COTT CORP /CN/
Form 424B5
August 13, 2010
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-159617

PROSPECTUS SUPPLEMENT

(To prospectus, dated June 19, 2009)

$64,960,000

Cott Corporation

11,600,000 COMMON SHARES

We are offering $64,960,000 of our common shares. Our common shares are listed on the New York Stock Exchange (NYSE) under the symbol COT and on the Toronto Stock Exchange (TSX) under the symbol BCB. On August 11, 2010, the last reported sale price of our common shares on the NYSE and the TSX was $5.67 and Cdn$5.95, respectively. We will receive all of the net proceeds from the sale of our common shares.

INVESTING IN OUR COMMON SHARES INVOLVES RISKS. SEE RISK FACTORS BEGINNING ON PAGE S-22 OF THIS PROSPECTUS SUPPLEMENT.

	Per Share	Total
Public offering price	$ 5.600	$ 64,960,000
Underwriting discounts and commissions	$ 0.224	$ 2,598,400
Proceeds, before expenses, to us	$ 5.376	$ 62,361,600

We have granted the underwriters an option exercisable for 30 days from the date of this prospectus supplement to purchase up to 1,740,000 additional common shares at the public offering price, less the underwriting discount, to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about August 17, 2010.

Joint Book-Running Managers

Deutsche Bank Securities **J.P. Morgan** **Morgan Stanley**

Co-Managers

Barclays Capital **BofA Merrill Lynch**

Prospectus Supplement dated August 11, 2010

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Prospectus

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone else to provide you with different information. If anyone provides you with different information, you should not rely on it. The securities are not being offered in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate on any date subsequent to the date set forth on the front cover page of this prospectus supplement or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus supplement and the accompanying prospectus is delivered or common shares are sold on a later date.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement relates to a prospectus which is part of a registration statement that we have filed with the Securities and Exchange Commission (SEC) utilizing a shelf registration process. Under this shelf registration process, we may sell the securities described in the accompanying prospectus in one or more offerings. The accompanying prospectus provides you with a general description of the securities we may offer. This prospectus supplement contains specific information about the terms of this offering. This prospectus supplement may add, update or change information contained in the accompanying prospectus. Please carefully read both this prospectus supplement and the accompanying prospectus, including the information described in the sections entitled Where You Can Find More Information and Incorporation by Reference of Certain Documents.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. In various places in this prospectus supplement and the accompanying prospectus, we refer you to sections of other documents for additional information by indicating the caption heading of the other sections. All cross-references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise indicated.

NON-GAAP FINANCIAL MEASURES

This prospectus supplement contains non-GAAP financial measures, that is, financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with generally accepted accounting principles (GAAP). Specifically, we make use of the non-GAAP measures EBITDA and Adjusted EBITDA. We also make use of ratios based on EBITDA, Adjusted EBITDA and pro forma Adjusted EBITDA.

We define EBITDA as earnings before interest expense, income taxes, non-controlling interests, depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted for items which are not considered by management to be indicative of the underlying results.

Management understands that some industry analysts and investors consider EBITDA and Adjusted EBITDA as supplementary non-GAAP financial measures useful in analyzing a company s performance. EBITDA and Adjusted EBITDA, however, are not measures of financial performance under GAAP and should not be considered as alternatives to, or more meaningful than, net income as a measure of operating performance or to cash flows from operating, investing or financing activities as measures of liquidity. Since EBITDA and Adjusted EBITDA are not measures determined in accordance with GAAP and are thus susceptible to varying interpretations and calculations, EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. EBITDA and Adjusted EBITDA do not represent an amount of funds that is available for management s discretionary use. Adjusted EBITDA, as defined above, is included because management believes it is pertinent to the daily management of operations, and management uses this financial measure to evaluate the impact of operational business decisions.

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Each of EBITDA and Adjusted EBITDA has limitations as an analytical tool, and you should not consider these measures in isolation from, or as a substitute for analysis of, our financial information reported under GAAP. Some of these limitations are:

- they do not reflect cash outlays for capital expenditures or future contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital;
- they do not reflect interest expense, or the cash requirements necessary to service interest, or principal payments, on indebtedness;
- they do not reflect income tax expense or the cash necessary to pay income taxes;
- they do not reflect available liquidity to our company; and
- other companies, including other companies in our industry, may not use such measures or may calculate such measures differently than as presented in this prospectus supplement, limiting their usefulness as comparative measures.

Because of these limitations, none of EBITDA, Adjusted EBITDA or any related ratio using such measures should be considered as a measure of discretionary cash available to invest in business growth or reduce indebtedness.

For a reconciliation of EBITDA and Adjusted EBITDA to net income (loss) attributable to the Company, see the section entitled Summary Consolidated Financial Data.

MARKET AND INDUSTRY DATA

This prospectus supplement includes market share and industry data and forecasts that we have obtained from market research, consultant surveys, publicly available information and industry publications and surveys, provided by such consultants as The Nielsen Company (UK) (Nielsen). Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Additionally, we have supplemented third-party information where necessary with management estimates based on our review of internal surveys, information from our customers and vendors, trade and business organizations and other contacts in markets in which we operate, and our management s knowledge and experience. However, these estimates are subject to change and are uncertain due to limits on the availability and reliability of primary sources of information and the voluntary nature of the data gathering process. As a result, you should be aware that industry data included or incorporated by reference herein, and estimates and beliefs based on that data, may not be reliable. Neither we nor the underwriters make any representation as to the accuracy or completeness of such information.

TRADEMARKS AND TRADE NAMES

We own, have rights or will own or acquire rights to trademarks, service marks, copyrights and trade names that we use in conjunction with the operation of our business, including *Cott*®, *Red Rain*® and *Orient Emporium Tea Co.* in the U.S., Canada and the U.K., *Stars & Stripes*®, *Vess*®, *Vintage*® and *So Clear*® in the U.S., *Red Rave* in Canada, *Emerge*®, *Red Rooster*® , *Carters*®, *Ben Shaws*® and the H2 family of brands in the U.K., *Stars & Stripes*® in Mexico, and *RC*® in more than 100 countries and territories outside of North America. Moreover, we are licensed to use certain trademarks such as *Jarritos*® in Mexico. This prospectus supplement also includes trademarks, service marks and trade names of other companies. Each trademark, service mark or trade name of any other company appearing in this prospectus supplement belongs to its holder. Unless otherwise

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indicated, use or display by us of other parties trademarks, service marks or trade names is not intended to and does not imply a relationship with, or endorsement or sponsorship by us of the trademark, service mark or trade name owner.

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include forward-looking information and forward-looking statements within the meaning of securities laws, including the safe harbor provisions of the Securities Act (Ontario), the United States Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the Securities Act of 1933, as amended (the Securities Act). All forward-looking information and forward-looking statements are based on our current beliefs as well as assumptions made by and information currently available to us and relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, new products and economic conditions. Forward-looking information and forward-looking statements may be identified by the use of words like believes, expects, plans, intends, estimates or anticipates and similar expressions, as well as future or conditional verbs such as will, should, w could. While we believe these forward-looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could be incorrect. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in such forward-looking statements. In addition, actual results could differ materially from those projected or suggested in any forward-looking statements as a result of a variety of factors and conditions which include, among others, the various risk factors described under Risk Factors and elsewhere in this prospectus supplement and the accompanying prospectus.

We caution the reader that the risk factors described in the section entitled Risk Factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict such new risk factors, nor can it assess the impact, if any, of such new risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. We undertake no obligation to update or revise these forward-looking statements, whether as a result of changes in underlying factors, new information, future events or otherwise, except as required by law.

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PROSPECTUS SUMMARY

This summary is not complete and does not contain all of the information that you should consider before buying our common shares. You should read the entire prospectus supplement and accompanying prospectus carefully including, in particular, the section entitled Risk Factors and the more detailed information and financial statements and related notes included or incorporated by reference in this prospectus supplement and the accompanying prospectus before making an investment decision.

As used in this prospectus supplement, unless the context otherwise requires or as is otherwise indicated, the words we, us, our, Cott, the Company and words of similar import refer to Cott Corporation, Cott Beverages Inc. and their subsidiaries on a consolidated basis. In this prospectus supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in United States (U.S.) dollars.

Our Company

We are the world s largest private-label beverage manufacturer. Our objective of creating sustainable long-term growth in revenue and profitability is predicated on working closely with our retailer partners to provide proven, profitable products. As a fast follower of innovative products, our goal is to identify new private-label product opportunities based on market trends and develop similar high quality private-label products at a better value for our retail partners and their consumers. This objective is increasingly relevant in more difficult economic times.

Our retailer brand beverages are an attractive alternative to the national brands for both retailers and consumers because of their quality, product design and enhanced value offering. Compared to retail prices of national brand beverages, consumers of our products save over 35% on average in the U.S. Our vertically integrated operations, low marketing and advertising costs, and efficient bottling facilities allow us to offer our products to our retailer partners at an attractive value as compared to national brand products.

On July 7, 2010, we entered into an Asset Purchase Agreement (the Asset Purchase Agreement) with Cliffstar Corporation (Cliffstar) to acquire substantially all of the assets and liabilities of Cliffstar and its affiliated companies (the Cliffstar Acquisition). Cliffstar is one of the leading suppliers of private-label beverages and the largest private-label producer of apple juice, grape juice, cranberry juice and juice-blends in North America. See Recent Developments Cliffstar Acquisition.

Operating Segments

We have five operating segments: North America (which includes the U.S. reporting unit and Canada reporting unit), United Kingdom (U.K.) (which includes our United Kingdom reporting unit and our Continental European reporting unit), Mexico, Royal Crown International (RCI) and All Other (which includes our international corporate expenses and our Asia reporting unit, which we closed at the end of fiscal 2008). In 2009, our North America, U.K., Mexico and RCI operating segments represented 73.5%, 22.5%, 2.7% and 1.3% of our revenue, respectively.

Our North America operating segment is primarily dedicated to the development, marketing, selling, production and distribution of carbonated soft drinks (CSDs), sparkling flavored waters and purified drinking water. While we also produce energy-related drinks and other non-carbonated products, these are a small portion of our overall product mix in North America. Based on industry information compiled from Nielsen, we estimate that as of January 2, 2010, we produced (either directly or through third-party manufacturers with whom we have co-packing agreements) approximately 59% of all retailer brand CSDs sold in the United States. Our customer base consists primarily of large retailers including grocery stores and mass merchandisers, although we also serve

customers in the dollar convenience and drug channels. Generally, product distribution is handled by our customers or through third parties. This method of distribution avoids the costly and capital-intensive functions of direct store delivery and merchandising, and allows us to focus on our core capabilities of providing low-cost manufacturing and supply chain expertise. Following the completion of the Cliffstar Acquisition, Cliffstar will become part of the North America operating segment and will significantly diversify our North American product mix.

Our U.K. operating segment has broad product manufacturing capabilities, including CSD, energy and aseptic drink production, which enable us to produce non-preserved juices, waters, sports drinks and other non-carbonated beverage products. We were the number one supplier of retailer brand CSDs in the U.K. as of the end of 2009. In 2009, CSDs accounted for approximately 45% of our U.K. revenues. We rank among the top three bottlers (by annual volume of cases produced) of energy drinks in the U.K. as of the end of 2009, including company-owned brands, retailer brands and co-manufactured brands.

Our Mexico operating segment was also the number one supplier of retailer brand CSDs in Mexico as of the end of 2009. We produce CSDs and spring water (flavored and still) primarily for large retail customers.

RCI sells CSDs and other beverage concentrates to beverage bottlers in over 50 countries around the world. These customers can either buy RC Cola branded concentrate for bottling, sale and distribution under the RC Cola brand or buy concentrates for other own-label or private-label CSDs. Many of the customers of our RCI concentrate business are located in countries where overall CSD sales have been growing consistently over the past several years.

Product Categories

The following charts set forth Cott s and Cliffstar s net revenues for the twelve months ended July 3, 2010 by product category:

[1] Thirst quenchers include teas, sports drinks, flavored waters and vitamin waters.

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Cott Categories

We have a diversified product portfolio across major non-alcoholic beverage categories, including beverages that are on-trend with consumer demand. Our products include CSDs, clear, still and sparkling flavored waters, juice-based products, bottled water, energy-related drinks and ready-to-drink teas. While CSDs and CSD concentrate accounted for 71.6% of our beverage case volume in 2009, they accounted for 61.9% of our 2009 total revenue. Although we sell the majority of our beverages under retailer brands to customers who own the trademarks associated with the products, we also utilize several of our own brands such as Red Rain, Orient Emporium Tea Co., Stars & Stripes and Red Rooster. In addition, we own the rights to RC Cola in more than 100 countries outside of North America.

Cliffstar Categories

Cliffstar is the leading private-label manufacturer of shelf-stable juices and the largest private-label producer of apple juice, grape juice, cranberry juice and juice blends in North America. In addition to juices, Cliffstar also offers a wide range of products including teas, sports drinks, flavored waters and vitamin waters. Cliffstar produces over 600 shelf-stable beverage formulas to the specifications and packaging requirements of its many private-label customers.

Pro Forma Categories

The Cliffstar Acquisition will enhance our position as the largest retailer brand beverage manufacturer in the world. Following the Cliffstar Acquisition, we will be a more diverse beverage provider with number one positions (by annual volume of cases produced) in private-label CSDs and shelf-stable juices, as well as a leading manufacturer of bottled water with growing positions in energy and sports drinks. The following chart sets forth pro forma net revenues for the twelve months ended July 3, 2010, by product category, after giving effect to the Cliffstar Acquisition:

(1) Pro forma Functional / New Age includes Cliffstar s thirst quenchers and flavored water products and Cott s ready-to-drink tea, sports and energy.
(2) Pro forma Juice/Juice drinks include Cliffstar s apple, cranberry, cranblends, grape and other fruit juices and Cott s juice drinks (UK).

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Competitive Strengths

We believe that our competitive strengths will enable us to maintain our position as the world s leading retailer brand beverage manufacturer and capitalize on future opportunities to drive sustainable and profitable growth in the long-run. We believe the Cliffstar Acquisition will enhance our competitive strengths, which include:

Leading Producer of Retailer Brand Beverages with Diverse Product Portfolio

We are the world s largest private-label beverage manufacturer. We currently have the number one private-label market share in each of the U.S., Canada, the United Kingdom and Mexico by annual volume of cases produced.

Our product portfolio ranges from traditional CSDs to categories such as clear, still and sparkling flavored waters, juice-based products, bottled water, energy-related drinks and ready-to-drink teas. We believe our proven ability to innovate and evolve our portfolio to meet changing consumer demand will position us well to continue to serve our retailer customers and their consumers. During 2009, we launched more than 100 new product stock-keeping units (SKUs), including new flavor profiles based on successful new product launches by the national brands, new package types and new product category introductions for our retailer partners.

We market or supply over 200 retailer, licensed and company-owned brands in our four core geographic segments. We sell CSD concentrates and non-carbonated concentrates in over 50 countries. We believe that our leadership position, our broad portfolio offering and our existing infrastructure will enable us to continue to further penetrate the private-label market, whether by winning contracts from competitors, launching new product SKUs with existing customers or supplying retailers who currently self-manufacture.

Cott offers products under trademarks which it owns or which it licenses on an exclusive basis, including:

[1] Licensed trademark

Following completion of the Cliffstar Acquisition, we will have an increased market share in the private-label juice category and a more diversified product portfolio, including shelf-stable juices such as apple juice,

grape juice, cranberry juice and juice-blends, as well as functional and new age beverages, which will allow us to further penetrate the private-label market. See Pro Forma Categories.

Extensive, Flexible Manufacturing Capabilities

Our leading position in the private-label market is supported by our extensive manufacturing network and flexible production capabilities. Our manufacturing footprint encompasses 20 strategically located beverage production facilities, including nine in the U.S., five in Canada, four in the U.K., two in Mexico, as well as a vertically-integrated concentrate facility in Columbus, Georgia.

In our North America operating segment, we are the only dedicated private-label CSD producer with a manufacturing footprint across North America. Manufacturing flexibility is one of our core competencies and is critical to private-label leadership, as our products will typically feature customized packaging, design and graphics for our key retailer customers. Our ability to produce multiple SKUs and packages on our production lines and manage complexities through quick-line changeover processes differentiates us from our competition.

Following the completion of the Cliffstar Acquisition, we will add 11 facilities in the United States, including five bottling and distribution operations, three fruit processing facilities, two fruit receiving stations and one storage facility, further enhancing our geographic footprint and manufacturing flexibility.

(a) Dunkirk includes two facilities: A fruit processing and storage facility (primarily used for storage) and a production facility (7 bottling lines).

High Customer Service Level and Strong Customer Integration

Private-label industry leadership requires a high level of coordination with our retailer customers in areas such as supply chain, product development and customer service. In addition to managing increased product manufacturing complexity efficiently, we have a proven track record of maintaining high service levels across our customer base. We also partner closely with customers on supply chain planning and execution to minimize freight costs, reduce working capital requirements and increase in-store product availability. We work as a team with our retailer customers on new product development and packaging designs. Our role includes providing market expertise as well as knowledge of category trends that may present opportunities for our retail customers. A high level of customer integration and partnership coupled with a nationwide manufacturing footprint is critical for the development of successful private-label programs. We intend to remain committed to these values following the completion of the Cliffstar Acquisition.

Strategic Importance to Blue-Chip Retailers

We have longstanding relationships with many of the world s leading retailers in the grocery and mass merchandise channels, enabling retailers to build their private-label programs with high-quality, affordable non-alcoholic beverages. We are the sole supplier for a majority of our clients due to our competitive advantages, including:

- private-label expertise;
- vertically-integrated, low cost production platform;
- one-stop sourcing;
- CSD category insights and marketing expertise;
- supply chain and high quality consistency in products; and
- product innovation and differentiation.

For 2009, our top ten customers accounted for 60% of total revenue. Wal-Mart was the only customer that accounted for more than 10% of our total revenue for the period, representing 33.5% of total revenue. We have established long-standing relationships with most of our top 10 customers. As a result of our high product quality and service, coupled with a national manufacturing footprint, we believe we will continue to play a meaningful role in helping our customers develop brand strategies to build loyalty with consumers.

While Cliffstar may share many of the same customers, we expect that the Cliffstar Acquisition, and the associated broadening of our product portfolio and cross-selling opportunities, will further strengthen our longstanding relationships with our existing customers. The combination will also increase our presence at retailers, including club and drug stores.

Strong Management Team with Significant Operating Experience

We have in place a strong executive team with extensive industry experience to build on our strengths and to implement our business strategy. Our management team has a proven track record of successful management with positive operating results, both with us and in previous leadership roles in the consumer goods and beverage industries.

Our management team is led by Jerry Fowden, our Chief Executive Officer. Mr. Fowden has extensive experience in the beverage industry, including leadership positions at AB-InBev (formerly known as InBev),

Hero Group AG and Pepsico. In addition, our management team includes Neal Cravens, our Chief Financial Officer. Mr. Cravens has held senior finance positions in both public and private companies, including approximately 20 years at Seagram Company, Ltd.

Our businesses are led by executives with extensive experience in the beverage and consumer goods industries. Throughout the organization, we benefit from employees prior experiences in other global beverage bottling companies, including leaders of our manufacturing plants who have worked at bottling companies of national brands.

We will seek to retain several of Cliffstar s key management team throughout the integration period, particularly Cliffstar Chairman Stanley Star, with whom we have entered into a three year consulting agreement.

Business Strategy

Our primary goal is to maintain long-term profitability and enhance our position as the market leader and preferred supplier of retailer brand beverages in the markets where we operate. Continued leadership in our core markets will enable us to sustain and grow profitability as we drive for increased private-label penetration and share growth within our core product categories. We believe that the following strategies will help us to achieve our goal:

Customer Focus

Customer relationships are important for any business, but at Cott, where our products bear our customers brand names, we must maintain close relationships with our customers. We will continue to provide our retailer partners with high quality products and great service at an attractive value that will help them provide quality value-oriented products to their consumers.

We will continue to focus on our high customer service levels as well as core private-label innovations through the introduction of new packages, flavors and varieties of beverages. We believe our focus on our customers will enable us to leverage our existing relationships and to develop new ones in existing and new markets. As a fast follower of innovative products, our goal is to identify new products that are succeeding in the marketplace and develop similar products of high quality for our retailer partners to offer their customers at a better value.

Continue to Lower Operating Costs

As a retailer brand producer, we understand that our long-term success will be closely tied to our ability to remain a low-cost supplier. Effective management of commodity costs is critical to our success, including entering into contract commitments with suppliers of key raw materials such as aluminum and high fructose corn syrup (HFCS). On an ongoing basis we review our fixed overhead and manufacturing costs for opportunities for further reductions. In 2009, we significantly reduced overhead costs and continue to work towards further modest cost reductions in 2010.

Control Capital Expenditures and Rigorously Manage Working Capital

Consistent with our status as a low-cost supplier, we leverage our existing manufacturing capacity and maintain an efficient supply chain. We are committed to carefully prioritizing our capital investments that provide the best financial returns for Cott and for our retailer partners, while maintaining safety, efficiency and superior product quality. Our production facilities operate according to the highest standards of safety and product quality. We perform regular third-party audits of our facilities and are subject to consistent quality audits on behalf of our customers. We will continue to evaluate growth and other opportunities, while remaining mindful of our total capital expenditure targets.

In 2009, our capital expenditures were devoted to maintenance on existing manufacturing facilities, additional capabilities such as expanded can production capability in the U.K., and other investments in the U.S. to improve the competitiveness and consumer appeal of certain packaging configurations.

Cash Flow Management

We believe that a strong financial position will enable us to capitalize on opportunities in the marketplace. As such, we continuously review and improve the effectiveness of our cash management processes. We strive to achieve the most optimal working capital level, optimize our capital expenditures and continuously drive operating cost improvements to enhance cash flow and fortify our balance sheet. We believe the combined Cott Cliffstar business provides further opportunities to improve operating efficiency and strengthen our cash flow generation.

New Business Opportunities

With the progress achieved during 2009 in improving customer relationships, reducing costs, reducing capital expenditures and improving cash management, we have increased our focus on pursuing new business within our core product categories and customers. We believe our best opportunities for profitable new business are in products that leverage our effective product development capabilities and low-cost manufacturing network. In 2009, we announced a target to secure 20 million raw cases of new business. As of the second quarter of 2010, we were 90% towards our goal. We see further opportunity for new products in several areas, including enhanced value offerings on CSDs through packaging and ingredient innovations, as well as expanding our sales in the energy-related drink category in the U.S. While pursuing these opportunities will require some investment, we intend to make these investments within our existing targets for capital expenditures.

Pursue Select Acquisitions

We believe that opportunities exist for us to enhance our scale, reduce fixed manufacturing costs and broaden our product portfolio. We believe that the Cliffstar Acquisition represents such an opportunity. We will continue to evaluate and pursue other strategic opportunities if we believe they would enhance our industry position, strengthen our business and build value for our shareholders.

Recent Developments

2010 Second Quarter Results

The following are certain key financial metrics regarding our consolidated results for the second quarter of 2010 as compared to the second quarter of 2009:

- revenue was $425 million compared to $439 million;
- gross margin as a percentage of sales increased to 17.3% from 16.7%;
- operating income increased 15%, to $39 million from $34 million;
- income before taxes of $32.5 million compared to $29.6 million; and
- EBITDA was $53.5 million.

Revenue for the second quarter of 2010 was $425 million compared to $439 million in the second quarter of 2009, a decline of 3%, or 4%, excluding the impact of foreign exchange. Significant promotional activity by the national brands resulted in lower revenue in our North America operating segment, partially offset by increased international revenue. Operating income increased 15% to $39 million in the second quarter of 2010 from $34 million in the second quarter of 2009. Operating income benefited from lower costs and strong international performance. Net income and earnings per diluted share in the second quarter of 2010 were $22 million and $0.28, respectively, compared to

$34 million and $0.48, respectively, in the second quarter of 2009. The decrease

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in net income and earnings per diluted share was due to higher taxes; Cott recognized an income tax benefit of $5 million in 2009, compared to a tax expense of $9 million in 2010.

For more detail, please see our Quarterly Report for the quarterly period ended July 3, 2010, incorporated by reference herein.

Cliffstar Acquisition

On July 7, 2010, we entered into the Asset Purchase Agreement with Cliffstar to acquire substantially all of the assets and liabilities of Cliffstar and its affiliated companies. Cliffstar, a privately-held corporation headquartered in Dunkirk, New York, manufactures, sells and distributes non-alcoholic beverages, primarily private-label shelf-stable juices. Cliffstar is one of the leading suppliers of private-label beverages and the largest private-label producer of apple juice, grape juice, cranberry juice and juice-blends in North America. The Cliffstar Acquisition is expected to close in the third quarter of 2010. This offering is not contingent on the completion of the Cliffstar Acquisition.

The purchase price of the Cliffstar Acquisition is $500.0 million in cash, payable at closing, subject to adjustment for working capital, indebtedness and certain expenses and $14.0 million of deferred consideration which will be paid over a three-year period. Cliffstar is entitled to additional contingent earnout consideration of up to a maximum of $55.0 million, based upon the achievement of certain performance measures during the fiscal year ending January 1, 2011, as well as the taking of substantial steps toward upgrades of certain expansion projects in 2010. See the section entitled Unaudited Pro Forma Condensed Combined Financial Information.

The Asset Purchase Agreement contains representations, warranties, covenants and conditions that we believe are customary for a transaction of this size and type, as well as indemnification provisions subject to specified limitations. The closing of the Cliffstar Acquisition is subject to several conditions, including receipt of financing and other customary conditions, including receipt of required regulatory approvals, and there can be no assurance that the Cliffstar Acquisition will be completed as contemplated, or at all. See Risk Factors Risks Related to the Cliffstar Acquisition. The condition relating to the expiration of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 waiting period has been satisfied as of July 30, 2010.

We expect to realize several benefits from the Cliffstar Acquisition, including the following:

Strengthened Position as Retailer Brand Beverage Leader. Combined with Cliffstar, we will be a larger, more balanced producer of private-label beverages with a leadership position in private-label within two of the largest ready-to-drink categories: CSDs and shelf-stable juices. The combination will increase our presence at retailers including club and drug stores where we have no significant presence today. A strengthened leadership position in private-label will enable us to be a more effective retailer partner.

Entry into Attractive Category. Shelf-stable juice drinks are one of the largest non-carbonated non-alcoholic beverage categories in North America. The addition of Cliffstar s leadership position in this large and stable category will enhance Cott s position as a leader in retailer brand beverages. With approximately 21% of the shelf-stable juice category in North America, private-label penetration is more than double that of CSDs, due in large part to a price gap to national brand products of between 25% and 40%. With increased consumer awareness of health and wellness in beverage products, entry into the shelf-stable juice category provides a strong platform into products that are naturally rich in vitamins and nutrients.

Further Diversification of Our Product Offering. The Cliffstar Acquisition will broaden our product portfolio to include shelf-stable juices such as apple juice, grape juice, cranberry juice and juice-blends, as well as smoothies and new age beverages, increasing our cross-selling opportunities and resulting in an increase in the penetration of our products into a broader retailer base. Following the completion of the Cliffstar Acquisition, we would have had a pro forma product offering mix for the twelve months ended July 3, 2010 of 43% CSDs, 35% juice and juice drinks, 14% waters and 8% functional and new age.

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Leveraging Our Strong Customer Relationships. Further strengthening our relationships with our retailer partners is a key element of our business strategy. Our customers recognize us for excellent service and coordination, which is required in combination with strong value creation for a successful and sustainable private-label program. The Cliffstar Acquisition will enable us to improve coordination and sustain high service levels with our retailer partners as a combined supplier across the two largest ready-to-drink categories. A broader customer base will also enable long-term opportunities for up-selling and cross-selling as we demonstrate the value of private-label programs in both CSD and juice products across all of our customers.

Manufacturing, Operating and Product Capability. Much of the growth in ready-to-drink categories in recent years has come through hot-fill production beverages such as nutrient-enriched waters, sports drinks and juices. The Cliffstar Acquisition will add 11 manufacturing and storage plants with hot and cold-fill capabilities, increasing our geographic footprint and providing a low-cost platform to implement new product innovations previously not available to us because of our predominantly cold-fill bottling network in North America. Combined with Cliffstar, we will also have expanded capabilities in single-serve package formats, which provide enhanced top line growth opportunities and bottom line profit contributions in the CSD and shelf-stable juice categories.

Increased Cost Savings and Manufacturing Efficiencies. We intend to integrate Cliffstar s operations into our business operations. We believe we can generate incremental cost savings throughout the combined company, by realizing economies of scale, combining engineering, technology and procurement efforts and eliminating duplicative distribution and back office systems. We believe that our business strategy of strengthening customer relationships, reducing operating costs, optimizing capital expenditures and carefully managing cash flow can be applied successfully to Cliffstar to yield further ongoing cost reductions and efficiency improvements. We may not, however, be able to realize all or any of the anticipated cost savings or other benefits from the integration of Cliffstar, either in the amount or the time frame we currently expect, and the costs of achieving these benefits may be higher than we currently expect.

Financing of the Cliffstar Acquisition

We intend to use the net proceeds from this offering to pay a portion of the purchase price and related fees and expenses for the Cliffstar Acquisition. We plan to fund the remainder of the Cliffstar Acquisition with the net proceeds from a concurrent notes offering and borrowings under an amended asset based lending facility.

Concurrent Notes Offering

Concurrently with this offering, under a separate offering memorandum, we are offering $375.0 million of senior notes due 2018 (the Notes Offering), in a private offering pursuant to Rule 144A and Regulation S under the Securities Act. We intend to use the net proceeds from the Notes Offering to fund a portion of the Cliffstar Acquisition. The completion of the Notes Offering is contingent on the completion of the Cliffstar Acquisition.

We expect to close the Notes Offering simultaneously with the completion of this offering. No assurance can be given that the Notes Offering will be completed or, if completed, as to the final terms of the Notes Offering. This offering of common shares is not contingent on the completion of the Notes Offering.

The Notes Offering will not be registered under the Securities Act or the securities laws of any other jurisdiction, and the notes may not be offered or sole in the United States absent registration or an applicable exemption from registration requirements. The notes will only be offered to qualified institutional buyers in the United States pursuant to Rule 144A under the Securities Act and outside the United States pursuant to Regulation S under the Securities Act. This description and other information in this prospectus supplement regarding the Notes Offering is included in this prospectus supplement solely for information purposes. Nothing in this prospectus supplement should be construed as an offer to sell, or the solicitation of an offer to buy, any notes.

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Amended ABL Facility

Our existing asset based lending facility (the ABL Facility) is a five-year revolving facility of up to $225.0 million that matures in March 2013. The amount available under the ABL Facility is dependent on a borrowing base calculated as a percentage of the value of eligible inventory, accounts receivable and property, plant and equipment. The ABL Facility has subfacilities for letters of credit and swingline loans and geographical sublimits for Canada ($40.0 million) and the U.K. ($75.0 million). We have obtained a financing commitment from various lenders led by JPMorgan Chase Bank, N.A. and Deutsche Bank Securities Inc., pursuant to which we expect to refinance the ABL Facility (the Amended ABL Facility) to, among other things, provide for the Cliffstar Acquisition, the Notes Offering and the application of net proceeds therefrom, this offering and the application of net proceeds therefrom and increase the amount available for borrowings to an amount up to $275.0 million. We intend to use the borrowings under the Amended ABL Facility to fund a portion of the Cliffstar Acquisition and to fund our ongoing operations. The completion of the Amended ABL Facility is contingent on, among other things, the completion of the Cliffstar Acquisition.

We expect to close the Amended ABL Facility simultaneously with the completion of this offering. No assurance can be given that the Amended ABL Facility will be completed or, if completed, as to the final terms of the Amended ABL Facility. This offering of common shares is not contingent on the completion of the Amended ABL Facility.

Corporate Information

Cott Corporation was incorporated in 1955 and is governed by the Canada Business Corporations Act. Cott Beverages Inc. was incorporated in 1991 as a Georgia corporation. Our registered Canadian office is located at 333 Avro Avenue, Pointe-Claire, Quebec, Canada H9R 5W3, and our principal executive offices are located at 5519 W. Idlewild Avenue, Tampa, Florida, United States 33634 and 6525 Viscount Road, Mississauga, Ontario, Canada L4V 1H6. Our telephone number is (813) 313-1800. Our website address is www.cott.com. **The information appearing on our website is not part of this prospectus supplement or the accompanying prospectus.**

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The Offering

Issuer	Cott Corporation
Securities offered	$64,960,000 of common shares, no par value.
Over-allotment option	We have granted the underwriters an option exercisable for a period of 30 days from the date of this prospectus supplement to purchase up to an additional 1,740,000 common shares at the public offering price, less the underwriting discount, to cover over-allotments, if any.
Common shares outstanding after this offering	93,010,120 common shares (94,750,120 common shares if the underwriters exercise their over-allotment option with respect to the offering in full).
Use of proceeds	We estimate that our net proceeds from this offering, after underwriting discounts and commissions and estimated offering fees and expenses, will be approximately $61.7 million. We intend to use the net proceeds from this offering: to pay a portion of the purchase price and related fees and expenses for the Cliffstar Acquisition; and for other general corporate purposes, if the Cliffstar Acquisition is not consummated, or with the proceeds received from the exercise of the over-allotment option.
See Use of Proceeds.	
Risk factors	See the section entitled Risk Factors beginning on page S-22 of this prospectus supplement and beginning on page 7 of the accompanying prospectus, and other information included in this prospectus supplement and the accompanying prospectus, for a discussion of factors you should carefully consider before deciding to invest in our common shares.
New York Stock Exchange symbol	COT
Toronto Stock Exchange symbol	BCB

The number of our common shares outstanding after completion of this offering is estimated based on approximately 81,410,120 common shares outstanding as of August 3, 2010. Unless otherwise indicated, the number of common shares outstanding presented in this prospectus supplement does not include:

11.2 million common shares reserved for future stock option grants under our equity compensation plans as of August 3, 2010;

0.9 million common shares issuable upon exercise of outstanding stock options as of August 3, 2010 at a weighted average exercise price of $16.95 per share; and

1,740,000 common shares issuable upon the exercise by the underwriters of the over-allotment option.

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Summary Unaudited Pro Forma Condensed Combined Financial Data

The following tables set forth summary unaudited pro forma condensed combined financial data of Cott and Cliffstar for the year ended January 2, 2010 and as of and for the six months and twelve months ended July 3, 2010. This information has been prepared by our management and gives pro forma effect to the Cliffstar Acquisition, this offering and the application of net proceeds therefrom, the Notes Offering and the application of net proceeds therefrom and the borrowings under the Amended ABL Facility, in each case as if they occurred on January 2, 2009, for income statement purposes, and July 3, 2010, for balance sheet purposes. The pro forma data has been prepared from, and should be read in conjunction with, the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information, the historical financial statements of Cott and Cliffstar and Cott s Management s Discussion and Analysis of Financial Condition and Results of Operations, all of which are included or incorporated by reference herein. See the section entitled Where You Can Find More Information and Incorporation by Reference of Certain Documents.

This pro forma financial data does not purport to represent what our results of operations or financial position would have been if the Cliffstar Acquisition, this offering, the Notes Offering and the Amended ABL Facility had occurred as of the dates indicated or what those results will be for future periods. The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. For more information on the assumptions made in preparing this pro forma financial data, see the section entitled Unaudited Pro Forma Condensed Combined Financial Information. Our historical results included below and incorporated by reference herein do not necessarily indicate results that may be expected for any future period.

	Fiscal Year Ended Jan. 2, 2010	Six Months Ended June 27, 2009	Six Months Ended July 3, 2010	Twelve Months Ended July 3, 2010
	(millions of U.S. dollars)			
Income Statement Data:				
Revenue	$ 2,268.0	$ 1,161.9	$ 1,117.7	$ 2,223.8
Cost of sales	1,919.0	978.4	923.9	1,864.5
Gross profit	349.0	183.5	193.8	359.3
Selling, general and administrative expenses	206.4	99.2	99.3	206.5
Loss on disposal of property, plant and equipment	0.5		0.1	0.6
Restructuring, and asset impairments:				
Restructuring [(a)]	1.5	1.6	(0.5)	(0.6)
Asset impairments [(b)]	3.6	3.5		0.1
Operating income	137.0	79.2	94.9	152.7
Other (income) expense, net	4.9	(2.4)	2.7	10.0
Interest expense, net	67.1	33.8	31.0	64.3
Income before income taxes	65.0	47.8	61.2	78.4
Income tax expense (benefit)	(22.1)	(10.2)	17.7	5.8
Net income	87.1	58.0	43.5	72.6
Less: Net income attributable to non-controlling interests	4.6	2.2	2.6	5.0
Net income attributed to Cott Corporation	$ 82.5	$ 55.8	$ 40.9	$ 67.6

(a) In 2009, we recorded $1.5 million related to headcount reductions and in 2010, we recorded a gain related to a lease contract settlement.

(b) In 2009, we recorded an impairment related to a customer list intangible asset.

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	Fiscal Year Ended Jan. 2, 2010	Six Months Ended June 27, 2009	Six Months Ended July 3, 2010	Twelve Months Ended July 3, 2010
		(millions of U.S. dollars)		
Balance Sheet Data (at period end):				
Cash and cash equivalents			$ 21.1	
Working capital [(1)]			177.1	
Property, plant and equipment, less accumulated depreciation			424.1	
Total assets			1,520.3	
Short-term borrowings			95.6	
Long-term debt (includes CPLTD) [(2)]			613.6	
Total debt			709.2	
Net debt [(3)]			688.1	
Total Equity			484.4	
Other Financial Data (unaudited):				
EBITDA [(4)]	$ 228.2	$ 130.1	$ 138.0	$ 236.1
Adjusted EBITDA [(5)]	241.1	135.2	137.5	243.4
Depreciation and amortization	96.1	48.5	45.8	93.4
Capital expenditures [(6)]	46.3	18.1	25.0	53.2

(1) Working capital consists of receivables, inventories, income tax recoverable, net of accounts payable and accrued liabilities.

(2) CPLTD is the current portion of long-term debt.

(3) Net debt means our total debt less cash and cash equivalents.

(4) EBITDA means earnings before interest expense, income taxes, depreciation, amortization and net income attributable to non-controlling interests. Other companies may define EBITDA differently and, as a result, our measure of EBITDA may not be directly comparable to EBITDA of other companies. A reconciliation of EBITDA to net income is included in footnote (5) below.

(5) Adjusted EBITDA means EBITDA adjusted for items which are not considered by management to be indicative of the underlying results. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about our financial performance. However, we have incurred the charges and expenses that constitute these adjustments in prior periods and expect to incur them in future periods. These expectations are forward-looking statements within the meaning of the securities laws and actual results may vary due to various risks, including those identified in the section entitled Risk Factors. Since EBITDA and such supplementary adjustments to EBITDA are not in accordance with GAAP, they thus are susceptible to varying interpretations and calculations. Each of EBITDA and Adjusted EBITDA has limitations as an analytical tool, and you should not consider these measures in isolation from, or as a substitute for analysis of, our financial information reported under GAAP. Because of these limitations, none of EBITDA, Adjusted EBITDA or any related ratio using such measures should be considered as a measure of discretionary cash available to invest in business growth or reduce indebtedness. You are therefore cautioned not to place undue reliance on Adjusted EBITDA and financial ratios based on Adjusted EBITDA. The following table provides a reconciliation of Adjusted EBITDA to net income (loss):

	Year Ended Jan. 2, 2010	Six Months Ended June 27, 2009	Six Months Ended July 3, 2010	Twelve Months Ended July 3, 2010
	(millions of U.S. dollars)			
Pro forma net income attributed to Cott	$ 82.5	$ 55.8	$ 40.9	$ 67.6
Interest expense, net	67.1	33.8	31.0	64.3
Income tax (benefit) expense	(22.1)	(10.2)	17.7	5.8
Depreciation and amortization	96.1	48.5	45.8	93.4
Net income attributable to non controlling interests	4.6	2.2	2.6	5.0
EBITDA	228.2	130.1	138.0	236.1
Adjustments to EBITDA:				
Restructuring(a)	1.5	1.6	(0.5)	(0.6)
Asset impairments(b)	3.6	3.5		0.1
Other expense (loss on buyback of notes)	3.3			3.3
Inventory adjustment(c)	2.5			2.5
Incentive adjustment(d)	2.0			2.0
Adjusted EBITDA	$ 241.1	$ 135.2	$ 137.5	$ 243.4

(a) In 2009, we recorded $1.5 million related to headcount reductions and in 2010, we recorded a gain related to a lease contract settlement.

(b) In 2009, we recorded an asset impairment related to a customer list intangible asset.

(c) In 2009, Cliffstar recorded an inventory adjustment of $2.5 million to revise prices paid for product purchases in fiscal 2008. We excluded this amount as we believe it is unusual and non-recurring in nature.

(d) In 2009, Cliffstar executed a discretionary incentive payment to certain employees that was in addition to their existing incentive plans. We excluded this amount as we believe it is unusual and non-recurring in nature.

(6) Includes information technology expenditures.

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Summary Consolidated Financial Data

Cott Corporation

The following tables set forth our summary consolidated financial data. You should read the following summary consolidated financial data in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, contained within our audited consolidated financial statements and related notes and our unaudited interim consolidated financial statements and related notes incorporated by reference herein. See the sections entitled Where You Can Find More Information and Incorporation by Reference of Certain Documents.

Our summary historical consolidated financial data as of and for the years ended January 2, 2010, December 27, 2008 and December 29, 2007 has been derived from our audited historical consolidated financial statements incorporated by reference herein. Our summary historical consolidated financial data as of and for the six months ended July 3, 2010 and June 27, 2009 has been derived from our unaudited interim historical consolidated financial statements incorporated by reference herein. The summary historical consolidated financial data as of and for the twelve month period ended July 3, 2010 has been prepared by adding the statement of operations data for the six months ended July 3, 2010 and the year ended January 2, 2010 and subtracting the statement of operations data for the six months ended June 27, 2009. In the opinion of management, the unaudited interim consolidated financial data reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly our financial position for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

	Fiscal Year Ended			Unaudited		
				Six Months Ended		Twelve Months Ended
	Dec. 29, 2007	Dec. 27, 2008	Jan. 2, 2010	June 27, 2009	July 3, 2010	July 3, 2010
	(millions of U.S. dollars)					
Income Statement Data:						
Revenue	$ 1,776.4	$ 1,648.1	$ 1,596.7	$ 805.8	$ 787.6	$ 1,578.5
Cost of sales	1,578.0	1,467.1	1,346.9	674.3	656.9	1,329.5
Gross Profit	198.4	181.0	249.8	131.5	130.7	249.0
Selling, general and administrative expenses	161.9	179.8	146.8	69.8	66.9	143.9
Loss on disposal of property, plant and equipment	0.2	1.3	0.5		0.1	0.6
Restructuring, goodwill and asset impairments:						
Restructuring[1]	24.3	6.7	1.5	1.6	(0.5)	(0.6)
Goodwill impairments[2]	55.8	69.2				
Asset impairments[3]	10.7	37.0	3.6	3.5		0.1
Operating income (loss)	(54.5)	(113.0)	97.4	56.6	64.2	105.0
Other (income) expense, net	(4.7)	(4.7)	4.4	(2.7)	2.3	9.4
Interest expense, net	32.8	32.3	29.7	15.1	12.3	26.9
Income (loss) before income taxes	(82.6)	(140.6)	63.3	44.2	49.6	68.7
Income tax (benefit) expense	(13.9)	(19.5)	(22.8)	(11.6)	13.2	2.0
Net income (loss)	(68.7)	(121.1)	86.1	55.8	36.4	66.7
Less: Net income attributable to non-controlling interests	2.7	1.7	4.6	2.2	2.6	5.0
Net income (loss) attributed to Cott Corporation	$ (71.4)	$ (122.8)	$ 81.5	$ 53.6	$ 33.8	$ 61.7

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	Fiscal Year Ended			Unaudited Six Months Ended	
	Dec. 29, 2007	Dec. 27, 2008	Jan.2, 2010	June 27, 2009	July 3, 2010
	(millions of U.S. dollars)				
Cash Flow Data:					
Cash flows provided by operating activities	79.5	66.9	155.1	58.4	39.5
Cash flows used in investing activities	(78.1)	(54.8)	(32.2)	(12.3)	(21.1)
Cash flows provided by (used in) financing activities	12.4	(19.3)	(107.5)	(48.3)	(28.6)

	Fiscal Year Ended			Unaudited Six Months Ended		Unaudited Twelve Months Ended
	Dec. 29, 2007	Dec. 27, 2008	Jan. 2, 2010	June 27, 2009	July 3, 2010	July 3, 2010
	(millions of U.S. dollars)					
Balance Sheet Data (at period end):						
Cash and cash equivalents	$ 27.4	$ 14.7	$ 30.9	$ 13.2	$ 20.3	
Working capital(4)	162.9	116.4	103.5	138.2	145.4	
Property, plant and equipment, less accumulated depreciation	388.4	346.8	343.0	346.4	332.6	
Total assets	1,144.4	873.1	873.8	927.6	880.0	
Short-term borrowings	137.0	107.5	20.2	66.6	10.6	
Long-term debt (includes CPLTD)(5)	271.4	302.0	250.8	298.7	237.1	
Total debt	408.4	409.5	271.0	365.3	247.7	
Net debt(6)	381.0	394.8	240.1	352.1	227.4	
Total equity	432.2	246.5	401.3	318.1	431.1	
Other Financial Data (unaudited):						
EBITDA(7)	$ 21.9	$ (27.6)	$ 159.2	$ 92.6	$ 92.7	$ 159.3
Adjusted EBITDA(8)	112.7	85.3	167.6	97.7	92.2	162.1
Depreciation and amortization	71.7	80.7	66.2	33.3	30.8	63.7
Capital expenditures(9)	77.2	59.3	33.9	13.6	21.5	41.8

(1) In 2007, we recorded restructuring charges of $24.3 million relating to the organizational restructuring and headcount reductions associated with the realignment of the North American business and contract lease termination costs, severance and other costs relating to the closures of the Wyomissing plant and warehouse. In 2008, we recorded restructuring charges totaling $6.4 million in connection with severance costs relating to headcount reductions associated with our plan to refocus on retailer brands and reduce costs in the operation of our business (the Refocus Plan), and $0.3 million relating to lease termination. In 2009, we recorded restructuring charges of $1.5 million in connection with severance costs relating to headcount reductions associated with the Refocus Plan. In 2010, we recorded a gain related to a lease contract settlement.

(2) In 2007, we recorded a non-cash impairment loss of $55.8 million, which is comprised of $0.8 million for the disposal of the Revelstoke facility and $55.0 million goodwill impairment charge for the United States reporting unit. In 2008, we recorded a non-cash $69.2 million goodwill impairment charge due to declines in our forecasts of volumes and the profit margin of products in the U.K., which resulted in lower revenues and operating income than the forecast used to value this asset in our 2007 impairment analysis.

(3) In 2007, we recorded non-cash asset impairments of $10.7 million primarily related to the disposal of a water production facility and the discontinuance of certain hot-fill production assets. In 2008, we recorded a $35.4 million non-cash asset impairment charge related to intellectual property acquired from Royal Crown Company, Inc. (Royal Crown), including the right to manufacture our concentrates, with all related inventions, processes, technologies, technical and manufacturing information, know-how and the use of the Royal Crown brand outside of North America and Mexico and recorded a non-cash $2.6 million asset impairment charge for our Elizabethtown facility. We also recovered $1.0 million of previously impaired held-for-sale assets (hot filled production assets) in 2008. In 2009, we recorded $3.6 million of asset impairments, primarily related to customer intangibles.

(4) Working capital consists of receivables, inventories, income tax recoverable, net of accounts payable and accrued liabilities.

(5) CPLTD is the current portion of long-term debt.

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(6) Net debt means our total debt less cash and cash equivalents.

(7) EBITDA means earnings before interest expense, income taxes, depreciation, amortization and net income attributable to non-controlling interests. Other companies may define EBITDA differently and, as a result, our measure of EBITDA may not be directly comparable to EBITDA of other companies. A reconciliation of EBITDA to net income (loss) is included in footnote (8) below.

(8) Adjusted EBITDA means EBITDA adjusted for items which are not considered by management to be indicative of the underlying results. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about our financial performance. However, we have incurred the charges and expenses that constitute these adjustment in prior periods and expect to incur them in future periods. These expectations are forward-looking statements within the meaning of the securities laws and actual results may vary due to various risks, including those identified in the section entitled Risk Factors. Since EBITDA and such supplementary adjustments to EBITDA are not in accordance with GAAP and thus are susceptible to varying interpretations and calculations. Each of EBITDA and Adjusted EBITDA has limitations as an analytical tool, and you should not consider these measures in isolation from, or as a substitute for analysis of, our financial information reported under GAAP. Because of these limitations, none of EBITDA, Adjusted EBITDA or any related ratio using such measures should be considered as a measure of discretionary cash available to invest in business growth or reduce indebtedness. You are therefore cautioned not to place undue reliance on Adjusted EBITDA and financial ratios based on Adjusted EBITDA. The following table provides a reconciliation of Adjusted EBITDA to net income (loss):

				Unaudited		
	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	Dec. 29, 2007	Dec. 27, 2008	Jan. 2, 2010	June 27, 2009	July 3, 2010	July 3, 2010
	(millions of U.S. dollars)					
Reconciliation:						
Net income (loss) attributed to Cott Corporation	$ (71.4)	$ (122.8)	$ 81.5	$ 53.6	$ 33.8	$ 61.7
Depreciation and amortization	71.7	80.7	66.2	33.3	30.8	63.7
Interest expense, net	32.8	32.3	29.7	15.1	12.3	26.9
Income tax (benefit) expense	(13.9)	(19.5)	(22.8)	(11.6)	13.2	2.0
Net income attributable to non-controlling interests	2.7	1.7	4.6	2.2	2.6	5.0
EBITDA	21.9	(27.6)	159.2	92.6	92.7	159.3
Restructuring charges[(a)]	24.3	6.7	1.5	1.6	(0.5)	(0.6)
Goodwill impairment charges[(b)]	55.8	69.2				
Asset impairment charges[(c)]	10.7	37.0	3.6	3.5		0.1
Other expense (loss on buyback of notes)			3.3			3.3
Adjusted EBITDA	$ 112.7	$ 85.3	$ 167.6	$ 97.7	$ 92.2	$ 162.1

(a) See note (1) above.
(b) See note (2) above.
(c) See note (3) above.

(9) Includes information technology expenditures.

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Cliffstar Corporation

The following tables set forth Cliffstar s summary consolidated financial data. You should read the following summary consolidated financial data in conjunction with Cliffstar s audited consolidated financial statements and related notes and Cliffstar s unaudited interim consolidated financial statements and related notes included herein.

The summary consolidated financial data as of and for the years ended January 2, 2010, January 3, 2009, and December 29, 2007 has been derived from Cliffstar s audited consolidated financial statements included herein. The summary consolidated financial data as of and for the six months ended July 3, 2010 and July 4, 2009 has been derived from Cliffstar s unaudited condensed consolidated financial statements included herein. The summary consolidated financial data for the twelve month period ended July 3, 2010 has been prepared by adding the statement of operations data for the six months ended July 3, 2010 and the year ended January 2, 2010 and subtracting the statement of operations data for the six months ended July 4, 2009. In the opinion of Cliffstar s management, the unaudited interim consolidated financial data reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly Cliffstar s financial position for those periods. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

	Fiscal Year Ended			Unaudited		
				Six Months Ended		Twelve Months Ended
	Dec. 29, 2007	Jan. 3, 2009	Jan. 2, 2010	July 4, 2009	July 3, 2010	July 3, 2010
	(millions of U.S. dollars)					
Income Statement Data:						
Revenue:						
Gross revenue	$ 647.5	$ 714.8	$ 693.2	$ 367.7	$ 341.2	$ 666.7
Less discounts	(28.3)	(22.0)	(21.9)	(11.6)	(11.1)	(21.4)
Net revenue	619.2	692.8	671.3	356.1	330.1	645.3
Costs and expenses:						
Cost of goods sold (excluding depreciation)	550.2	626.8	516.3	276.1	246.8	487.0
Depreciation	11.5	13.0	13.5	6.9	6.6	13.2
Selling and administrative expenses	58.2	53.0	58.3	28.7	31.8	61.4
	619.9	692.8	588.1	311.7	285.2	561.6
Income (loss) from operations	(0.7)		83.2	44.4	44.9	83.7
Other expense:						
Interest expense	11.4	12.1	4.7	2.9	1.4	3.2
Other	1.2	0.8	0.5	0.3	0.4	0.6
Total other expenses	12.6	12.9	5.2	3.2	1.8	3.8
Net income (loss)	$ (13.3)	$ (12.9)	$ 78.0	$ 41.2	$ 43.1	$ 79.9

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	Fiscal Year Ended			Unaudited Six Months Ended	
	Dec. 29, 2007	Jan. 3, 2009	Jan. 2, 2010	July 4, 2009	July 3, 2010
	(millions of U.S. dollars)				
Cash Flow Data:					
Cash flows provided by (used in) operating activities	$ 16.8	$ 27.8	$ 44.2	$ (10.9)	$ 28.0
Cash flows used in investing activities	(22.7)	(9.1)	(14.0)	(4.4)	(6.7)
Cash flows provided by (used in) financing activities	7.4	(21.0)	(30.7)	12.4	(24.0)

	Fiscal Year Ended			Unaudited Six Months Ended		Unaudited Twelve Months Ended
	Dec. 29, 2007	Jan. 3, 2009	Jan. 2, 2010	July 4, 2009	July 3, 2010	July 3, 2010
	(millions of U.S. dollars)					
Balance Sheet Data (at period end):						
Cash and cash equivalents		$ 3.3	$ 2.9		$ 0.2	
Working capital[1]		12.0	59.6		78.6	
Property, plant and equipment, less accumulated depreciation		94.0	92.5		92.6	
Total assets		264.7	266.2		254.5	
Long-term debt (includes CPLTD)[2]		106.9	93.5		97.6	
Net debt[3]		103.6	90.6		97.4	
Total equity		24.6	83.5		98.5	
Other Financial Data (unaudited):						
EBITDA[4]	$ 10.8	$ 12.8	$ 96.7	$ 51.3	$ 51.4	$ 96.8
Adjusted EBITDA[5]	24.5	31.9	73.6	37.5	45.2	81.3
Depreciation and amortization	12.7	13.6	14.0	7.2	6.9	13.7
Capital expenditures	22.7	9.2	14.0	4.5	6.9	16.4

(1) Working capital consists of receivables, inventories, net of accounts payable and accrued liabilities.

(2) CPLTD is the current portion of long-term debt.

(3) Net debt means our total debt less cash and cash equivalents.

(4) EBITDA means earnings before interest expense, income taxes, depreciation and amortization. Other companies may define EBITDA differently and, as a result, our measure of EBITDA may not be directly comparable to EBITDA of other companies. A reconciliation of EBITDA to net income (loss) is included in footnote (5) below.

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(5) Adjusted EBITDA means EBITDA adjusted for items which are not considered by management to be indicative of the underlying results. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about our financial performance. However, we have incurred the charges and expenses that constitute these adjustment in prior periods and expect to incur them in future periods. These expectations are forward-looking statements within the meaning of the securities laws and actual results may vary due to various risks, including those identified under Risk Factors. Such supplementary adjustments to EBITDA are not in accordance with rules adopted by the SEC that apply to registration statements filed under the Securities Act and periodic reports filed under the Exchange Act. These rules prohibit the adjustment of a non-GAAP financial measure to eliminate or smooth items when the nature of the charge is such that it is reasonable likely to recur within two years or there was a similar charge within the prior two years. Accordingly, we will not present Adjusted EBITDA in filings made with the SEC. You are therefore cautioned not to place undue reliance on Adjusted EBITDA and financial ratios based on Adjusted EBITDA. The following table provides a reconciliation of Adjusted EBITDA to net income (loss):

				Unaudited		
	Fiscal Year Ended			Six Months Ended		Twelve Months Ended
	Dec. 29, 2007	Jan. 3, 2009	Jan. 2, 2010	July 4, 2009	July 3, 2010	July 3, 2010
	(millions of U.S. dollars)					
Reconciliation:						
Net Income (loss)	$ (13.3)	$ (12.9)	$ 78.0	$ 41.2	$ 43.1	$ 79.9
Depreciation and amortization	12.7	13.6	14.0	7.2	6.9	13.7
Interest expense	11.4	12.1	4.7	2.9	1.4	3.2
EBITDA	10.8	12.8	96.7	51.3	51.4	96.8
Inventory adjustment[a]	13.7	19.1	(25.1)[c]	(13.8)	(6.2)	(17.5)
Incentive adjustment[b]			2.0			2.0
Adjusted EBITDA	$ 24.5	$ 31.9	$ 73.6	$ 37.5	$ 45.2	$ 81.3

(a) Cott utilizes the FIFO method of inventory cost accounting. This adjustment represents the conversion of Cliffstar s inventory from LIFO to FIFO.

(b) In 2009, Cliffstar executed a discretionary incentive payment to certain employees that was in addition to their existing incentive plans. We excluded this amount as we believe it is unusual and non-recurring in nature.

(c) In 2009, Cliffstar recorded an inventory adjustment of $2.5 million to revise prices paid for produce purchases in fiscal year 2008. We excluded this amount as we believe it is unusual and non-recurring in nature. This is in addition to the ($27.6) million of LIFO adjustments.

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RISK FACTORS

Any investment in our common shares involves a high degree of risk. Prior to making a decision about investing in our common shares, you should carefully consider the risks described below and in the Company s Annual Report on Form 10-K for the fiscal year ended January 2, 2010 filed with the SEC, as amended or supplemented by subsequent Quarterly Reports on Form 10-Q, which is incorporated by reference herein, and which may be amended, supplemented or superseded from time to time by other documents we file with the SEC in the future. See Where You Can Find More Information and Incorporation by Reference of Certain Documents. The occurrence of any of these risks could materially adversely affect our business, operating results and financial condition. As a result, the trading price of our common shares may decline, and you might lose part or all of your investment.

The risks and uncertainties we describe are not the only ones facing our Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business or operations. Any adverse effect on our business, financial condition or operating results could result in a decline in the value of our common shares and the loss of all or part of your investment.

Risks Related to the Cliffstar Acquisition

If we fail to complete the Cliffstar Acquisition, we will not recognize some of the benefits we describe in the prospectus supplement.

Although we have entered into the Asset Purchase Agreement with respect to our proposed acquisition of substantially all of the assets and liabilities of Cliffstar Corporation and its affiliated companies, we cannot guarantee when, or whether the Cliffstar Acquisition will be completed. The closing of the Cliffstar Acquisition is subject to several conditions, including receipt of financing and other customary conditions, including receipt of required regulatory approvals, and there can be no assurance that the Cliffstar Acquisition will be completed as contemplated, or at all. If the conditions are not met, the Cliffstar Acquisition may not be completed. This offering is not contingent or in any way dependent on the Cliffstar Acquisition. Accordingly, by purchasing the common shares, you are investing in Cott on a stand-alone basis, without the business of Cliffstar, if we do not consummate the Cliffstar Acquisition. Although certain information included in this prospectus supplement generally assumes consummation of the Cliffstar Acquisition, we cannot assure you that the Cliffstar Acquisition will be consummated on the terms described herein or at all. If the Cliffstar Acquisition is not completed, the net proceeds from this offering that are not used for the Cliffstar Acquisition will be used in the discretion of our management for general corporate purposes, which may include other potential acquisitions, expansion of our operations, repayment of existing debt, share repurchases or other uses. See Risks Related to the Company s Common Shares and the Offering We have not identified any specific use of the net proceeds of this offering of common shares in the event the Cliffstar Acquisition is not completed. If we are unable to complete the Cliffstar Acquisition, we may not realize some of the benefits that are described in the prospectus supplement, and the value of our common shares could be impaired.

Additional sources of financing are necessary for us to complete the Cliffstar Acquisition. We plan to fund the remainder of the Cliffstar Acquisition with the net proceeds from the Notes Offering and borrowings under the Amended ABL Facility, which we intend to amend or refinance concurrently with the closing of this offering to, among other things, increase the amount of borrowings available under such facility. There can be no assurances that the Notes Offering, Amended ABL Facility or other sources of liquidity can be arranged that will enable us to consummate the Cliffstar Acquisition.

We may not realize the expected benefits of the Cliffstar Acquisition because of integration difficulties and other challenges.

The success of the Cliffstar Acquisition will depend, in part, on our ability to realize all or some of the anticipated benefits from integrating Cliffstar s business with our existing businesses. The integration process may be complex, costly and time-consuming. The difficulties of integrating the operations of Cliffstar s business include, among others:

- failure to implement our business plan for the combined business;
- unanticipated issues in integrating manufacturing, logistics, information, communications and other systems;
- possible inconsistencies in standards, controls, procedures and policies, and compensation structures between Cliffstar s structure and our structure;
- failure to retain key customers and suppliers;
- unanticipated changes in applicable laws and regulations;
- failure to retain key employees;
- operating risks inherent in Cliffstar s business and our business; and
- unanticipated issues, expenses and liabilities.

We may not be able to maintain the levels of revenue, earnings or operating efficiency that each of Cott and Cliffstar had achieved or might achieve separately. In addition, we may not accomplish the integration of Cliffstar s business smoothly, successfully or within the anticipated costs or timeframe. If we experience difficulties with the integration process, the anticipated benefits of the Cliffstar Acquisition may not be realized fully, or at all, or may take longer to realize than expected.

We face risks associated with our Asset Purchase Agreement in connection with the Cliffstar Acquisition.

In connection with the Cliffstar Acquisition, we will be subject to substantially all the liabilities of Cliffstar that are not satisfied on or prior to the closing date. There may be liabilities that we underestimated or did not discover in the course of performing our due diligence investigation of Cliffstar. Under the Asset Purchase Agreement, the seller has agreed to provide us with a limited set of representations and warranties. Our sole remedy from the seller for any breach of those representations and warranties is an action for indemnification, not to exceed $50.0 million. Damages resulting from a breach of a representation or warranty could have a material and adverse effect on our financial condition and results of operations.

We have a significant amount, and will have an additional amount following the Cliffstar Acquisition, of goodwill and other intangible assets on our consolidated financial statements that are subject to impairment based upon future adverse changes in our business or prospects.

As of July 3, 2010, the carrying values of goodwill and other intangible assets on our balance sheet were $30.3 million and $149.3 million, respectively. As of July 3, 2010, on a pro forma basis after giving effect to the Cliffstar Acquisition, we would have goodwill of $168.0 million and other intangible assets of $408.7 million. We evaluate goodwill and indefinite life intangible assets for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill impairment is indicated and indefinite life intangible assets are impaired when their book value exceeds fair value. The value of goodwill and other intangible assets from the allocation of

the purchase price from the Cliffstar Acquisition will be derived from our business operating plans and is susceptible to an adverse change in demand, input costs or general changes in our business or industry and could require an impairment charge in the future.

The historical and unaudited pro forma financial information included in this prospectus supplement may not be representative of our combined results after the Cliffstar Acquisition, and accordingly, you have limited financial information on which to evaluate the combined company and your investment decision.

We and Cliffstar operated as separate companies prior to the Cliffstar Acquisition. We have had no prior history as a combined company. The historical financial statements of Cliffstar may be different from those that would have resulted had Cliffstar been operated as part of Cott or from those that may result in the future from Cliffstar being operated as a part of Cott. The pro forma financial information, which was prepared in accordance with Article 11 of the SEC s Regulation S-X, is presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that actually would have occurred had the Cliffstar Acquisition been completed at or as of the dates indicated, nor is it indicative of the future operating results or financial position of the combined company. The unaudited pro forma financial information reflects adjustments, which are based upon preliminary estimates, to allocate the purchase price to Cliffstar s net assets. The purchase price allocation reflected in this prospectus supplement is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Cliffstar as of the date of the completion of the Cliffstar Acquisition. The pro forma financial information does not reflect future non-recurring charges resulting from the Cliffstar Acquisition. The pro forma financial information does not reflect future events that may occur after the Cliffstar Acquisition, including the costs related to the planned integration of Cliffstar, and does not consider potential impacts of current market conditions on revenues or expense efficiencies. The pro forma financial information presented in this prospectus supplement is based in part on certain assumptions regarding the Cliffstar Acquisition that we believe are reasonable under the circumstances. We cannot assure you that our assumptions will prove to be accurate over time.

As a private company, Cliffstar may not have in place an adequate system of internal control over financial reporting that we will need to manage that business effectively as part of a public company.

Pursuant to the Asset Purchase Agreement, we will acquire substantially all of the assets and liabilities of Cliffstar and its affiliated companies. None of these companies have previously been subject to periodic reporting as a public company. There can be no assurance that Cliffstar has in place a system of internal control over financial reporting that is required for public companies, and that will be required of us with respect to Cliffstar when the Cliffstar Acquisition is completed. Establishing, testing and maintaining an effective system of internal control over financial reporting requires significant resources and time commitments on the part of our management and our finance and accounting staff, may require additional staffing and infrastructure investments, and would increase our costs of doing business. Moreover, if we discover aspects of Cliffstar s internal controls that need improvement, we cannot be certain that our remedial measures will be effective. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could harm our operating results or increase our risk of material weaknesses in internal controls.

We will incur substantial indebtedness in order to finance the Cliffstar Acquisition, which could adversely affect our business and limit our ability to plan for or respond to changes in our business.

In connection with the Cliffstar Acquisition, we expect to amend or refinance our existing ABL Facility and draw down a substantial amount of indebtedness under that facility in order to fund the Cliffstar Acquisition. Although we have a financing commitment from such lenders for the Amended ABL Facility, the amendment and subsequent draw down under the proposed Amended ABL Facility is subject to certain conditions and we cannot assure you that those conditions will be satisfied. Upon the amendment and subsequent draw down of the proposed Amended ABL Facility, we will have substantially more indebtedness than has been the case for us historically.

Our ability to make payments on and to refinance our debt obligations and to fund planned capital expenditures depends on our ability to generate cash from our future operations. This, to a certain extent, is subject to financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition,

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if we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, any of which could impede the implementation of our business strategy, prevent us from entering into transactions that would otherwise benefit our business and/or have a material adverse effect on our financial condition and results of operations. We may not be able to refinance our indebtedness or take such other actions, if necessary, on commercially reasonable terms, or at all.

Failure to complete the Cliffstar Acquisition could negatively impact our common share price and our future business and financial results.

Consummation of the Cliffstar Acquisition is subject to customary closing conditions and depends on our ability to obtain sufficient financing through this offering of common shares, the Notes Offering and borrowings under the Amended ABL Facility. If the Cliffstar Acquisition is not completed for any reason, our ongoing business and financial results may be adversely affected, and we will be subject to a number of risks, including the following:

- we may be required, under certain circumstances, to pay a termination fee to Cliffstar in connection with a termination of the Asset Purchase Agreement;
- we will be required to pay certain other costs relating to the Cliffstar Acquisition, whether or not the Cliffstar Acquisition is completed, such as legal, accounting, financial advisor and printing fees; and
- matters relating to the Cliffstar Acquisition (including integration planning) may require substantial commitments of time and resources by our management, whether or not the Cliffstar Acquisition is completed, which could otherwise have been devoted to other opportunities that may have been beneficial to us.

If the Cliffstar Acquisition is not completed, these risks may materialize and may adversely affect our business, financial results and financial condition, as well as the trading price of our common shares, which may cause the value of your investment to decline.

We will incur significant transaction and acquisition-related costs in connection with the Cliffstar Acquisition, whether or not it is completed.

We have already incurred significant costs, and expect to incur significant additional costs associated with the Cliffstar Acquisition. The substantial majority of these costs will be non-recurring transaction expenses and costs. These non-recurring costs and expenses are not reflected in the pro forma financial information included in this prospectus supplement. We may incur additional costs to maintain employee morale and to retain key employees. We estimate that we will incur direct transaction costs of approximately $25.0 million associated with the Cliffstar Acquisition, this offering, the Notes Offering and the Amended ABL Facility. These costs will reduce the amount of cash otherwise available for the payment of our debt and other corporate purposes. There is no assurance that the actual costs may not exceed these estimates. Any actual costs incurred by us in excess of our estimates may have a material adverse effect on our financial condition and results of operations.

Risks Related to Our Business

We may be unable to compete successfully in the highly competitive beverage category.

The markets for our products are extremely competitive. In comparison to the major national brand beverage manufacturers, we are a relatively small participant in the industry. We face competition from the national brand beverage manufacturers in all of our markets and from other retailer brand beverage manufacturers. If our competitors reduce their selling prices, increase the frequency of their promotional activities in our core markets, enter into the production of private-label products, or if our customers do not allocate adequate shelf space for the beverages we supply, we could experience a decline in our volumes, be

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forced to reduce pricing, forgo price increases required to offset increased costs of raw materials and fuel, increase capital and other expenditures, or lose market share, any of which could adversely affect our profitability.

We may not be able to respond successfully to consumer trends related to carbonated and non-carbonated beverages.

Consumer trends with respect to the products we sell are subject to change. Consumers are seeking increased variety in their beverages, and there is a growing interest among the public regarding the ingredients in our products, the attributes of those ingredients and health and wellness issues generally. This interest has resulted in a decline in consumer demand for full-calorie CSDs and an increase in consumer demand for products associated with health and wellness, such as reduced-calorie CSDs, water, enhanced water, teas and certain other non-carbonated beverages, including juices. Consumer preferences may change due to a variety of other factors, including the aging of the general population, changes in social trends, the real or perceived impact that the manufacturing of our products has on the environment, changes in consumer demographics, changes in travel, vacation or leisure activity patterns, negative publicity resulting from regulatory action or litigation against companies in the industry, or a downturn in economic conditions. Any of these changes may reduce consumers demand for our products.

There can be no assurance that we can develop or be a fast follower of innovative products that respond to consumer trends. Our failure to develop innovative products could put us at a competitive disadvantage in the marketplace and our business and financial results could be adversely affected.

Because a small number of customers account for a significant percentage of our sales, the loss of or reduction in sales to any significant customer could have a material adverse effect on our results of operations and financial condition.

A significant portion of our revenue is concentrated in a small number of customers. Our customers include many large national and regional grocery, mass-merchandise, drugstore, wholesale and convenience store chains in our core markets of North America, U.K. and Mexico. Sales to Wal-Mart, our top customer in 2009, 2008 and 2007 accounted for 33.5%, 35.8% and 39.8%, respectively, of our total revenue. Sales to our top ten customers in 2009, 2008 and 2007 accounted for approximately 60%, 62% and 64%, respectively, of our total revenue. We expect that sales of our products to a limited number of customers will continue to account for a high percentage of our revenue for the foreseeable future.

On January 27, 2009, we received written notice from Wal-Mart stating that Wal-Mart was exercising its right to terminate, without cause, our exclusive supply contract, effective on January 28, 2012 (the Exclusive Supply Contract). Pursuant to the terms of the Exclusive Supply Contract, we are the exclusive supplier to Wal-Mart of retailer brand CSDs in the United States. The termination provision of the Exclusive Supply Contract provides for exclusivity to be phased out over a period of three years following notice of termination (the Notice Period). Accordingly, we had the exclusive right to supply at least two-thirds of Wal-Mart s total CSD volume in the United States during the first 12 months of the Notice Period, and we have the exclusive right to supply at least one-third of Wal-Mart s total CSD volume in the U.S. during the second 12 months of the Notice Period. Notwithstanding the termination of the Exclusive Supply Contract, we continue to supply Wal-Mart and its affiliated companies, under annual non-exclusive supply agreements, with a variety of products in the United States, Canada, U.K. and Mexico, including CSDs, clear, still and sparkling flavored waters, juice-based products, bottled water, energy drinks and ready-to-drink teas.

The loss of Wal-Mart or any significant customer, or customers that in the aggregate represent a significant portion of our revenue, or a material reduction in the amount of business we undertake with any such customer or customers, could have a material adverse effect on our operating results and cash flows. Furthermore, we could be adversely affected if Wal-Mart or any significant customer reacts unfavorably to any pricing of our products

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or decides to de-emphasize or reduce their product offerings in the categories with which we supply them. As of July 3, 2010, we had $68.1 million of customer relationships recorded as an intangible asset. The permanent loss of any customer included in the intangible asset would result in impairment in the value of the intangible asset or accelerated amortization and could lead to an impairment of fixed assets that were used to service that client.

Our ingredients, packaging supplies and other costs are subject to price increases and we may be unable to effectively pass rising costs on to our customers.

We bear the risk of changes in prices on the ingredient and packaging in our products. The majority of our ingredient and packaging supply contracts allow our suppliers to alter the prices they charge us based on changes in the costs of the underlying commodities that are used to produce them. Aluminum for cans and ends, resin for polyethylene terephthalate (PET) bottles, preforms and caps, corn for HFCS and fruit are examples of these underlying commodities. In addition, the contracts for certain of our ingredient and packaging materials permit our suppliers to increase the costs they charge us based on increases in their cost of converting those underlying commodities into the materials that we purchase. In certain cases those increases are subject to negotiated limits and, in other cases, they are not. These changes in the prices that we pay for ingredient and packaging materials occur at times that vary by product and supplier, but are principally on a monthly or annual basis.

We are at risk with respect to fluctuating aluminum prices. Because PET resin is not a traded commodity, no fixed price mechanism has been implemented, and we are accordingly also at risk with respect to changes in PET prices. Fruit prices have been, and we expect them to continue to be, subject to significant volatility. While fruit is available from numerous independent suppliers, these raw materials are subject to fluctuations in price attributable to, among other things, changes in crop size and federal and state agricultural programs. HFCS also has a history of volatile price changes. We typically purchase HFCS requirements for North America under 12 month contracts. We have entered into fixed price commitments for a majority of our HFCS requirements for 2010. We have also entered into fixed price commitments for a majority of our forecasted aluminum requirements for 2010 as well as approximately half of our requirements for 2011.

Accordingly, we bear the risk of fluctuations in the costs of these ingredient and packaging materials, including the underlying costs of the commodities used to manufacture them and, to some extent, the costs of converting those commodities into the materials we purchase. We currently do not use derivatives to manage this risk. If the cost of these ingredients or packaging materials increases, we may be unable to pass these costs along to our customers through adjustments to the prices we charge. If we cannot pass on these increases to our customers on a timely basis, they could have a material adverse effect on our results of operations. If we are able to pass these costs on to our customers through price increases, the impact those increased prices could have on our volumes is uncertain.

Our beverage and concentrate production facilities use a significant amount of electricity, natural gas and other energy sources to operate. Fluctuations in the price of fuel and other energy sources for which we have not locked in long-term pricing commitments or arrangements would affect our operating costs, which could impact our profitability.

If we fail to manage our operations successfully, our business and financial results may be materially and adversely affected.

We believe that opportunities exist to increase sales of beverages in our markets by leveraging existing customer relationships, obtaining new customers, exploring new channels of distribution, introducing new products or identifying appropriate acquisition or strategic alliance candidates. The success of this strategy with respect to acquisitions depends on our ability to manage and integrate acquisitions and alliances into our existing business. Furthermore, the businesses or product lines that we acquire or align with may not be integrated successfully into our business or prove profitable. In addition to the foregoing factors, our ability to expand our business in foreign countries is also dependent on, and may be limited by, our ability to comply with the laws of

the various jurisdictions in which we may operate, as well as changes in local government regulations and policies in such jurisdictions. If we fail to manage the geographic allocation of production capacity surrounding customer demand in North America, we may lose certain customer product volume or have to utilize co-packers to fulfill our customer capacity obligations, either of which could negatively impact our financial results.

Our geographic diversity subjects us to the risk of currency fluctuations.

We are exposed to changes in foreign currency exchange rates, including those between the U.S. dollar and the pound sterling, the euro, the Canadian dollar, the Mexican peso and other currencies. Our operations outside of the United States accounted for 36.7% of our 2009 sales. Accordingly, currency fluctuations in respect of our outstanding non-U.S. dollar denominated net asset balances may affect our reported results and competitive position.

Furthermore, our foreign operations purchase key ingredients and packaging supplies in U.S. dollars. This exposes them to additional foreign currency risk that can adversely affect our reported results.

Our hedging activities, which are designed to minimize and delay, but not to completely eliminate, the effects of foreign currency fluctuations may not sufficiently mitigate the impact of foreign currencies on our financial results. Factors that could affect the effectiveness of our hedging activities include accuracy of sales forecasts, volatility of currency markets, and the availability of hedging instruments. Our future financial results could be significantly affected by the value of the U.S. dollar in relation to the foreign currencies in which we conduct business. The degree to which our financial results are affected for any given time period will depend in part upon our hedging activities.

If we are unable to maintain relationships with our raw material suppliers, we may incur higher supply costs or be unable to deliver products to our customers.

In addition to water, the principal raw materials required to produce our products are PET bottles, caps and preforms, aluminum cans and ends, labels, cartons and trays, fruit, concentrates and sweeteners. We rely upon our ongoing relationships with our key suppliers to support our operations.

We typically enter into annual or multi-year supply arrangements with our key suppliers, meaning that our suppliers are obligated to continue to supply us with materials for one-year or multi-year periods, at the end of which we must either renegotiate the contracts with those suppliers or find alternative sources for supply.

There can be no assurance that we will be able to either renegotiate contracts (with similar or more favorable terms) with these suppliers when they expire or, alternatively, if we are unable to renegotiate contracts with our key suppliers, there can be no assurance that we could replace them. We could also incur higher ingredient and packaging supply costs in renegotiating contracts with existing suppliers or replacing those suppliers, or we could experience temporary disruptions in our ability to deliver products to our customers, either of which could have a material adverse effect on our results of operations.

With respect to some of our key packaging supplies, such as aluminum cans and ends, and some of our key ingredients, such as sweeteners, we have entered into long-term supply agreements, the remaining terms of which range from 12 to 18 months, and therefore we are assured of a supply of those key packaging supplies and ingredients during such terms. Crown Cork & Seal, Inc. (CCS) supplies aluminum cans and ends under a contract expiring on December 31, 2011. The contract provides that CCS will supply our entire aluminum can and end requirements worldwide, subject to certain exceptions. In addition, the supply of specific ingredient and packaging materials could be adversely affected by many factors, including industry consolidation, energy shortages, governmental controls, labor disputes, natural disasters, transportation interruption, political instability, acts of war or terrorism and other factors.

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We have a significant amount of outstanding debt, which could adversely affect our financial health and future cash flows may not be sufficient to meet our obligations.

As of July 3, 2010, after giving effect to the Cliffstar Acquisition, this offering and the application of net proceeds therefrom, the Notes Offering and the application of net proceeds therefrom, and $85.0 in borrowings under our Amended ABL Facility, our total indebtedness would have been $709.2 million. Our present indebtedness and any future borrowings could have important adverse consequences to us and our investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments on this debt;
- making it more difficult to satisfy debt service and other obligations;
- increasing the risk of a future credit ratings downgrade of our debt, which would increase future debt costs;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our business;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- placing us at a competitive disadvantage to our competitors that may not be as highly leveraged with debt as we are; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase common stock.

To the extent we become more leveraged, the risks described above would increase. In addition, our actual cash requirements in the future may be greater than expected. We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us in amounts sufficient to enable us to pay our indebtedness or to fund our other liquidity needs.

If we fail to generate sufficient cash flow from future operations to meet our debt service obligations, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on attractive terms, commercially reasonable terms or at all. Our future operating performance and our ability to service or refinance our debt will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial leverage.

We will have the right to incur substantial additional indebtedness in the future. The terms of the agreements governing our indebtedness restrict, but do not in all circumstances, prohibit us from doing so. All existing and future borrowings under the Amended ABL Facility will rank *pari passu* with the notes and the subsidiary guarantees and such borrowings will be secured by substantially all of our assets. Under the instruments governing our debt, we may incur substantial additional debt that ranks equal with the notes. In addition, the indenture governing the notes offered in the Notes Offering, and the indenture governing our 8.375% senior notes due 2017 (the 2017 Notes), would permit us to incur additional indebtedness under certain incurrence baskets without having to meet coverage ratio incurrence tests or other EBITDA thresholds. Under certain debt incurrence tests, the amount of total debt we could incur in the future under the indenture governing the notes in the Notes Offering and the indenture governing the 2017 Notes could increase.

Any additional debt may be governed by indentures or other instruments containing covenants that could place restrictions on the operation of our business and the execution of our business strategy in addition to the

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restrictions on our business already contained in the agreements governing our existing debt. Because any decision to issue debt securities or enter into new debt facilities will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future debt financings and we may be required to accept unfavorable terms for any such financings.

Our ABL Facility and the indenture governing the 2017 Notes contain, and the indenture governing the notes offered in the Notes Offering and our Amended ABL Facility will contain, various covenants limiting the discretion of our management in operating our business, which could prevent us from capitalizing on business opportunities and taking some corporate actions.

Our ABL Facility and indenture governing the 2017 Notes impose, and the indenture governing the notes offered in the Notes Offering and our Amended ABL Facility will impose, significant operating and financial restrictions on us. These restrictions will limit or restrict, among other things, our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness;
- make restricted payments (including paying dividends on, redeeming, repurchasing or retiring our capital stock);
- make investments;
- create liens;
- sell assets;
- enter into agreements restricting our subsidiaries ability to pay dividends, make loans or transfer assets to us;
- engage in transactions with affiliates; and
- consolidate, merge or sell all or substantially all of our assets.

These covenants are subject to important exceptions and qualifications. In addition, our ABL Facility also requires us, and the Amended ABL Facility will require us, under certain circumstances, to maintain compliance with a financial covenant. Our ability to comply with this covenant may be affected by events beyond our control, including those described in this Risk Factors section. A breach of any of the covenants contained in our ABL Facility or Amended ABL Facility, including our inability to comply with the financial covenant, could result in an event of default, which would allow the lenders under our ABL Facility or Amended ABL Facility to declare all borrowings outstanding to be due and payable, which would in turn trigger an event of default under the indenture governing the notes offered in the Notes Offering and the indenture governing the 2017 Notes and, potentially, our other indebtedness. At maturity or in the event of an acceleration of payment obligations, we would likely be unable to pay our outstanding indebtedness with our cash and cash equivalents then on hand. We would, therefore, be required to seek alternative sources of funding, which may not be available on commercially reasonable terms, terms as favorable as our current agreements or at all, or face bankruptcy. If we are unable to refinance our indebtedness or find alternative means of financing our operations, we may be required to curtail our operations or take other actions that are inconsistent with our current business practices or strategy.

A portion of our indebtedness is variable rate debt, and changes in interest rates could adversely affect us by causing us to incur higher interest costs with respect to such variable rate debt.

Our ABL Facility subjects us to, and the Amended ABL Facility will subject us to, interest rate risk. The rate at which we pay interest on amounts borrowed under such facilities fluctuates with changes in interest rates and our debt leverage. Accordingly, with respect to any amounts from time to time outstanding under our ABL Facility or Amended ABL Facility, we are and will be exposed to changes in interest rates. If we

are unable to adequately manage our debt structure in response to changes in the market, our interest expense could increase, which would negatively impact our financial condition and results of operations.

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Our financial results may be negatively impacted by the recent global financial events.

In recent years, global financial events have resulted in the consolidation, failure or near failure of a number of institutions in the banking, insurance and investment banking industries and have substantially reduced the ability of companies to obtain financing. These events have also adversely affected the stock market. These events could continue to have a number of different effects on our business, including:

- a reduction in consumer spending, which could result in a reduction in our sales volume;
- a negative impact on the ability of our customers to timely pay their obligations to us or our vendors to timely supply materials, thus reducing our cash flow;
- an increase in counterparty risk;
- an increased likelihood that one or more members of our banking syndicate may be unable to honor its commitments under our ABL Facility or Amended ABL Facility; and
- restricted access to capital markets that may limit our ability to take advantage of business opportunities, such as acquisitions.

Other events or conditions may arise or persist directly or indirectly from the global financial events that could negatively impact our business.

We may not fully realize the expected cost savings and/or operating efficiencies from our restructuring activities.

During the last five years we have implemented, and may in the future implement, restructuring activities to support the implementation of key strategic initiatives designed to achieve long-term sustainable growth. These activities are intended to maximize our operating effectiveness and efficiency and to reduce our costs. We cannot be assured that we will achieve or sustain the targeted benefits under these programs or that the benefits, even if achieved, will be adequate to meet our long-term growth expectations. In addition, the implementation of key elements of these activities, such as employee job reductions and plant closures, may have an adverse impact on our business, particularly in the near-term.

Substantial disruption to production at our beverage concentrates or other beverage production facilities could occur.

A disruption in production at our beverage concentrates production facility, which manufactures almost all of our concentrates, could have a material adverse effect on our business. In addition, a disruption could occur at any of our other facilities or those of our suppliers, bottlers or distributors. The disruption could occur for many reasons, including fire, natural disasters, weather, manufacturing problems, disease, strikes, transportation interruption, government regulation or terrorism. Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production, each of which could negatively affect our business and financial performance.

Our success depends, in part, on our intellectual property, which we may be unable to protect.

We possess certain intellectual property that is important to our business. This intellectual property includes trade secrets, in the form of the concentrate formulas for most of the beverages that we produce, and trademarks for the names of the beverages that we sell. While we own certain of the trademarks used to identify our beverages, other trademarks are used through licenses from third parties or by permission from our retailer brand customers. Our success depends, in part, on our ability to protect our intellectual property.

To protect this intellectual property, we rely principally on registration of trademarks, contractual responsibilities and restrictions in agreements (such as indemnification, nondisclosure and confidentiality agreements) with employees, consultants and customers, and on common law and statutory protections afforded

to trademarks, trade secrets and proprietary know-how. In addition, we vigorously protect our intellectual property against infringements using any and all legal remedies available. Notwithstanding our efforts, we may not be successful in protecting our intellectual property for a number of reasons, including:

- our competitors may independently develop intellectual property that is similar to or better than ours;
- employees, consultants or customers may not abide by their contractual agreements and the cost of enforcing those agreements may be prohibitive, or those agreements may prove to be unenforceable or more limited than anticipated;
- foreign intellectual property laws may not adequately protect our intellectual property rights; and
- our intellectual property rights may be successfully challenged, invalidated or circumvented.

If we are unable to protect our intellectual property, our competitive position would weaken and we could face significant expense to protect or enforce our intellectual property rights. As of July 3, 2010, we had $45.0 million of rights and $8.6 million of trademarks recorded as intangible assets.

Occasionally, third parties may assert that we are, or may be, infringing on or misappropriating their intellectual property rights. In these cases, we intend to defend against claims or negotiate licenses when we consider these actions appropriate. Intellectual property cases are uncertain and involve complex legal and factual questions. If we become involved in this type of litigation, it could consume significant resources and divert our attention from business operations.

If we are found to infringe on the intellectual property rights of others, we could incur significant damages, be enjoined from continuing to manufacture, market or use the affected product, or be required to obtain a license to continue manufacturing or using the affected product. A license could be very expensive to obtain or may not be available at all. Similarly, changing products or processes to avoid infringing the rights of others may be costly or impracticable.

Our products may not meet health and safety standards or could become contaminated and we could be liable for injury, illness or death caused by consumption of our products.

We have adopted various quality, environmental, health and safety standards. However, our products may still not meet these standards or could otherwise become contaminated. A failure to meet these standards or contamination could occur in our operations or those of our bottlers, distributors or suppliers. This could result in expensive production interruptions, recalls and liability claims. We may be liable to our customers if the consumption of any of our products causes injury, illness or death. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could have a material adverse effect on our results of operations or cash flows.

Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.

We are party to various litigation claims and legal proceedings. We evaluate these claims and proceedings to assess the likelihood of unfavorable outcomes and estimate, if possible, the amount of potential losses. We may establish a reserve as appropriate based upon assessments and estimates in accordance with our accounting policies. We base our assessments, estimates and disclosures on the information available to us at the time and rely on legal and management judgment. Actual outcomes or losses may differ materially from assessments and estimates. Actual settlements, judgments or resolutions of these claims or proceedings may negatively affect our business and financial performance.

Changes in the legal and regulatory environment in the jurisdictions in which we operate could increase our costs or reduce our revenues.

As a producer of beverages, we must comply with various federal, state, provincial, local and foreign laws relating to production, packaging, quality, labeling and distribution, including, in the United States, those of the

federal Food, Drug and Cosmetic Act, the Fair Packaging and Labeling Act, the Federal Trade Commission Act, the Nutrition Labeling and Education Act and California Proposition 65. We are also subject to various federal, state, provincial, local and foreign environmental laws and workplace regulations. These laws and regulations include, in the United States, the Occupational Safety and Health Act, the Unfair Labor Standards Act, the Clean Air Act, the Clean Water Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Federal Motor Carrier Safety Act, laws governing equal employment opportunity, customs and foreign trade laws and regulations, laws relating to the maintenance of fuel storage tanks, laws relating to water consumption and treatment, and various other federal statutes and regulations. These laws and regulations may change as a result of political, economic, or social events. Such regulatory changes may include changes in food and drug laws, laws related to advertising, accounting standards, taxation requirements, competition laws and environmental laws, including laws relating to the regulation of water rights and treatment. Changes in laws, regulations or government policy and related interpretations may alter the environment in which we do business, which may impact our results or increase our costs or liabilities.

Proposed taxes on CSDs and other drinks could have an adverse effect on our business.

Federal, state, local and foreign governments have considered imposing taxes on soda and other sugary drinks. Any such taxes could negatively impact consumer demand for our products and have an adverse effect on our revenues.

We are not in compliance with the requirements of the Ontario Environmental Protection Act (OEPA) and, if the Ontario government seeks to enforce those requirements or implements modifications to them, we could be adversely affected.

Certain regulations under the OEPA provide that a minimum percentage of a bottler s soft drink sales within specified areas in Ontario must be made in refillable containers. The penalty for non-compliance is a fine of $50,000 per day beginning when the first offense occurs and continuing until the first conviction, and then increasing to $100,000 per day for each subsequent conviction. These fines may be increased to equal the amount of monetary benefit acquired by the offender as a result of the commission of the offense. We, and we believe other industry participants, are currently not in compliance with the requirements of the OEPA. We do not expect to be in compliance with these regulations in the foreseeable future. Ontario is not enforcing the OEPA at this time, but if it chose to enforce the OEPA in the future, we could incur fines for non-compliance and the possible prohibition of sales of soft drinks in non-refillable containers in Ontario. We estimate that approximately 3% of our sales would be affected by the possible limitation on sales of soft drinks in non-refillable containers in Ontario if the Ontario Ministry of the Environment initiated an action to enforce the provisions of the OEPA against us.

In April 2003, the Ontario Ministry of the Environment proposed to revoke these regulations in favor of new mechanisms under the Ontario Waste Diversion Act to enhance diversion from disposal of CSD containers. On December 22, 2003, the Ontario provincial government approved the implementation of the Blue Box Program plan under the Ministry of Environment Waste Diversion Act. The Program requires those parties who are brand owners or licensees of rights to brands which are manufactured, packaged or distributed for sale in Ontario to contribute to the net cost of the Blue Box Program. We generally manufacture, package and distribute products for and on behalf of third party customers. Therefore, we do not believe that we will be responsible for direct costs of the Program. However, our customers may attempt to pass these costs, or a portion of them, on to us. We do not believe that the costs for which we may ultimately be responsible under this Program will have a material adverse effect on our results of operations; however, we cannot guarantee this outcome. The Blue Box Program does not revoke any of the regulations mentioned above under the OEPA regarding refillable containers, although the industry anticipates that they will be reversed in the future.

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Adverse weather conditions could affect our supply chain and reduce the demand for our products.

Severe weather conditions and natural disasters, such as freezes, frosts, floods, hurricanes, tornados, droughts or earthquakes and crop diseases may affect our facilities and our supply of raw materials such as fruit. If the supply of any of our raw materials is adversely affected by weather conditions, it may result in increased raw material costs and there can be no assurance that we will be able to obtain sufficient supplies from other sources. In addition, the sales of our products are influenced to some extent by weather conditions in the markets in which we operate. Unusually cold or rainy weather during the summer months may reduce the demand for our products and contribute to lower revenues, which could negatively impact our profitability.

Global or regional catastrophic events could impact our operations and financial results.

Our business can be affected by large-scale terrorist acts, especially those directed against the United States or other major industrialized countries in which we do business, major natural disasters, or widespread outbreaks of infectious diseases such as H1N1 influenza. Such events could impair our ability to manage our business, could disrupt our supply of raw materials, and could impact production, transportation and delivery of products. In addition, such events could cause disruption of regional or global economic activity, which can affect consumers purchasing power in the affected areas and, therefore, reduce demand for our products.

Our success depends in part upon our ability to recruit, retain and prepare succession plans for our CEO, CFO, senior management and key employees.

The performance of our CEO, CFO, senior management and other key employees is critical to our success. We plan to continue to invest time and resources in developing our senior management and key employee teams. In 2009, we appointed a new CEO and a new CFO of the Company. Our long-term success will depend on our ability to recruit and retain capable senior management and other key employees, and any failure to do so could have a material adverse effect on our future operating results and financial condition. Further, if we fail to adequately plan for the succession of our CEO, CFO, senior management and other key employees, our operating results could be adversely affected.

Changes in future business conditions could cause business investments and/or recorded goodwill, indefinite life intangible assets or other intangible assets to become impaired, resulting in substantial losses and writedowns that would reduce our results of operations.

As part of our overall strategy, we will, from time to time, make investments in other businesses. These investments are made upon careful target analysis and due diligence procedures designed to achieve a desired return or strategic objective. These procedures often involve certain assumptions and judgment in determining investment amount or acquisition price. After acquisition or investment, unforeseen issues could arise that adversely affect anticipated returns or that are otherwise not recoverable as an adjustment to the purchase price. Even after careful integration efforts, actual operating results may vary significantly from initial estimates. Goodwill accounted for approximately $30.3 million of our recorded total assets as of July 3, 2010. We evaluate the recoverability of recorded goodwill amounts annually, or when evidence of potential impairment exists. The annual impairment test is based on several factors requiring judgment and certain underlying assumptions. Our only intangible asset with an indefinite life relates to the 2001 acquisition of intellectual property from Royal Crown Company, Inc. including the right to manufacture our concentrates, with all related inventions, processes, technologies, technical and manufacturing information, know-how and the use of the Royal Crown brand outside of North America and Mexico (the Rights). This asset, which has a net book value of $45.0 million, is more fully described in Note 8 to the financial statements included in our Quarterly Report on Form 10-Q for the quarterly period ended July 3, 2010.

As of July 3, 2010, other intangible assets were $104.3 million, which consisted principally of $68.1 million of customer relationships that arose from acquisitions and trademarks of $8.6 million. Customer relationships are

amortized on a straight-line basis for the period over which we expect to receive economic benefits, which is up to 15 years. We review the estimated useful life of these intangible assets annually, taking into consideration the specific net cash flows related to the intangible asset, unless it is required more frequently due to a triggering event such as the loss of a customer. The permanent loss of any customer included in the intangible asset would result in impairment in the value of the intangible asset or accelerated amortization and could lead to an impairment of fixed assets that were used to service that client. Principally, a decrease in expected operating segment cash flows, changes in market conditions, loss of key customers and a change in our imputed cost of capital may indicate potential impairment of recorded goodwill or the Rights. For additional information on accounting policies we have in place for goodwill impairment, see our discussion under Critical Accounting Policies and Estimates in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations of the Annual Report on Form 10-K for the year ended January 2, 2010 (the Form 10-K) and Note 1, Summary of Significant Accounting Policies, in the notes to the financial statements included in the Form 10-K.

We may not be able to renew collective bargaining agreements on satisfactory terms, or we could experience strikes.

As of July 3, 2010, 921 of our employees were covered by collective bargaining agreements. These agreements typically expire every three to five years at various dates. We may not be able to renew our collective bargaining agreements on satisfactory terms or at all. This could result in strikes or work stoppages, which could impair our ability to manufacture and distribute our products and result in a substantial loss of sales. The terms of existing or renewed agreements could also significantly increase our costs or negatively affect our ability to increase operational efficiency.

We depend on key information systems and third-party service providers.

We depend on key information systems to accurately and efficiently transact our business, provide information to management and prepare financial reports. We rely on third-party providers for the majority of our key information systems and business processing services, including hosting our primary data center. In particular, we are in the process of implementing a new SAP software platform to assist us in the management of our business and are also reorganizing certain processes within our finance and accounting departments. If we fail to successfully implement these projects or if the projects do not result in increased operational efficiencies, our operations may be disrupted and our operating expenses could increase, which could adversely affect our financial results. In addition, these systems and services are vulnerable to interruptions or other failures resulting from, among other things, natural disasters, terrorist attacks, software, equipment or telecommunications failures, processing errors, computer viruses, hackers, other security issues or supplier defaults. Security, backup and disaster recovery measures may not be adequate or implemented properly to avoid such disruptions or failures. Any disruption or failure of these systems or services could cause substantial errors, processing inefficiencies, security breaches, inability to use the systems or process transactions, loss of customers or other business disruptions, all of which could negatively affect our business and financial performance.

We also face other risks that could adversely affect our business, results of operations or financial condition, which include:

- any requirement to restate financial results in the event of inappropriate application of accounting principles;
- any event that could damage our reputation;
- failure of our processes to prevent and detect unethical conduct of employees;
- a significant failure of internal controls over financial reporting;
- failure of our prevention and control systems related to employee compliance with internal policies and regulatory requirements; and
- failure of corporate governance policies and procedures.

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Risks Related to the Company s Common Shares and the Offering

We have not identified any specific use of the net proceeds of this offering of common shares in the event the Cliffstar Acquisition is not completed.

Consummation of the Cliffstar Acquisition is subject to a number of conditions and, if the Asset Purchase Agreement is terminated for any reason, our board of directors and management will have broad discretion over the use of the proceeds we receive in this offering and might not apply the proceeds in ways that results in an increase to the market price of our common shares. Though we intend to use the net proceeds from this offering to fund a portion of the Cliffstar Acquisition and to pay related fees and expenses, we have not identified a specific use for the proceeds in the event the Cliffstar Acquisition does not occur. In such event, any funds received may be used by us for any general corporate purpose, which may include other potential acquisitions, expansion of our operations, repayment of existing debt, share repurchases or other uses. The failure of our management to use the net proceeds from this offering of common shares effectively could have a material adverse effect on our business and may have an adverse effect on our earnings per share.

Our stock price may be volatile.

Our common shares are traded on the NYSE and TSX. The market price of our common shares has fluctuated substantially in the past and could fluctuate substantially in the future, based on a variety of factors, including future announcements covering us or our key customers or competitors, government regulations, litigation, changes in earnings estimates by analysts, fluctuations in quarterly operating results or general conditions in our industry. Furthermore, stock prices for many companies fluctuate widely for reasons that may be unrelated to their operating results. Those fluctuations and general economic, political and market conditions, such as recessions or international currency fluctuations and demand for our services, may adversely affect the market price of our common shares.

Failure to maintain our stock exchange listings would adversely affect the trading price and liquidity of our common shares.

We have, in the recent past, received notice of non-compliance with NYSE listing requirements due to our share price trading below $1.00 for periods of time. While we have cured such deficiencies, if we are not able to maintain compliance with the listing requirements of the NYSE and/or TSX, our shares may be subject to removal from listing on the NYSE and/or TSX. Trading in our common shares after a delisting, if any, would likely be conducted in the over-the-counter markets in the Over-The-Counter Bulletin Board or the pink sheets and could also be subject to additional restrictions. As a consequence of a delisting, our shareholders would find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, our common shares. In addition, a delisting would make our common shares substantially less attractive as collateral for margin and purpose loans, for investment by financial institutions under their internal policies or state investment laws, or as consideration in future capital raising.

There may be future sales or other dilution of the Company s equity, which may adversely affect the market price of our common shares.

We are not generally restricted from issuing additional common shares, or any securities that are convertible into or exchangeable for, or that represent the right to receive, common shares. The issuance of any additional common shares or preferred shares or securities convertible into, exchangeable for or that represent the right to receive common shares or the exercise of such securities could be substantially dilutive to holders of our common shares. The market price of our common shares could decline as a result of this offering as well as sales of our common shares made after this offering or the perception that such sales could occur. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of future offerings. Thus, our shareholders bear the risk of future offerings reducing the market price of our common shares and diluting their shareholdings in the Company.

The issuance of the Company s common shares could result in the loss of the Company s ability to use certain of the Company s net operating losses.

As of July 3, 2010, we had approximately $100 million of consolidated or separate U.S. state tax net operating loss carryforwards. Realization of any benefit from these U.S. tax net operating losses is dependent on: (1) the Company s ability to generate future taxable income and (2) the absence of certain future ownership changes of the Company s common shares. An ownership change, as defined in the applicable federal income tax rules, would place significant limitations, on an annual basis, on the use of such net operating losses to offset any future taxable income that we may generate. Such limitations, in conjunction with the net operating loss expiration provisions, could significantly reduce or effectively eliminate our ability to use our U.S. net operating losses to offset any future taxable income. The issuance of common shares in the offering could cause an ownership change. Such transactions also include the issuance of common shares upon future conversion or exercise of outstanding options, warrants and convertible preferred stock.

We do not anticipate paying cash dividends on our common shares. Investors in this offering may never obtain a return on their investment.

You should not rely on an investment in our common shares to provide dividend income, as we have not paid any cash dividends on our common shares and do not plan to pay any in the foreseeable future. Further, there are certain restrictions on the payment of dividends under the ABL Facility and the indenture governing our outstanding 8.375% senior notes due 2017. Accordingly, investors must rely on sales of their common shares after price appreciation, which may never occur, as the only way to realize any return on their investment.

The Company s board of directors may issue, without shareholder approval, special shares with rights and preferences superior to those applicable to our common shares.

The Company s Articles of Amalgamation includes a provision for the issuance of special shares, which may be issued in one or more series, with each series containing such rights and preferences as the board of directors may determine from time to time, without prior notice to or approval of shareholders. Among others, such rights and preferences might include the rights to dividends, superior voting rights, liquidation preferences and rights to convert into common shares. The rights and preferences of any such series of special shares, if issued, may be superior to the rights and preferences applicable to the common shares and might result in a decrease in the price of our common shares.

You may incur immediate and substantial dilution in the net tangible book value of your shares.

If you purchase shares in the offering, the value of your shares based on the Company s actual book value may immediately be less than the price you paid. This reduction in the value of your equity is known as dilution. This dilution occurs in large part because our earlier investors paid less than the price you will pay when you purchase our common shares.

USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $61.7 million (or $71.1 million if the underwriters over-allotment option is exercised in full), after deducting underwriting discounts and commissions and our estimated fees and expenses for this offering. We intend to use these net proceeds to pay a portion of the purchase price and related fees and expenses for the Cliffstar Acquisition. We plan to fund the remainder of the Cliffstar Acquisition with the net proceeds from the Notes Offering and borrowings under the Amended ABL Facility. If we do not consummate the Cliffstar Acquisition, we intend to use the net proceeds from this offering for general corporate purposes, including other potential acquisitions, expansion of our operations, repayment of existing debt, share repurchases or other uses.

The estimated sources and uses of funds for the Cliffstar Acquisition, assuming these transactions had closed on July 3, 2010, are shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including changes in Cott s and Cliffstar s debt balances and net working capital from July 3, 2010 to the closing of these transactions. You should read the following together with the information set forth in the section entitled Unaudited Pro Forma Condensed Combined Financial Information.

Sources	*(In millions)*	Uses	*(In millions)*
Common shares offered hereby	$ 65.0	Cliffstar Acquisition	$ 500.0
Senior notes offered concurrently	375.0	Transaction costs(1)	25.0
Amended ABL Facility	85.0		
Total	$ 525.0	Total	$ 525.0

(1) Reflects our estimate of fees and expenses associated with the Cliffstar Acquisition, this offering, the Notes Offering and the Amended ABL Facility, including financing fees, advisory fees and other transaction costs.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of July 3, 2010:

- on an actual basis, and
- on a pro forma as adjusted basis after giving effect to (i) the Cliffstar Acquisition, (ii) this offering and the application of net proceeds therefrom, (iii) the Notes Offering and the application of net proceeds therefrom and (iv) the borrowings under the Amended ABL Facility.

This offering is not contingent on the completion of any of the Cliffstar Acquisition, the Notes Offering or the Amended ABL Facility. If the Cliffstar Acquisition is not consummated, the Notes Offering will not be consummated, indebtedness under the ABL Facility would remain outstanding, our pro forma cash and cash equivalents would have been approximately $82.0 million, and total capitalization would reflect the significant transaction costs we have incurred in connection with the Cliffstar Acquisition, this offering, the Notes Offering and the Amended ABL Facility. If we are unable to complete the Cliffstar Acquisition, the net proceeds of this offering may be used in the discretion of management for general corporate purposes.

The actual sources and uses of the funds for the Cliffstar Acquisition will vary from estimated amounts depending on several factors, including (i) the amount of net proceeds that we receive from this offering, (ii) the amount of net proceeds that we receive from the Notes Offering, (iii) the amount we borrow under the Amended ABL Facility to finance the Cliffstar Acquisition, and (iv) changes in Cott s and Cliffstar s debt balances and net working capital from July 3, 2010 to the consummation of the Cliffstar Acquisition. You should read this table in conjunction with the sections entitled Use of Proceeds, Unaudited Pro Forma Condensed Combined Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements or related notes incorporated by reference herein.

	As of July 3, 2010	
	Actual	**Pro Forma As Adjusted**
	(In millions of U.S. dollars, except share information) (unaudited)	
Cash and cash equivalents	$ 20.3	$ 21.1
Debt:		
ABL Facility[1]	$ 10.6	$ 95.6
GE financing agreement	18.4	18.4
Capital leases	4.4	5.9
Other indebtedness	2.2	2.2
Senior notes offered concurrently		375.0
8.375% senior notes due 2017[2]	212.1	212.1
Total debt	247.7	709.2
Equity:		
Capital stock, no par value, 81,410,120 shares issued and 93,010,120 shares issued, pro forma as adjusted	322.5	384.2
Treasury stock	(3.3)	(3.3)
Additional paid-in-capital	38.7	38.7
Retained earnings	85.6	77.2
Accumulated other comprehensive loss	(27.6)	(27.6)

Total equity	415.9	469.2
Total capitalization	$ 663.6	$ 1,178.4

(1) This does not reflect letters of credit outstanding under the Amended ABL Facility.
(2) The $215.0 aggregate principal amount of 8.375% senior notes due 2017 were offered at 98.575% of the principal amount.

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PRICE RANGE OF COMMON SHARES

Our common shares are listed on the NYSE under the symbol COT and on the TSX under the symbol BCB . On August 11, 2010, the last reported sale price of our common shares on the TSX and the NYSE was Cdn$5.95 and $5.67, respectively. The following tables provide the high and low sales price per common share during the periods indicated, as reported on the NYSE and TSX, respectively.

	U.S. Dollars	
	High	**Low**
NYSE:		
Fiscal year ended January 1, 2011		
Third quarter (through August 11)	$ 6.45	$ 5.41
Second quarter	$ 8.88	$ 5.58
First quarter	$ 8.65	$ 6.72
Fiscal year ended January 2, 2010		
Fourth quarter	$ 9.39	$ 6.67
Third quarter	$ 8.26	$ 5.19
Second quarter	$ 6.80	$ 0.87
First quarter	$ 1.59	$ 0.65
Fiscal year ended December 27, 2008		
Fourth quarter	$ 1.55	$ 0.59
Third quarter	$ 3.57	$ 1.00
Second quarter	$ 3.69	$ 2.34
First quarter	$ 7.48	$ 1.76
Fiscal year ended December 29, 2007		
Fourth quarter	$ 8.36	$ 5.40
Third quarter	$ 16.12	$ 7.39
Second quarter	$ 17.33	$ 12.64
First quarter	$ 15.22	$ 13.17

	Cdn. Dollars	
	High	**Low**
TSX:		
Fiscal year ended January 1, 2011		
Third quarter (through August 11)	$ 6.68	$ 5.66
Second quarter	$ 8.89	$ 5.94
First quarter	$ 8.98	$ 6.92
Fiscal year ended January 2, 2010		
Fourth quarter	$ 10.00	$ 7.26
Third quarter	$ 8.96	$ 5.51
Second quarter	$ 7.37	$ 1.08
First quarter	$ 1.88	$ 0.65
Fiscal year ended December 27, 2008		
Fourth quarter	$ 1.74	$ 0.74
Third quarter	$ 3.60	$ 1.04
Second quarter	$ 3.77	$ 2.38
First quarter	$ 7.50	$ 1.74
Fiscal year ended December 29, 2007		
Fourth quarter	$ 8.19	$ 5.14
Third quarter	$ 16.79	$ 7.42
Second quarter	$ 19.70	$ 14.57
First quarter	$ 17.80	$ 15.23

As of August 3, 2010, there were 81,410,120 common shares issued and outstanding and there were approximately 1,138 holders of record of our common shares.

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DIVIDEND POLICY

We have never paid cash dividends and have no current plans to pay any dividends on our common shares. There are certain restrictions on the payment of dividends under the ABL Facility, the indenture governing our outstanding 8.375% senior notes due 2017 and, if the Notes Offering is consummated, the indenture governing the notes offered in the Notes Offering. See Management s Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements and related notes and our unaudited interim consolidated financial statements and related notes, incorporated by reference herein. The payment of any future dividends will be determined by our board of directors in light of conditions then existing, including our financial condition and requirements, future prospects, restrictions in financing agreements, business conditions and other factors deemed relevant by our board of directors.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Cott and Cliffstar Unaudited Pro Forma Condensed Combined Financial Statements

On July 7, 2010, we entered into the Asset Purchase Agreement with Cliffstar, to acquire substantially all of the assets and liabilities of Cliffstar and its affiliated companies. The purchase includes $500 million in cash, payable at closing, subject to adjustment for working capital and other items and $14 million of deferred consideration which will be paid over a three-year period. Cliffstar is entitled to additional contingent earnout consideration of up to a maximum of $55 million, based upon the achievement of certain performance measures during the fiscal year ending January 1, 2011 as well as the successful completion of certain expansion projects in 2010. The closing of the transaction is subject to receipt of financing and other customary conditions, and is expected to close in the third quarter of 2010. Although we have entered into the Asset Purchase Agreement in connection with the Cliffstar Acquisition, we cannot guarantee when, or whether, the acquisition will be completed.

The unaudited pro forma condensed combined financial statements have been prepared to illustrate the effect of the Cliffstar Acquisition, including related financing. The unaudited pro forma condensed combined balance sheet combines the historical consolidated balance sheets of Cott and Cliffstar, giving pro forma effect to the Cliffstar Acquisition, this offering and the application of net proceeds therefrom, the Notes Offering and the application of net proceeds therefrom and borrowings under the Amended ABL Facility, in each case, as if it had occurred on July 3, 2010. The unaudited pro forma condensed combined statement of operations for the fiscal year ended January 2, 2010, for the six months ended July 3, 2010 and for the six months ended June 27, 2009 combine the historical consolidated statements of operations of Cott and Cliffstar, giving pro forma effect to the Cliffstar Acquisition, this offering and the application of net proceeds therefrom, the Notes Offering and the application of net proceeds therefrom and borrowings under the Amended ABL Facility, in each case, as if it had occurred on January 2, 2009. The unaudited pro forma condensed combined statements of operations for the twelve months ended July 3, 2010 is calculated by subtracting the pro forma data for the six months ended June 27, 2009 from the pro forma fiscal year ended January 2, 2010 and then adding the pro forma six months ended July 3, 2010. The historical financial information has been adjusted to give pro forma effect to matters that are (i) directly attributable to the Cliffstar Acquisition, (ii) factually supportable, and (iii) with respect to the statements of operations, expected to have a continuing impact on the operating results of the combined company. The unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying Notes to the Unaudited Pro Forma Condensed Combined Financial Statements and the historical financial statements of Cott and Cliffstar, all of which are included or incorporated by reference herein.

The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The pro forma data has been prepared from, and should be read in conjunction with, the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information, the historical financial statements of Cott and Cliffstar and Management s Discussion and Analysis of Financial Condition and Results of Operations, all of which are included or incorporated by reference herein. The information has been derived from our audited and unaudited condensed consolidated financial statements and from Cliffstar s audited and unaudited condensed consolidated financial statements and the notes to those statements included herein. This pro forma financial information does not purport to represent what our results of operations or financial position would have been if the Cliffstar Acquisition, this offering, the Notes Offering and the Amended ABL Facility had occurred as of the dates indicated or what those results will be for future periods. Our historical results included herein are not necessarily indicative of our future performance.

The unaudited pro forma condensed combined financial statements have been prepared using the acquisition method of accounting, with Cott treated as the acquirer. The unaudited pro forma condensed combined financial statements will differ from our final acquisition accounting for a number of reasons, including the fact that our estimates of fair values of assets and liabilities acquired are preliminary and subject to change when our formal

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valuation and other studies are finalized. The differences that will occur between the preliminary estimates and the final acquisition accounting could have a material impact on the accompanying unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial statements are presented for informational purposes only. They have been prepared in accordance with Article 11 of Regulation S-X of the SEC and are not necessarily indicative of what our financial position or results of operations actually would have been had we completed the Cliffstar Acquisition at the dates indicated, nor do they purport to project the future financial position or operating results of the combined company. The unaudited pro forma condensed combined statements of operations do not reflect any revenue or cost savings from synergies that may be achieved with respect to the combined companies, or the impact of non-recurring items, including synergies, directly related to the Cliffstar Acquisition.

The unaudited pro forma condensed combined statements of operations for the twelve months ended July 3, 2010 and for the six months ended June 27, 2009 are not required by Regulation S-X, but have been included as we believe the last twelve months of data is a better representative of the results of the combined companies. The overall market for carbonated soft drinks in which Cott operates has declined and both Cott and Cliffstar are subject to volatile commodity fluctuations. Therefore, presenting the last twelve months provides a more accurate representation of current market conditions in which the combined companies operate.

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Cott Corporation

Unaudited Pro Forma Condensed Combined Balance Sheet

As of July 3, 2010

	Cott	Cliffstar	Pro Forma Adjustments		Pro Forma Combined
			(In millions of U.S. dollars)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ 20.3	$ 0.2	$ 0.6	A	$ 21.1
Accounts receivable, net	195.3	51.6			246.9
Income tax recoverable	7.8				7.8
Inventories	115.0	80.7	12.8	B	208.5
Prepaid and other expenses	14.2	5.8			20.0
Total current assets	352.6	138.3	13.4		504.3
Property, plant and equipment	332.6	92.5	(1.0)	C	424.1
Goodwill	30.3	20.1	117.6	D	168.0
Intangibles and other assets	149.3	3.6	255.8	E	408.7
Deferred income taxes	6.6				6.6
Other tax receivable	8.6				8.6
Total assets	$ 880.0	$ 254.5	$ 385.8		$ 1,520.3
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term borrowings	$ 10.6	$	$ 85.0	F	$ 95.6
Current maturities of long-term debt	5.9	0.3	(0.3)	G	5.9
Accounts payable and accrued liabilities	172.7	53.8	59.6	H	286.1
Total current liabilities	189.2	54.1	144.3		387.6
Long term debt	231.2	97.3	279.2	I	607.7
Deferred income taxes	17.9				17.9
Other long-term liabilities	10.6	4.6	7.5	J	22.7
Total liabilities	448.9	156.0	431.0		1,035.9
Equity:					
Capital stock	322.5		61.7	K	384.2
Treasury stock	(3.3)				(3.3)
Additional paid-in capital	38.7	4.3	(4.3)	L	38.7
Retained earnings	85.6	94.2	(102.6)	M	77.2
Accumulated other comprehensive loss	(27.6)				(27.6)
Total shareholders equity	415.9	98.5	(45.2)		469.2
Non controlling interest	15.2				15.2
Total equity	431.1	98.5	(45.2)		484.4
Total liabilities and equity	$ 880.0	$ 254.5	$ 385.8		$ 1,520.3

See accompanying notes to the unaudited pro forma condensed combined financial statements.

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Cott Corporation

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Six Months Ended July 3, 2010

	Cott	Cliffstar(a)	Pro Forma Adjustments		Pro Forma Combined
	(In millions of U.S. dollars, except per share data)				
Revenues, net	$ 787.6	$ 330.1	$		$ 1,117.7
Cost of sales	656.9	252.8	14.2	A	923.9
Gross profit (loss)	130.7	77.3	(14.2)		193.8
Selling, general and administrative expenses	66.9	32.4			99.3
Loss on disposal of property and equipment net	0.1				0.1
Restructuring gain	(0.5)				(0.5)
Operating income (loss)	64.2	44.9	(14.2)		94.9
Other expense, net	2.3	0.4			2.7
Interest expense, net	12.3	1.4	17.3	B	31.0
Income (loss) before income taxes	49.6	43.1	(31.5)		61.2
Income tax expense	13.2		4.5	C	17.7
Net income (loss)	36.4	43.1	(36.0)		43.5
Less: Net income attributable to non-controlling interests	2.6				2.6
Net income (loss) attributed to Cott Corporation	$ 33.8	$ 43.1	$ (36.0)		$ 40.9
Net income per common share					
Basic	$ 0.42				$ 0.45
Diluted	$ 0.42				$ 0.45
Weighted average outstanding shares (in thousands)					
Basic	80,401		10,833	D	91,234
Diluted	80,861		10,833	D	91,694

(a) For the purposes of this presentation we have allocated historical Cliffstar depreciation in the ratio of 90% to cost of sales and 10% to selling, general and administrative.

See accompanying notes to the unaudited pro forma condensed combined financial statements.

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Cott Corporation

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Six Months Ended June 27, 2009

	Cott	Cliffstar(a)	Pro Forma Adjustments		Pro Forma Combined
	(In millions of U.S. dollars, except per share data)				
Revenues, net	$ 805.8	$ 356.1	$		$ 1,161.9
Cost of sales	674.3	282.3	21.8	A	978.4
Gross profit (loss)	131.5	73.8	(21.8)		183.5
Selling, general and administrative expenses	69.8	29.4			99.2
Restructuring and asset impairments					
Restructuring charge	1.6				1.6
Asset impairments	3.5				3.5
Operating income (loss)	56.6	44.4	(21.8)		79.2
Other (income) expense, net	(2.7)	0.3			(2.4)
Interest expense, net	15.1	2.9	15.8	B	33.8
Income (loss) before income taxes	44.2	41.2	(37.6)		47.8
Income tax expense (benefit)	(11.6)		1.4	C	(10.2)
Net income (loss)	55.8	41.2	(39.0)		58.0
Less: Net income attributable to non-controlling interests	2.2				2.2
Net income (loss) attributed to Cott Corporation	$ 53.6	$ 41.2	$ (39.0)		$ 55.8
Net income per common share					
Basic	$ 0.76				$ 0.69
Diluted	$ 0.76				$ 0.69
Weighted average outstanding shares (in thousands)					
Basic	70,472		10,833	D	81,305
Diluted	70,491		10,833	D	81,324

(a) For the purposes of this presentation we have allocated historical Cliffstar depreciation in the ratio of 90% to cost of sales and 10% to selling, general and administrative.

See accompanying notes to the unaudited pro forma condensed combined financial statements.

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Cott Corporation

Unaudited Pro Forma Condensed Combined Statement of Operations

For the Fiscal Year Ended January 2, 2010

	Cott	Cliffstar(a)	Pro Forma Adjustments		Pro Forma Combined
	(In millions of U.S. dollars, except per share data)				
Revenues, net	$ 1,596.7	$ 671.3	$		$ 2,268.0
Cost of sales	1,346.9	528.5	43.6	A	1,919.0
Gross profit (loss)	249.8	142.8	(43.6)		349.0
Selling, general and administrative expenses	146.8	59.6			206.4
Loss on disposal of property and equipment, net	0.5				0.5
Restructuring and asset impairments					
Restructuring charge	1.5				1.5
Asset impairments	3.6				3.6
Operating income (loss)	97.4	83.2	(43.6)		137.0
Other expense, net	4.4	0.5			4.9
Interest expense, net	29.7	4.7	32.7	B	67.1