufacturing network that has facilities with sufficient utilities and space to continue to add roasting capacity as the business continues to grow. S&D operates in attractive channels and growth markets such as out of home coffee consumption, iced and speciality teas for the food service industry as well as the development and production of multiple extracts and ingredients used not just in the food service area but also supplied to multiple food and beverage manufacturers. The portfolio supports a diversified customer base with long standing customer relationships in excess of ten years on average. To help bring this portfolio to life if any of you in the audience have spent time in the US recently you're likely to have drunk an S&D coffee or tea product or seen a commercial by one of our customers on TV whether it be for regular coffee, cold brewed coffee, caramel macchiato, a latte or even a frozen coffee ice cream or frozen blended coffee drink. S&D leads in most of these areas and supplies by far and away the greatest number of quick serve restaurants, convenience stores, gas stations or even hotels such as any Hilton Garden Inn in the USA. Now turning to our traditional business traditional Cott is a low cost industry leading beverage manufacturer and distributor on behalf of others. A leading beverage platform has revenues of around 1.7 billion dollars which along with over 30 manufacturing facilities and our own R and D centre and concentrate manufacturing facility shown on the map provides procurement, logistics and scale advantages unmatched in the geographies in which we compete. As you can see the business has a strong and extensive manufacturing footprint in the US Canada and the UK which allows us to provide very high customer service levels alongside low freight costs to our customers' distribution centres. Our traditional business facilities are all either SQF level 3 or BRC approved with a range of manufacturing diversification that many are not aware of given the historic view of Cott as predominantly a soda company. Our focus within the traditional business is to run the plants tightly, maintain our industry leading asset term and asset utilisation and generate free cash flow and cash extractions from those businesses. The high asset utilisation has been achieved through organic growth in contract manufacturing for global brand owners and significant organic growth in sparkling and flavoured waters and value added waters which has offset the market and private label declines for sugar sweetened beverages. As a matter of fact we would look to our sparkling water segment to overtake our CSD segment in the not too distant future within North America. With a favourable cash conversion profile we continue to see good free cash flow generation and cash extraction from our traditional business in the coming years which assists in the financing of the organic growth and tuck in activity in our water and coffee solutions segment as well as our deleveraging. On slide 9 I have laid out Cott's vision which is to become the leading North American and European water coffee tea and filtration provider within the home and office delivery food service convenience and hospitality segments. Since announcing our original strategy we've refined our vision and the drivers of the vision as shown on this slide. Reflecting our current priorities which are designed to strengthen the business and continue to progressively move the business to one that demonstrates higher margins, higher free cash flow alongside lower customer concentration and hence all round be a more attractive lower risk company. The drivers of this vision are:

1. To drive top line organic growth in our water and coffee solutions segment of 2 to 3%;

2. To continue to undertake small, highly valued creative tuck in acquisitions in home and office water delivery, office coffee services and filtration services in North America and Europe;

3. To take advantage of the synergy capture across this multiple platform of water and coffee solutions businesses;

4. To maintain our strong free cash flow and cash extraction from our traditional business;

5. To strengthen our balance sheet through compound annual growth in free cash flow reducing interest and deleveraging the balance sheet with a free cash flow yield of just under 10% in 2016 and the ability for further free cash flow growth we believe our current and new investors will benefit as our free cash flow rises and valuation follows.

This leads me on to the five investment highlights that support Cott's value creation as we look forward. By far and away the most attractive of which being the strong free cash flow we were just talking about where we see a mid teen annual growth in adjusted free cash flow as we look out over the next 3 years. But let's look at each of these five investment highlights in turn. On slide 11 you can see how we've strengthened and diversified the business over the last few years such that we are much less dependent on any one customer product channel or geography. You can see in the pie charts that we operate in the growing categories of water such as HOD water and sparkling water in addition to coffee and tea with mature categories such as our carbonated soft drink business only accounting for around 11% of our EBITDA and private label representing now just 27% of our EBITDA. Alongside this you can see a growing segment we call better few beverages which now accounts for over two thirds of our EBITDA mix. In total you have a business that is more diverse lower risk and higher margin and while we still believe we have a lot to do we believe we are well positioned for the future.

Slide 12 highlights the growth characteristics of the various better few product categories we operate in and you can see that the US home office water category growth is around 3%, water filtration around 9%, out of home coffee consumption 6% and food service or hospitality tea revenue growth between 3 and 4%. This is an attractive market backdrop for our water and coffee solutions business.

Slide 13 highlights the leading international platform we've built in water and coffee solutions with operations in 20 countries and the number one or number two position in almost all of them. What's more these markets are still very fragmented. Once you go past the top one or two players there's a significant element of small independent operators that exist. And tuck ins of these small operations tend to synergise down to three or four times EBITDA within just a few months. In effect you're just buying or adding customers but can to a large degree be consolidated into an existing depot and route infrastructure providing significant and immediate route density and depot synergies. You can see in the pie charts that 39% of the US home office water market is still small independents and over 60% of Europe is in the hands of small independents. So the opportunity for ongoing small tuck in acquisitions is almost endless.

Slide 14 shows the many financial and strategic reasons for building our water and coffee solutions platform alongside the synergy opportunities available from the combination of these businesses. We see savings from combing onto common systems procurement savings associated with our scale in terms of cooler brewer bottler and other purchases as well as back office SG & A savings and eventually depot and route combination savings between DS Services and S&D depots and routes throughout the Eastern portion of the United States. The cost synergies from Eden and S&D are expected to drive around 23 million dollars of synergy and EBITDA improvement over the next 3 years as laid out in the bar chart.

Now turning to the most important investment highlight our strong free cash flow growth and generation. Over the last eight years our business has generated over 100 million dollars of adjusted free cash flow per year. Last year we generated 150 million dollars of adjusted free cash flow and as we look to 2017 we believe we will deliver in the range of 155 to 175 million dollars of adjusted free cash flow on the way to our goal of in excess of 225 million dollars of adjusted free cash flow by 2019. This free cash flow objective is supported by six key elements or drivers which collectively come together to support our expectation of strong compound mid teen annual growth. The six elements are:

- Maintain our free cash flow generation and optimise our cash extraction from our traditional business;
- Deliver the top line organic growth of 2 to 3% from our various water coffee and tea service businesses;
- Receive full year contributions and the associated free cash flow from Eden Springs and S&D;
- Capture the 23 million dollars of synergy we were just talking about;
- Execute on small highly value creative overlapping and synergistic tuck in acquisitions across our water and coffee solution segment; and finally
- Re-finance various existing high coupon debt at lower rates in 2017 as market conditions allow the first element of which we just completed a few weeks ago when we re-financed our six and three quarter per cent debt at a rate of 5.5% with an eight year maturity. In addition due to

strong demand for this offering we were able to upsize the assurance by 100 million dollars which provided us with additional capacity on our ABL facility so that when we get to the first call date on our DS Services 10% coupon notes in September this year we will be able to put a large proportion of that onto our ABL, pay down much of the balance with cash on hand and perhaps use a small term loan if needed to fully extinguish this high coupon debt. These actions will likely reduce our annual interest expense by some 25 to 35 million dollars per year within the next year or so. This strong free cash flow generation and cash generation should allow us to reduce our net leverage over the next three plus years to the low three times EBITDA range. This former of rapid deleveraging is something we've demonstrated in the past and we're committed to doing again. Now to finish the presentation and the topic of free cash flow it's worth highlighting the attractive free cash flow yield Cott offers plus its various other company groups or segments. As you can see from the bar chart recently produced and published by a major financial institution Cott's 2016 free cash flow yield of 9.5% is significantly higher than the average of several appropriate peer groups such as high cash flow consumer companies, beverage bottlers and the route based services segment. Thus when you combine this fact with the anticipated mid teen compound annual growth in Cott's adjusted cash flow to over 225 million dollars by 2019 you have an attractive forward looking opportunity. I hope that provides you with a good overview of our company and our strategy. We did include a few extra slides in the appendix in case they were of value to anyone here but let's now move on to Q & A and remember Jay and Jarrod are with me to help. Thank you.

So you can, we're doing Q & A in two manners, there's an email address I think on the screen you can send an email anonymously or have me, I'll read it out or you can just raise your hand and take a microphone. Perhaps microphone to kick off with. It's quicker than writing. Just down there.

Q. Thank you. Hello so I guess one of your free cash flow drivers is organic growth of 2 to 3% on your water, tea and coffee businesses and you know obviously you haven't owned these businesses for a long time so can you talk about your comfort level in achieving your organic sales growth in those businesses because it seems like synergy is another interest expense savings or seem pretty straightforward so just wanted to get your sense of organic sales growth opportunity there.

A. And is this mike on? That sounds clear enough. Thanks Judy. The 2 to 3% overall top line growth we expect from that whole segment of water and coffee solutions is made up by different levels of growth within the different businesses within there. And to give people a bit of a clearer flavour of where that comes from we see about 3% growth in DS Services, 1% growth in Eden Springs and over 3% growth top line in S&D Coffee and Tea. Now for the last one it's important to know that that would be over 3% growth at constant coffee prices. If coffee prices go up it will be even faster revenue growth and if they come down it would be lower revenue growth so in effect for S&D Coffee and Tea we're saying more than 3% volume growth per annum and since the business basically takes a pound of coffee and adds a spread it doesn’t really impact the profitability of the company if coffee prices are higher or lower. Simply put if coffee's 2 bucks 50 a pound and we're adding a dollar then we'll sell it at 3.50 if it goes down to 2 we'll sell it at 3 and if goes up to 3 we'll sell it at 4. And that business has a historic compound track record of more than 3% top line growth. So it's not out of line with what the businesses have shown they can do and it's not out of line with what the market backdrop of those segments and those charts I was using were all in the US shows is viable we did last year have an accelerated new customer growth in DS Services where we saw the fastest rate of new customer growth we've seen in more than the last decade and with that good news came some bad news that friction costs in absorbing so many new customers led to some upfront marketing costs and integration costs but it shows that there is appetite for the product and services, we grew 55,000 net organic customers last year up from 7,000 the year before so I think the demand's there and we just have to maintain our market share, everyone would like to see us grow it of course but maintaining our share broadly delivers that 2 to 3% overall growth from those mix of businesses.

Q. Thank you. Maybe in light of one of the earlier presentations that we had you could give us some insight into how e-commerce plays into your strategy and your business today. Thank you.

A. If you consider the majority of our water and coffee solutions businesses they are direct to customer businesses whether that be a hairdresser salon, a tyre replacement shop, a nursery, a dentist shop, any outlet on any strip mall in any town across America as well as to homes. The customer split in the US numerically and Jay can correct me is about 50% residential and 50% commercial of course the volume eschewed is more like one third residential two thirds commercial because of the higher consumption in those commercial businesses. You can just Google kind of water and you'll find water.com which is our website, you can place orders on those websites, you can sign up online, you can add cross sell and up sell products whether it's a 35 buck case of Voss water or a Sparkletts sparkling water that we make in our traditional factories. We do see the opportunity over time to increase our cross sell and up sell proportion of the business and to improve our pre-order through customers so that they can just go onto their account and say next week I want to add five cases of this because I've got people coming round. And that's something that already exists but our IT solution for that needs to get better over time. So it's an area we see a great opportunity to exploit and for example if you order Voss on Amazon or you want some Fiji home fulfilment we would be the delivery agent for those products in the US so not only is it something where we can increase our presence with our own brands it's somewhere where we can be the last mile solution for many other brands looking for how to get to homes in the US and given our routes cover 93% of the US population we're an attractive solution. We just want to make sure we do it at margins that are attractive when we compare it to our base business so we're not distracting people to deliver a case of something else at a significantly lower margin than what we are already doing.

I've got a couple of questions by email:

Q. One question is whether your business model is transferrable to emerging markets? And the other one is whether you could comment on coffee distribution in the US versus the rest of the world?

A. On the first one I'm sure the business model is transferrable because the businesses exist and we have scale in procurement, we manufacture our own five gallon bottles, we grind down the old ones to reuse the resin in the new ones, we have the largest scale of procurement for water coolers in the world, but that said our strategy James is not to go to emerging markets we are very clear that our priority for the next few years is to deleverage from our strong free cash flows and therefore our priority is to do add on overlapping transactions in the geographies we are already in because they bring these incredible synergies from that overlapping route infrastructure. In effect let's give an example. We bought a small company in Florida about a year ago, 22 routes just under 20,000 customers, we only needed to add 10 or 11 routes we didn't need to take their depots we didn't need their back office staff and the other dozen odd routes with the business we consolidated into our existing network and that's why these kind of overlapping transactions synergise down to three to four times EBITDA within a matter of just 2 or 3 months. Because really you're buying that customer list so while we want to deleverage James doing those kind of tuck ins are actually deleveraging in their own right which is quite rare that an acquisition can deleverage you at the same time. So business model transferrable but our focus is to expand in the markets we're already in.

And the second part because I've forgotten James.

Q. Yeah just whether you could comment on coffee distribution in the US versus the rest of the world. Whether you're in a position to comment on that.

A. Yeah we have a vending and catering business that's large in powdered hot chocolate creamers whiteners in the UK and it does do certain instant and micro ground coffees predominantly supplying to the food service and catering business. But I would say the similarities between that business and our US S&D Coffee and Tea business are quite low. In the US S&D is the custom roaster and grinder for the vast majority of the quick service restaurants you would see up and down any highway in the US. You might think they are roasting and grinding their own coffee and without naming them all in a public forum here the majority of them are not they are unique formulas that we have developed and blended for them and done the custom roasting and grinding. We would normally be the target holder as it's called hold the specification of those products because they will likely have a second supplier for some other geographic region within the US but the majority supplier would be ourselves so that's large scale high volume full pallet full truck delivery straight into the distribution centres of those major quick service restaurants hotel groups convenience chains versus our model in the UK of powdered beverages which is through intermediary wholesalers and catering service supply companies.

Question from the audience, over there

Q. Hi can I ask you mentioned that you have accelerated sort of the number of new customer acquisitions the last the last year can I understand what, how you accompanied that I mean was that pricing other levers that you're pulling and you also talked about cross selling opportunities how much is sort of bundled pricing part of that equation?

A. To answer the question on what really created the great increase in new customer ads last year you have to look at a couple different things. First off as part of renegotiating our Costco agreement we have a retail booth association with them we use to sell to their customers on a bundled type approach so from one price you'd get a cooler and three bottles or one cooler and four bottles but that created difficulties if someone was on holiday for a couple weeks and didn't want the bottle but it's a bundle so you have to pay for it so to simplify the programme we changed our agreement with our Costco customers where they just get it discounted per bottle type acquisition. So the first thing we did we changed the overall approach to those customers to our sales associates had a new Ipad type very easy method to sign up new customers and during that same period of time there was a lot of things in the news on questions about municipal water supply so really feel it's a combination of you know, our sales people being given better tools, better pricing architecture and consumer having increased concerns about municipal water supply all led to that significant growth that was you know very much not expected by us because we maintained generally a 50/50 type of approach to new customers being residential and commercial and last year we actually had to discontinue many commercial type operations on the marketing side because we had trouble just keeping up with the new residential customers we had so coming into this year, you know one of our goals is to continue to maintain a better balance on customer ads and we have worked with Costco to really get the programme where we think it's a much more sustainable and profitable programme.

Question down here in the front.

Q. Hi a question for your DS Services business. I wonder if you could just compare the service proposition for DS Services versus Nestle and have you seen any change in behaviour from Nestle have they recently focused on coffee and water as well as a growth area? Thank you.

A. I would say the proposition is very very similar and if you go back to the DS Services map it would show that we predominantly have the number one market position West of the Mississippi and we're either the number one or the more you get to the East Coast we're the number two and that's because Nestle's real strength is in that I95 corridor that runs down the East Coast. Nestle's route distribution infrastructure covers approximately 50% of the homes in the US versus the 93 odd per cent that we cover. So there is some difference within the geographic business model but the fundamental service that's being offered - water cooler, three and five gallon bottles of water, and some appropriate cross sell and up sell for beverage and hydration products is very very similar. I would say our national scale and our Costco relationship and we also manufacture and distribute which I think again reflects the fact that we're a full national route infrastructure nearly all of the water for Primo waters which if you go to a home depot or a Lowe's or a retail outlet and you want to buy a five gallon jug yourself and lug it home, we would do the manufacture delivery collection of empties for Primo, Primo has to find the customers, has the collection liability has the sales and marketing cost. So similar operations but our national platform gives us some additional I think market opportunity competitive advantage. In terms of behaviour it's a service driven business, when we study any quits from our business it's pretty clear that price is not the main reason for quits, it's I've moved, I've divorced, I've died, I don't pay my bill, all of those non controllables come first, after that is the whole category of you can't deliver on the day I want or I don't really get on with your driver, it tends to be service. Price would be no more than 10% and some people ask about people going over to filtration, quits for filtration would be no more than 2 to 3% of your quits so very small and if someone wants to move to a filtration our reliance service business that does 100% of all the filtration installations for Staples, Office Max etc would offer you that filtration if you do want to move across. So similar business models but some differences mainly driven by national coverage.

Got room, time for a couple more questions in here, raise your hand if you need a microphone. If not I've got a question here online.

Q. The question is what is your sustainable sourcing strategy for coffee and tea. Do you work with for example Rainforest Alliance or Fair Trade etc?

A. Actually we have just launched with one of largest quick service restaurant chains in the US a programme that we have branded ourselves that provides full see through right back to the plantation sustainability in that we see there's an advantage in our customers being able to have a USP in this area and bring forward something that's unique and enhanced rather than being part of a generic programme. Having received full accreditation of that programme now for the largest quick service restaurant business in the US we intend to generate versions of that for other large QSR restaurants which we think brings the first kind of real innovation or second wave of the ability to bring sustainable solutions so that's something we're quite excited about having literally got that all approved within the last couple of months James.

If there's not a question in here at the moment it might be an idea to break for the break out Q & A. Management's available for another quarter of an hour or so in the break out room. In the meantime I'd just like to thank Jerry and Jay very much for coming along. Thank you.

Thank you James. Thank you everyone.