
United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: **March 30, 2013**

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: **001-31410**

COTT CORPORATION

(Exact name of registrant as specified in its charter)

CANADA
(State or Other Jurisdiction of
Incorporation or Organization)

98-0154711
(IRS Employer
Identification No.)

6525 VISCOUNT ROAD
MISSISSAUGA, ONTARIO
5519 WEST IDLEWILD AVE
TAMPA, FLORIDA
(Address of principal executive offices)

L4V 1H6
33634
(Zip Code)

Registrant's telephone number, including area code: (905) 672-1900 and (813) 313-1800

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at May 1, 2013</u>
Common Stock, no par value per share	95,371,484 shares

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)	3
Consolidated Statements of Operations	3
Condensed Consolidated Statements of Comprehensive (Loss) Income	4
Consolidated Balance Sheets	5
Consolidated Statements of Cash Flows	6
Consolidated Statements of Equity	7
Notes to the Consolidated Financial Statements	8

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	27
Overview	27
Results of Operations	32
Liquidity and Financial Condition	33

Item 3. Quantitative and Qualitative Disclosures about Market Risk	38
---	----

Item 4. Controls and Procedures	39
--	----

PART II – OTHER INFORMATION

Item 1. Legal Proceedings	39
----------------------------------	----

Item 1A. Risk Factors	39
------------------------------	----

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	39
--	----

Item 6. Exhibits	40
-------------------------	----

SIGNATURES	41
-------------------	----

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Cott Corporation

Consolidated Statements of Operations

(in millions of U.S. dollars, except share and per share amounts)

Unaudited

	For the Three Months Ended	
	March 30, 2013	March 31, 2012
Revenue, net	\$ 505.4	\$ 523.8
Cost of sales	<u>449.0</u>	<u>460.4</u>
Gross profit	56.4	63.4
Selling, general and administrative expenses	41.3	41.8
Loss on disposal of property, plant & equipment	—	0.6
Operating income	15.1	21.0
Other expense (income), net	0.3	(0.2)
Interest expense, net	<u>13.3</u>	<u>14.0</u>
Income before income taxes	1.5	7.2
Income tax expense	<u>0.5</u>	<u>0.4</u>
Net income	\$ 1.0	\$ 6.8
Less: Net income attributable to non-controlling interests	<u>1.0</u>	<u>0.9</u>
Net income attributed to Cott Corporation	<u>\$ —</u>	<u>\$ 5.9</u>
Net income per common share attributed to Cott Corporation		
Basic	\$ —	\$ 0.06
Diluted	\$ —	\$ 0.06
Weighted average outstanding shares (thousands) attributed to Cott Corporation		
Basic	95,371	94,427
Diluted	95,801	95,702
Dividends declared per share	\$ 0.06	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

Cott Corporation
Condensed Consolidated Statements of Comprehensive (Loss) Income
(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended	
	March 30, 2013	March 31, 2012
Net income	\$ 1.0	\$ 6.8
Other comprehensive (loss) income:		
Currency translation adjustment	(12.4)	8.2
Pension benefit plan, net of tax ¹	0.2	(0.5)
Unrealized gain (loss) on derivative instruments, net of tax ²	0.1	(0.3)
Total other comprehensive (loss) income	(12.1)	7.4
Comprehensive (loss) income	\$ (11.1)	\$ 14.2
Less: Comprehensive income attributable to non-controlling interests	0.9	0.8
Comprehensive (loss) income attributed to Cott Corporation	\$ (12.0)	\$ 13.4

¹ Net of the effect of \$0.1 million tax expense and no tax benefit for the three months ended March 30, 2013 and March 31, 2012, respectively.

² Net of the effect of \$0.1 million tax expense and \$0.1 million tax benefit for the three months ended March 30, 2013 and March 31, 2012, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

Cott Corporation

Consolidated Balance Sheets

(in millions of U.S. dollars, except share amounts)

Unaudited

	March 30, <u>2013</u>	December 29, <u>2012</u>
ASSETS		
<i>Current assets</i>		
Cash & cash equivalents	\$ 93.0	\$ 179.4
Accounts receivable, net of allowance of \$6.1 (\$6.8 as of December 29, 2012)	223.3	199.4
Income taxes recoverable	1.0	1.2
Inventories	235.7	224.8
Prepaid expenses and other assets	<u>20.8</u>	<u>20.3</u>
Total current assets	573.8	625.1
Property, plant & equipment, net	486.8	490.9
Goodwill	129.7	130.3
Intangibles and other assets, net	305.6	315.4
Deferred income taxes	3.0	3.3
Other tax receivable	<u>1.2</u>	<u>0.9</u>
Total assets	<u>\$1,500.1</u>	<u>\$ 1,565.9</u>
LIABILITIES AND EQUITY		
<i>Current liabilities</i>		
Current maturities of long-term debt	\$ 2.0	\$ 1.9
Accounts payable and accrued liabilities	<u>238.4</u>	<u>287.7</u>
Total current liabilities	240.4	289.6
Long-term debt	601.4	601.8
Deferred income taxes	38.4	39.1
Other long-term liabilities	<u>15.1</u>	<u>12.5</u>
Total liabilities	895.3	943.0
<i>Equity</i>		
Capital stock, no par - 95,371,484 (December 29, 2012 - 95,371,484) shares issued	397.8	397.8
Additional paid-in-capital	41.1	40.4
Retained earnings	180.4	186.0
Accumulated other comprehensive loss	<u>(24.4)</u>	<u>(12.4)</u>
Total Cott Corporation equity	594.9	611.8
Non-controlling interests	<u>9.9</u>	<u>11.1</u>
Total equity	<u>604.8</u>	<u>622.9</u>
Total liabilities and equity	<u>\$1,500.1</u>	<u>\$ 1,565.9</u>

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

Cott Corporation
Consolidated Statements of Cash Flows
(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended	
	March 30, 2013	March 31, 2012
Operating Activities		
Net income	\$ 1.0	\$ 6.8
Depreciation & amortization	24.7	23.8
Amortization of financing fees	0.7	1.2
Share-based compensation expense	0.7	0.8
Loss on disposal of property, plant & equipment	—	0.6
Other non-cash items	0.3	(0.4)
Change in operating assets and liabilities, net of acquisition:		
Accounts receivable	(28.2)	(20.5)
Inventories	(13.2)	(16.5)
Prepaid expenses and other assets	(0.6)	(1.8)
Other assets	(0.1)	1.0
Accounts payable and accrued liabilities	(44.1)	(38.4)
Income taxes recoverable	0.2	0.3
Net cash used in operating activities	<u>(58.6)</u>	<u>(43.1)</u>
Investing Activities		
Acquisition	—	(5.0)
Additions to property, plant & equipment	(19.9)	(17.7)
Additions to intangibles and other assets	(0.2)	(2.7)
Proceeds from insurance recoveries	0.4	—
Net cash used in investing activities	<u>(19.7)</u>	<u>(25.4)</u>
Financing Activities		
Payments of long-term debt	(0.5)	(1.2)
Borrowings under ABL	—	7.0
Payments under ABL	—	(7.0)
Distributions to non-controlling interests	(2.1)	(1.1)
Common shares repurchased and cancelled	(2.9)	—
Net cash used in financing activities	<u>(5.5)</u>	<u>(2.3)</u>
Effect of exchange rate changes on cash	<u>(2.6)</u>	<u>1.5</u>
Net decrease in cash & cash equivalents	(86.4)	(69.3)
Cash & cash equivalents, beginning of period	179.4	100.9
Cash & cash equivalents, end of period	\$ 93.0	\$ 31.6
Supplemental Non-cash Financing Activities:		
Dividend payable issued through accounts payable and accrued liabilities	\$ 5.6	\$ —
Supplemental Disclosures of Cash Flow information:		
Cash paid for interest	\$ 15.9	\$ 16.0
Cash paid for income taxes, net	\$ 0.5	\$ 0.2

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

Cott Corporation

Consolidated Statements of Equity

(in millions of U.S. dollars, except share amounts)

Unaudited

	Cott Corporation Equity								
	Number of Common Shares <i>(In thousands)</i>	Number of Treasury Shares <i>(In thousands)</i>	Common Shares	Treasury Shares	Additional Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- Controlling Interests	Total Equity
Balance at December 31, 2011	95,101	674	\$ 395.9	\$ (2.1)	\$ 42.6	\$ 144.1	\$ (24.7)	\$ 12.4	\$568.2
Share-based compensation	—	—	—	—	0.8	—	—	—	0.8
Distributions to non-controlling interests	—	—	—	—	—	—	—	(1.1)	(1.1)
Comprehensive income									
Currency translation adjustment	—	—	—	—	—	—	8.3	(0.1)	8.2
Pension benefit plan, net of tax	—	—	—	—	—	—	(0.5)	—	(0.5)
Unrealized loss on derivative instruments, net of tax	—	—	—	—	—	—	(0.3)	—	(0.3)
Net income	—	—	—	—	—	5.9	—	0.9	6.8
Balance at March 31, 2012	95,101	674	\$ 395.9	\$ (2.1)	\$ 43.4	\$ 150.0	\$ (17.2)	\$ 12.1	\$582.1
Balance at December 29, 2012	95,371	—	\$ 397.8	\$ —	\$ 40.4	\$ 186.0	\$ (12.4)	\$ 11.1	\$622.9
Dividend	—	—	—	—	—	(5.6)	—	—	(5.6)
Share-based compensation	—	—	—	—	0.7	—	—	—	0.7
Distributions to non-controlling interests	—	—	—	—	—	—	—	(2.1)	(2.1)
Comprehensive income									
Currency translation adjustment	—	—	—	—	—	—	(12.3)	(0.1)	(12.4)
Pension benefit plan, net of tax	—	—	—	—	—	—	0.2	—	0.2
Unrealized gain on derivative instruments, net of tax	—	—	—	—	—	—	0.1	—	0.1
Net income	—	—	—	—	—	—	—	1.0	1.0
Balance at March 30, 2013	95,371	—	\$ 397.8	\$ —	\$ 41.1	\$ 180.4	\$ (24.4)	\$ 9.9	\$604.8

The accompanying notes are an integral part of these consolidated financial statements.

Cott Corporation
Notes to the Consolidated Financial Statements
Unaudited

Note 1 – Business and Recent Accounting Pronouncements

Description of Business

Cott Corporation, together with its consolidated subsidiaries (“Cott,” “the Company,” “our Company,” “Cott Corporation,” “we,” “us,” or “our”), is one of the world’s largest producers of beverages on behalf of retailers, brand owners and distributors. Our product lines include carbonated soft drinks (“CSDs”), 100% shelf stable juice and juice-based products, clear, still and sparkling flavored waters, energy products, sports products, new age beverages, and ready-to-drink teas, as well as alcoholic beverages for brand owners.

Basis of Presentation

The accompanying interim unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements in conformity with U.S. GAAP. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of our results of operations for the interim periods reported and of our financial condition as of the date of the interim balance sheet have been included. This Quarterly Report on Form 10-Q should be read in conjunction with the annual audited consolidated financial statements and accompanying notes in our Annual Report on Form 10-K for the year ended December 29, 2012. The accounting policies used in these interim consolidated financial statements are consistent with those used in the annual consolidated financial statements.

The presentation of these interim consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes.

Recent Accounting Pronouncements

Update ASU 2013-02 – Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

In February 2013, the Financial Accounting Standards Board (“FASB”) amended its guidance regarding the information provided in relation to the amounts reclassified out of accumulated other comprehensive income. The amendments do not change the current requirements for reporting net income or other comprehensive income in financial statements. However, the amendments require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. For public entities, the amendments are effective prospectively for reporting periods beginning after December 15, 2012. Early adoption is permitted. We have adopted this guidance, and the required disclosure is set forth in Note 10.

Table of Contents

Note 2 – Acquisitions

In March of 2012, our United Kingdom (“U.K.”) reporting segment acquired a beverage and wholesale business based in Scotland for approximately \$5.0 million. The business was purchased from a company in administration and is expected to provide a number of benefits to our U.K. reporting segment, including increased product offerings, logistical synergies and access to an additional production line. The acquisition has been accounted for using the purchase method of accounting for business combinations, and related operating results are included in the Consolidated Statements of Operations for the periods subsequent to the acquisition. The identified assets, which included inventory, property, plant and equipment, trade names and customer lists, were recorded at their estimated fair values, which exceeded the fair value of the purchase price of the business. Accordingly, the acquisition has been accounted for as a bargain purchase and, as a result, we recognized a gain of approximately \$0.9 million associated with the acquisition during the second quarter of 2012.

On August 17, 2010, we completed the acquisition of substantially all of the assets and liabilities of Cliffstar Corporation (“Cliffstar”) and its affiliated companies for approximately \$503.0 million in cash, \$14.0 million in deferred consideration payable in equal installments over three years and contingent consideration of up to \$55.0 million (the “Cliffstar Acquisition”). The first \$15.0 million of the contingent consideration was paid upon the achievement of milestones in certain expansion projects in 2010. The remainder of the contingent consideration was to be calculated based on the achievement of certain performance measures during the fiscal year ending January 1, 2011.

In 2011, the seller of Cliffstar raised certain objections to the performance measures used to calculate the contingent consideration, and the parties commenced the dispute resolution mechanism provided for in the asset purchase agreement. During 2011, Cott made interim payments to the seller equal to \$29.6 million, which was net of a \$4.7 million refund due to Cott and included \$0.9 million in settlement of certain of the seller’s objections to the calculation of the contingent consideration. The seller’s claims for an additional \$12.1 million in contingent consideration were submitted to binding arbitration pursuant to the asset purchase agreement and favorably resolved by payment by Cott in February 2013 of approximately \$0.6 million.

Note 3 – Share-Based Compensation

The table below summarizes the share-based compensation expense for the three months ended March 30, 2013 and March 31, 2012. This share-based compensation expense was recorded in selling, general, and administrative expenses in our Consolidated Statements of Operations. As used below: (i) “Performance-based RSUs” mean restricted share units with performance-based vesting granted under the Company’s 2010 Equity Incentive Plan (the “2010 Equity Incentive Plan”), (ii) “Time-based RSUs” mean restricted share units with time-based vesting granted under the 2010 Equity Incentive Plan, and (iii) “Stock options” mean non-qualified stock options granted under the 2010 Equity Incentive Plan and the Restated 1986 Common Share Option Plan (the “1986 Option Plan”).

<i>(in millions of U.S. dollars)</i>	For the Three Months Ended	
	March 30, 2013	March 31, 2012
Stock options	\$ 0.1	\$ 0.1
Performance-based RSUs	0.2	—
Time-based RSUs	0.4	0.7
Total	<u>\$ 0.7</u>	<u>\$ 0.8</u>

Table of Contents

As of March 30, 2013, the unrecognized share-based compensation expense and years we expect to recognize it as future compensation expense were as follows:

<i>(in millions of U.S. dollars)</i>	Unrecognized share-based compensation expense as of March 30, 2013	Weighted average years expected to recognize compensation
Stock options	\$ 0.8	1.8
Performance-based RSUs	1.5	1.8
Time-based RSUs	2.0	1.6
Total	<u>\$ 4.3</u>	

Stock option activity for the three months ended March 30, 2013 was as follows:

	Shares <i>(in thousands)</i>	Weighted average exercise price <i>(Canadian \$)</i>
Balance at December 29, 2012	468	\$ 7.28
Awarded	—	—
Exercised	—	—
Forfeited or expired	—	—
Outstanding at March 30, 2013	<u>468</u>	<u>\$ 7.28</u>
Exercisable at March 30, 2013	<u>125</u>	<u>\$ 9.49</u>

During the three months ended March 30, 2013 Performance-based RSU and Time-based RSU activity was as follows:

<i>(in thousands of shares)</i>	Number of Performance- based RSUs	Number of Time-based RSUs
Balance at December 29, 2012	825	529
Awarded	—	—
Issued	—	—
Forfeited	(5)	(4)
Outstanding at March 30, 2013	<u>820</u>	<u>525</u>

There were no stock options awarded during the three months ended March 30, 2013. Stock options awarded in 2012 were granted under the 2010 Equity Incentive Plan, while stock options awarded prior to 2012 were granted under the 1986 Option Plan. Our board of directors terminated the 1986 Option Plan, as of February 23, 2011. In connection with the termination of the 1986 Option Plan, outstanding options will continue in accordance with the terms of the 1986 Option Plan until exercised, forfeited or terminated, as applicable. No further awards will be granted under the 1986 Option Plan.

On February 14, 2013, our board of directors adopted an amendment and restatement to the 2010 Equity Incentive Plan (the “Amended and Restated Equity Plan”), pursuant to which the 2010 Equity Incentive Plan was amended and restated to, among other things, increase the number of shares that may be issued under the plan to 12,000,000 shares and to provide that the number of shares available for issuance will be reduced 2.0 shares for each share issued pursuant to a “full-value” award (i.e. an award other than an option or stock appreciation right). The Amended and Restated Equity Plan was approved by Cott’s shareowners on April 30, 2013.

Table of Contents

Average Canadian to U.S. Dollar Exchange Rate for the Three Months Ended March 30, 2013

The weighted-average exercise prices for options in this Note 3 are disclosed in Canadian dollars. The table below represents the average Canadian dollar to U.S. dollar exchange rate for the three months ended March 30, 2013:

	<u>For the Three Months Ended March 30,</u>
	<u>2013</u>
Average exchange rate	\$ 0.994

Note 4 – Income Taxes

Income tax expense was \$0.5 million on pretax income of \$1.5 million for the three months ended March 30, 2013, as compared to an income tax expense of \$0.4 million on pretax income of \$7.2 million for the three months ended March 31, 2012. The first quarter's income tax rate was 33% in comparison to the prior year rate of 6%. This is the result of \$0.2 million in discrete items that increased the current quarter's rate relative to net income in comparison to prior year discrete items of \$(0.8) million which reduced that rate.

Note 5 – Net Income Per Common Share

Basic net income per common share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted net income per common share is calculated using the weighted-average number of common shares outstanding adjusted to include the effect, if dilutive, of the exercise of in-the-money stock options, Performance-based RSUs and Time-based RSUs.

A reconciliation of the denominators of the basic and diluted net income per common share computations is as follows:

<i>(in thousands of shares)</i>	<u>For the Three Months Ended</u>	
	<u>March 30, 2013</u>	<u>March 31, 2012</u>
Weighted-average number of shares outstanding - basic	95,371	94,427
Dilutive effect of stock options	49	30
Dilutive effect of Performance-based RSUs	127	114
Dilutive effect of Time-based RSUs	254	1,131
Adjusted weighted-average number of shares outstanding - diluted	<u>95,801</u>	<u>95,702</u>

We excluded 50,000 (March 31, 2012–183,500) stock options from the computation of diluted net income per share because the options' exercise price was greater than the average market price of the common shares. Shares purchased on the open market and held by independent trusts are categorized as treasury shares under applicable accounting rules. We excluded 674,397 treasury shares held in various trusts in the calculation of basic and diluted earnings per share for the three months ended March 31, 2012. We distributed the remaining shares from the trusts to satisfy certain 2010 Equity Incentive Plan obligations that vested during the fourth quarter of 2012.

Table of Contents

Note 6 – Segment Reporting

Our product lines include CSDs, 100% shelf stable juice and juice-based products, clear, still and sparkling flavored waters, energy products, sports products, new age beverages, and ready-to-drink teas, as well as alcoholic beverages for brand owners. Our business operates through five reporting segments – North America (which includes our U.S. operating segment and Canada operating segment), U.K. (which includes our United Kingdom reporting unit and our Continental European reporting unit), Mexico, Royal Crown International (“RCI”) and All Other. The primary measures used in evaluating our reporting segments are revenues, operating income (loss), and additions to property, plant and equipment, which have been included as part of our segment disclosures listed below.

(in millions of U.S. dollars)

	<u>North America</u>	<u>United Kingdom</u>	<u>Mexico</u>	<u>RCI</u>	<u>All Other</u>	<u>Total</u>
For the Three Months Ended March 30, 2013						
External revenue ¹	\$ 393.2	\$ 97.4	\$ 7.4	\$ 7.4	\$—	\$ 505.4
Depreciation and amortization	21.0	3.2	0.5	—	—	24.7
Operating income (loss)	13.8	—	(0.7)	2.0	—	15.1
Additions to property, plant & equipment	14.5	4.6	0.8	—	—	19.9
As of March 30, 2013						
Property, plant & equipment	\$ 382.0	\$ 94.8	\$10.0	\$—	\$—	\$ 486.8
Goodwill	125.2	—	—	4.5	—	129.7
Intangibles and other assets	292.6	12.6	0.4	—	—	305.6
Total assets ²	1,223.5	235.2	26.8	13.8	0.8	1,500.1

¹ Intersegment revenue between North America and the other reporting segments was \$3.8 million for the three months ended March 30, 2013.

² Excludes intersegment receivables, investments and notes receivable.

(in millions of U.S. dollars)

	<u>North America</u>	<u>United Kingdom</u>	<u>Mexico</u>	<u>RCI</u>	<u>All Other</u>	<u>Total</u>
For the Three Months Ended March 31, 2012						
External revenue ¹	\$ 408.1	\$ 99.2	\$ 9.1	\$ 7.4	\$—	\$ 523.8
Depreciation and amortization	20.1	3.3	0.4	—	—	23.8
Operating income (loss)	17.3	3.2	(1.3)	1.8	—	21.0
Additions to property, plant & equipment	12.6	5.0	0.1	—	—	17.7
As of December 29, 2012						
Property, plant & equipment	\$ 382.1	\$ 99.5	\$ 9.3	\$—	\$—	\$ 490.9
Goodwill	125.8	—	—	4.5	—	130.3
Intangibles and other assets	301.1	13.9	0.4	—	—	315.4
Total assets ²	1,246.7	273.8	28.1	14.1	3.2	1,565.9

¹ Intersegment revenue between North America and the other reporting segments was \$4.1 million for the three months ended March 31, 2012.

² Excludes intersegment receivables, investments and notes receivable.

For the three months ended March 30, 2013, sales to Walmart accounted for 32.8% (March 31, 2012 – 31.6%) of our total revenues, 37.8% of our North America reporting segment revenues (March 31, 2012 – 36.0%), 16.5% of our U.K. reporting segment revenues (March 31, 2012 – 16.8%), and 13.3% of our Mexico reporting segment revenues (March 31, 2012 – 24.4%).

Credit risk arises from the potential default of a customer in meeting its financial obligations to us. Concentrations of credit exposure may arise with a group of customers that have similar economic characteristics or that are located in the same geographic region. The ability of such customers to meet obligations would be similarly affected by changing economic, political or other conditions. We are not currently aware of any facts that would create a material credit risk.

Table of Contents

Revenues are attributed to operating segments based on the location of the customer. Revenues by operating segment were as follows:

<i>(in millions of U.S. dollars)</i>	For the Three Months Ended	
	March 30, 2013	March 31, 2012
United States	\$ 354.8	\$ 366.2
Canada	47.5	53.8
United Kingdom	97.4	99.2
Mexico	7.4	9.1
RCI	7.4	7.4
Elimination ¹	(9.1)	(11.9)
Total	\$ 505.4	\$ 523.8

¹ Represents intersegment revenue among our operating segments, of which \$3.8 million represents intersegment revenue between the North America reporting segment and our other operating segments for the three months ended March 30, 2013, and \$4.1 million represents intersegment revenue between the North America reporting segment and our other operating segments for the three months ended March 31, 2012.

Revenues by product were as follows:

<i>(in millions of U.S. dollars)</i>	For the Three Months Ended March 30, 2013				
	North America	United Kingdom	Mexico	RCI	Total
<u>Revenue</u>					
Carbonated soft drinks	\$151.4	\$ 32.7	\$ 3.5	\$ 0.1	\$187.7
Juice	135.0	3.1	—	0.5	138.6
Concentrate	3.1	0.6	—	6.8	10.5
All other products	103.7	61.0	3.9	—	168.6
Total	\$393.2	\$ 97.4	\$ 7.4	\$ 7.4	\$505.4

<i>(in millions of U.S. dollars)</i>	For the Three Months Ended March 31, 2012				
	North America	United Kingdom	Mexico	RCI	Total
<u>Revenue</u>					
Carbonated soft drinks	\$163.8	\$ 33.7	\$ 5.6	\$—	\$203.1
Juice	133.9	3.1	0.1	0.4	137.5
Concentrate	2.9	0.8	—	7.0	10.7
All other products	107.5	61.6	3.4	—	172.5
Total	\$408.1	\$ 99.2	\$ 9.1	\$ 7.4	\$523.8

Table of Contents

Property, plant and equipment by operating segment as of March 30, 2013 and December 29, 2012 was as follows:

	March 30,	December 29,
<i>(in millions of U.S. dollars)</i>	<u>2013</u>	<u>2012</u>
United States	\$ 335.1	\$ 333.7
Canada	46.9	48.4
United Kingdom	94.8	99.5
Mexico	10.0	9.3
Total	<u>\$ 486.8</u>	<u>\$ 490.9</u>

Note 7 – Inventories

The following table summarizes inventories as of March 30, 2013 and December 29, 2012:

	March 30,	December 29,
<i>(in millions of U.S. dollars)</i>	<u>2013</u>	<u>2012</u>
Raw materials	\$ 102.1	\$ 93.4
Finished goods	113.5	111.6
Other	20.1	19.8
Total	<u>\$ 235.7</u>	<u>\$ 224.8</u>

Table of Contents

Note 8 – Intangibles and Other Assets

The following table summarizes intangibles and other assets as of March 30, 2013:

<i>(in millions of U.S. dollars)</i>	March 30, 2013		
	Cost	Accumulated Amortization	Net
Intangibles			
<i>Not subject to amortization</i>			
Rights	<u>\$ 45.0</u>	<u>\$ —</u>	<u>\$ 45.0</u>
<i>Subject to amortization</i>			
Customer relationships	\$366.3	\$ 148.0	\$218.3
Trademarks	28.6	23.6	5.0
Information technology	65.3	51.4	13.9
Other	11.8	9.2	2.6
	<u>472.0</u>	<u>232.2</u>	<u>239.8</u>
	<u>517.0</u>	<u>232.2</u>	<u>284.8</u>
Other Assets			
Financing costs	\$ 24.3	\$ 11.7	\$ 12.6
Deposits	7.2	—	7.2
Other	1.3	0.3	1.0
	<u>32.8</u>	<u>12.0</u>	<u>20.8</u>
Total Intangibles & Other Assets	<u>\$549.8</u>	<u>\$ 244.2</u>	<u>\$305.6</u>

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”).

Amortization expense of intangible and other assets was \$8.6 million for the three months ended March 30, 2013 and \$9.0 million for the three months ended March 31, 2012.

The estimated amortization expense for intangibles over the next five years is:

<i>(in millions of U.S. dollars)</i>	
Remainder of 2013	\$ 22.7
2014	28.9
2015	26.6
2016	23.2
2017	19.9
Thereafter	118.5
	<u>\$239.8</u>

Table of Contents

Note 9 – Debt

Our total debt as of March 30, 2013 and December 29, 2012 was as follows:

	March 30,	December 29,
<i>(in millions of U.S. dollars)</i>	2013	2012
8.375% senior notes due in 2017 ¹	\$ 215.0	\$ 215.0
8.125% senior notes due in 2018	375.0	375.0
GE obligation	9.7	9.9
Other capital leases	4.4	4.6
Other debt	1.3	1.3
Total debt	605.4	605.8
Less: Current debt		
GE obligation - current maturities	0.9	0.9
Other capital leases - current maturities	0.8	0.8
Other debt - current maturities	0.3	0.2
Total current debt	2.0	1.9
Long-term debt before discount	603.4	603.9
Less discount on 8.375% senior notes	(2.0)	(2.1)
Total long-term debt	\$ 601.4	\$ 601.8

¹ Our 8.375% senior notes were issued at a discount of 1.425% on November 13, 2009.

Debt

Asset-Based Lending Facility

On March 31, 2008, we entered into a credit agreement with JPMorgan Chase Bank N.A. as Agent that created an asset-based lending credit facility (the “ABL facility”) to provide financing for our North America, U.K. and Mexico reporting segments. In connection with the Cliffstar Acquisition, we refinanced the ABL facility on August 17, 2010 to, among other things, provide for the Cliffstar Acquisition, the issuance of \$375.0 million of 8.125% senior notes that are due on September 1, 2018 (the “2018 Notes”) and the application of net proceeds therefrom, the underwritten public offering of 13,340,000 common shares at a price of \$5.67 per share and the application of net proceeds therefrom and to increase the amount available for borrowings to \$275.0 million. We drew down a portion of the indebtedness under the ABL facility in order to fund the Cliffstar Acquisition. We incurred \$5.4 million of financing fees in connection with the refinancing of the ABL facility.

On July 19, 2012, we amended the ABL facility to, among other things, extend the maturity date to either July 19, 2017 or, if we have not redeemed, repurchased or refinanced our 8.375% senior notes due 2017 (the “2017 Notes”) by May 1, 2017, May 15, 2017. We incurred \$1.2 million of financing fees in connection with the amendment of the ABL facility.

The financing fees incurred in connection with the refinancing of the ABL facility on August 17, 2010, along with the financing fees incurred in connection with the amendment of the ABL facility on July 19, 2012, are being amortized using the straight line method over the duration of the amended ABL facility.

As of March 30, 2013, we had no outstanding borrowings under the ABL facility. The commitment fee was 0.375% per annum of the unused commitment, which, taking into account \$11.2 million of letters of credit, was \$252 million as of March 30, 2013.

8.375% Senior Notes due in 2017

On November 13, 2009, we issued the 2017 Notes. The 2017 Notes were issued at a \$3.1 million discount. The issuer of the 2017 Notes is our wholly-owned U.S. subsidiary Cott Beverages Inc., and most of our U.S., Canadian and U.K. subsidiaries guarantee the 2017 Notes. The interest on the 2017 Notes is payable semi-annually on May 15th and November 15th of each year.

We incurred \$5.1 million of financing fees in connection with the 2017 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the duration of the 2017 Notes.

8.125% Senior Notes due in 2018

On August 17, 2010, we issued the 2018 Notes. The issuer of the 2018 Notes is our wholly-owned U.S. subsidiary Cott Beverages Inc., and most of our U.S., Canadian and U.K. subsidiaries guarantee the 2018 Notes. The interest on the 2018 Notes is payable semi-annually on March 1st and September 1st of each year.

Table of Contents

We incurred \$8.6 million of financing fees in connection with the issuance of the 2018 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the duration of the 2018 Notes.

Note 10 – Accumulated Other Comprehensive (Loss) Income

Changes in accumulated other comprehensive (loss) income by component ¹ for the three months ended March 30, 2013 were as follows:

(in millions of U.S. dollars)

	March 30, 2013			Total
	Gains and Losses on Derivative Instruments	Pension Benefit Plan Items	Currency Translation Adjustment Items	
Beginning balance December 29, 2012	\$ 0.2	\$ (9.1)	\$ (3.5)	\$(12.4)
OCI before reclassifications	0.2	—	(12.3) ²	(12.1)
Amounts reclassified from AOCI	(0.1)	0.2	—	0.1
Net current-period OCI	0.1	0.2	(12.3)	(12.0)
Ending balance March 30, 2013	\$ 0.3	\$ (8.9)	\$ (15.8)	\$(24.4)

¹ All amounts are net of tax. Amounts in parentheses indicate debits.

² Excludes \$0.1 million related to non-controlling interest.

Reclassifications out of accumulated other comprehensive (loss) income ¹ for the three months ended March 30, 2013 were as follows:

(in millions of U.S. dollars)

Details About AOCI Components	March 30, 2013	
	Amounts Reclassified From AOCI	Affected Line Item in the Statement Where Net Income Is Presented
Gains and losses on derivative instruments		
Commodity contracts	\$ 0.1	Cost of sales
	\$ 0.1	Total before taxes
	—	Tax (expense) or benefit
	\$ 0.1	Net of tax
Amortization of pension benefit plan items		
Prior-service costs	\$ (0.1) ²	
Actuarial adjustments	(0.1) ²	
Actuarial gains/(losses)	— ²	
	(0.2)	Total before tax
	—	Tax (expense) or benefit
	\$ (0.2)	Net of tax
Total reclassifications for the period	\$ (0.1)	Net of tax

¹ Amounts in parentheses indicate debits.

² These AOCI components are included in the computation of net periodic pension cost.

Table of Contents

Note 11 – Commitments and Contingencies

We are subject to various claims and legal proceedings with respect to matters such as governmental regulations, and other actions arising out of the normal course of business. Management believes that the resolution of these matters will not have a material adverse effect on our financial position, results of operations, or cash flow.

On August 17, 2010, we completed the Cliffstar Acquisition which included contingent consideration of up to \$55.0 million. The first \$15.0 million of the contingent consideration was paid upon the achievement of milestones in certain expansion projects in 2010. The remainder of the contingent consideration was to be calculated based on the achievement of certain performance measures during the fiscal year ending January 1, 2011. During 2011, Cott made interim payments to the seller equal to \$29.6 million, which was net of a \$4.7 million refund due to Cott and included \$0.9 million in settlement of certain of the seller's objections to the calculation of the contingent consideration.

In 2011, the seller of Cliffstar raised certain objections to the performance measures used to calculate the contingent consideration, and the parties commenced the dispute resolution mechanism provided for in the asset purchase agreement. The seller's claims for an additional \$12.1 million in contingent consideration were submitted to binding arbitration pursuant to the asset purchase agreement and favorably resolved by payment by Cott in February 2013 of approximately \$0.6 million.

We had \$11.2 million in standby letters of credit outstanding as of March 30, 2013 (March 31, 2012 – \$11.1 million).

Note 12 – Shares Held in Trust Treated as Treasury Shares and Share Repurchase Program

In May 2008, an independent trustee acting on behalf of certain of our benefit plans purchased 2.3 million of our common shares to be used to satisfy future liabilities under the Amended and Restated Performance Share Unit Plan and the Restated Executive Incentive Share Purchase Plan. During the year ended December 29, 2012, we distributed the remaining 0.7 million shares from the trust to satisfy certain 2010 Equity Incentive Plan obligations that had vested during the last quarter of 2012. As of December 29, 2012, there were no shares held in trust that were accounted for as treasury shares.

On May 1, 2012, our board of directors authorized the repurchase of up to \$35.0 million of our common shares in the open market or through privately negotiated transactions over a 12-month period through either a 10b5-1 automatic trading plan or at management's discretion in compliance with regulatory requirements, and given market, cost and other considerations. During the second quarter of 2012, we repurchased 35,272 shares of common stock for approximately \$0.3 million. No other purchases have been made under the repurchase plan. On April 30, 2013, our board of directors approved the renewal of our share repurchase program for up to 5% of Cott's outstanding common shares over a 12-month period commencing upon the expiration of Cott's currently effective share repurchase program on May 21, 2013. We are unable to predict the number of shares that will be repurchased under the share repurchase program or the aggregate dollar amount of the shares actually purchased. We may discontinue purchases at any time, subject to compliance with applicable regulatory requirements.

Note 13 – Hedging Transactions and Derivative Financial Instruments

We are directly and indirectly affected by changes in foreign currency market conditions. These changes in market conditions may adversely impact our financial performance and are referred to as market risks. When deemed appropriate by management, we use derivatives as a risk management tool to mitigate the potential impact of foreign currency market risks.

We purchase forward contract derivative instruments. Forward contracts are agreements to buy or sell a quantity of a currency at a predetermined future date, and at a predetermined rate or price. We do not enter into derivative financial instruments for trading purposes.

All derivatives are carried at fair value in the Consolidated Balance Sheets in the line item other receivables or other payables. The carrying values of the derivatives reflect the impact of legally enforceable agreements with the same counterparties. These allow us to net settle positive and negative positions (assets and liabilities) arising from different transactions with the same counterparty.

The accounting for gains and losses that result from changes in the fair values of derivative instruments depends on whether the derivatives have been designated and qualify as hedging instruments and the types of hedging relationships. The changes in fair values of derivatives that have been designated and qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss) ("AOCI") and are reclassified into the line item in the Consolidated Statements of Operations in which the hedged items are recorded in the same period the hedged items affect earnings. Due to the high degree of effectiveness between the hedging instruments and the underlying exposures being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the fair values or cash flows of the underlying exposures being hedged.

Table of Contents

We formally designate and document, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. In addition, we formally assess both at the inception and at least quarterly thereafter, whether the financial instruments used in hedging transactions are effective at offsetting changes in either the fair values or cash flows of the related underlying exposures. Any ineffective portion of a financial instrument's change in fair value is immediately recognized into earnings.

We estimate the fair values of our derivatives based on quoted market prices or pricing models using current market rates (refer to Note 14). The notional amounts of the derivative financial instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure to the financial risks described above. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates, foreign currency exchange rates or other financial indices. We do not view the fair values of our derivatives in isolation, but rather in relation to the fair values or cash flows of the underlying hedged transactions. All of our derivatives are straight-forward over-the-counter instruments with liquid markets.

Credit Risk Associated with Derivatives

We have established strict counterparty credit guidelines and enter into transactions only with financial institutions of investment grade or better. We mitigate pre-settlement risk by being permitted to net settle for transactions with the same counterparty.

Cash Flow Hedging Strategy

We use cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in foreign currency exchange rates. The changes in the fair values of derivatives designated as cash flow hedges are recorded in AOCI and are reclassified into the line item in the Consolidated Statements of Operations in which the hedged items are recorded in the same period the hedged items affect earnings. The changes in fair values of hedges that are determined to be ineffective are immediately reclassified from AOCI into earnings. We did not discontinue any cash flow hedging relationships during the three months ended March 30, 2013. The maximum length of time over which we hedge our exposure to future cash flows is typically one year.

We maintain a foreign currency cash flow hedging program to reduce the risk that our procurement activities will be adversely affected by changes in foreign currency exchange rates. We enter into forward contracts to hedge certain portions of forecasted cash flows denominated in foreign currencies. The total notional value of derivatives that have been designated and qualify for our foreign currency cash flow hedging program as of March 30, 2013 was approximately \$9.4 million.

The fair value of the Company's derivative instruments was \$0.3 million and \$0.1 million as of March 30, 2013 and December 29, 2012, respectively.

The settlement of our derivative instruments resulted in a credit to cost of sales of approximately \$0.1 million for the three months ended March 30, 2013 and a charge to cost of sales of less than \$0.1 million for the three months ended March 31, 2012.

Note 14 – Fair Value Measurements

ASC No. 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

We have certain assets and liabilities that are required to be recorded at fair value on a recurring basis in accordance with U.S. GAAP.

Table of Contents

<i>(in millions of U.S. dollars)</i>	March 30, 2013			Fair Value
	Level 1	Level 2	Level 3	Measurements
Assets				
Money market	\$10.0	\$ —	\$ —	\$ 10.0
Derivatives	—	0.3	—	0.3
Total Assets	\$10.0	\$ 0.3	\$ —	\$ 10.3

<i>(in millions of U.S. dollars)</i>	December 29, 2012			Fair Value
	Level 1	Level 2	Level 3	Measurements
Assets				
Derivatives	\$ —	\$ 0.1	\$ —	\$ 0.1
Total Assets	\$ —	\$ 0.1	\$ —	\$ 0.1

Fair Value of Financial Instruments

The carrying amounts reflected in the Consolidated Balance Sheets for cash and cash equivalents, receivables, payables, short-term borrowings and long-term debt approximate their respective fair values, except as otherwise indicated. The carrying values and estimated fair values of our significant outstanding debt as of March 30, 2013 and December 29, 2012 were as follows:

<i>(in millions of U.S. dollars)</i>	March 30, 2013		December 29, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
8.375% senior notes due in 2017 ¹	\$ 215.0	\$231.7	\$ 215.0	\$234.4
8.125% senior notes due in 2018 ¹	375.0	409.7	375.0	414.8
Total	\$ 590.0	\$641.4	\$ 590.0	\$649.2

1 The fair values are based on the trading levels and bid/offer prices observed by a market participant and are considered Level 1 inputs.

Note 15 – Guarantor Subsidiaries

The 2017 Notes and 2018 Notes issued by our U.S. wholly-owned subsidiary, Cott Beverages, Inc., are unconditionally guaranteed on a senior basis pursuant to guarantees by Cott Corporation and certain other wholly owned subsidiaries (the “Guarantor Subsidiaries”). The guarantees of the Guarantor Subsidiaries are subject to release in limited circumstances only upon the occurrence of certain customary conditions.

We have not presented separate financial statements, and separate disclosures have not been provided concerning subsidiary guarantors because management has determined such information is not material to the holders of the above-mentioned notes.

The following supplemental financial information sets forth on an unconsolidated basis, our Balance Sheets, Statements of Operations and Cash Flows for Cott Corporation, Cott Beverages Inc., Guarantor Subsidiaries and our other subsidiaries (the “Non-guarantor Subsidiaries”). The supplemental financial information reflects our investments and those of Cott Beverages Inc. in their respective subsidiaries using the equity method of accounting. In the third quarter of 2012, we revised the financial statements of certain Non-guarantor Subsidiaries to properly reflect their capitalization and subsequent investment in certain Guarantor Subsidiaries resulting from a reorganization completed in connection with the Cliffstar Acquisition. These Non-guarantor Subsidiaries, which have no business operations and no operating assets, hold, directly or indirectly, our investments in substantially all of the Guarantor Subsidiaries and therefore may be viewed for purposes of this disclosure as in-substance Guarantor Subsidiaries themselves. We have therefore included these Non-guarantor Subsidiaries as Guarantor Subsidiaries in the supplemental financial information below for all periods presented.

Table of Contents

Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)

Unaudited

	For the Three Months Ended March 30, 2013					
	<u>Cott Corporation</u>	<u>Cott Beverages Inc.</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Elimination Entries</u>	<u>Consolidated</u>
Revenue, net	\$ 39.0	\$ 195.3	\$ 239.8	\$ 37.1	\$ (5.8)	\$ 505.4
Cost of sales	33.8	168.2	219.3	33.5	(5.8)	449.0
Gross profit	5.2	27.1	20.5	3.6	—	56.4
Selling, general and administrative expenses	7.1	20.2	11.9	2.1	—	41.3
Operating (loss) income	(1.9)	6.9	8.6	1.5	—	15.1
Other expense, net	0.2	—	—	0.1	—	0.3
Intercompany interest (income) expense, net	—	(2.9)	2.9	—	—	—
Interest (income) expense, net	(0.1)	13.3	0.1	—	—	13.3
(Loss) income before income tax expense (benefit) and equity income (loss)	(2.0)	(3.5)	5.6	1.4	—	1.5
Income tax expense (benefit)	0.3	(0.1)	0.2	0.1	—	0.5
Equity income (loss)	2.3	1.1	(2.1)	—	(1.3)	—
Net income (loss)	\$ —	\$ (2.3)	\$ 3.3	\$ 1.3	\$ (1.3)	\$ 1.0
Less: Net income attributable to non-controlling interests	—	—	—	1.0	—	1.0
Net income (loss) attributed to Cott Corporation	\$ —	\$ (2.3)	\$ 3.3	\$ 0.3	\$ (1.3)	\$ 0.0
Comprehensive (loss) income attributed to Cott Corporation	\$ (12.0)	\$ (34.0)	\$ (14.0)	\$ 0.6	\$ 47.4	\$ (12.0)

Table of Contents

Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)

Unaudited

	For the Three Months Ended March 31, 2012					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	\$ 43.7	\$ 208.1	\$ 240.5	\$ 39.7	\$ (8.2)	\$ 523.8
Cost of sales	<u>37.7</u>	<u>176.2</u>	<u>218.2</u>	<u>36.5</u>	<u>(8.2)</u>	<u>460.4</u>
Gross profit	6.0	31.9	22.3	3.2	—	63.4
Selling, general and administrative expenses	8.7	15.6	15.0	2.5	—	41.8
Loss on disposal of property, plant & equipment	—	0.4	0.2	—	—	0.6
Operating (loss) income	(2.7)	15.9	7.1	0.7	—	21.0
Other (income) expense, net	(0.1)	0.1	—	(0.2)	—	(0.2)
Intercompany interest (income) expense, net	—	(2.3)	2.3	—	—	—
Interest expense, net	<u>0.1</u>	<u>13.7</u>	<u>0.2</u>	<u>—</u>	<u>—</u>	<u>14.0</u>
(Loss) income before income tax (benefit) expense and equity income	(2.7)	4.4	4.6	0.9	—	7.2
Income tax (benefit) expense	(0.5)	0.7	0.1	0.1	—	0.4
Equity income	<u>8.1</u>	<u>1.0</u>	<u>5.1</u>	<u>—</u>	<u>(14.2)</u>	<u>—</u>
Net income	\$ 5.9	\$ 4.7	\$ 9.6	\$ 0.8	\$ (14.2)	\$ 6.8
Less: Net income attributable to non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.9</u>	<u>—</u>	<u>0.9</u>
Net income (loss) attributed to Cott Corporation	<u>\$ 5.9</u>	<u>\$ 4.7</u>	<u>\$ 9.6</u>	<u>\$ (0.1)</u>	<u>\$ (14.2)</u>	<u>\$ 5.9</u>
Comprehensive income (loss) attributed to Cott Corporation	<u>\$ 13.4</u>	<u>\$ 21.9</u>	<u>\$ (75.3)</u>	<u>\$ (2.6)</u>	<u>\$ 56.0</u>	<u>\$ 13.4</u>

Table of Contents

Consolidating Balance Sheets

(in millions of U.S. dollars)
Unaudited

	As of March 30, 2013					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
<i>Current assets</i>						
Cash & cash equivalents	\$ 38.3	\$ 11.5	\$ 39.5	\$ 3.7	\$ —	\$ 93.0
Accounts receivable, net of allowance	18.8	115.9	144.3	16.0	(71.7)	223.3
Income taxes recoverable	—	0.8	0.2	—	—	1.0
Inventories	22.2	72.9	132.3	8.3	—	235.7
Prepaid expenses and other assets	2.0	14.0	4.6	0.2	—	20.8
Total current assets	81.3	215.1	320.9	28.2	(71.7)	573.8
Property, plant & equipment, net	49.7	193.6	233.0	10.5	—	486.8
Goodwill	27.0	4.5	98.2	—	—	129.7
Intangibles and other assets, net	0.9	98.1	193.0	13.6	—	305.6
Deferred income taxes	2.5	—	—	0.5	—	3.0
Other tax receivable	0.4	0.2	0.6	—	—	1.2
Due from affiliates	42.0	165.8	78.0	41.9	(327.7)	—
Investments in subsidiaries	467.9	368.8	746.6	—	(1,583.3)	—
Total assets	\$ 671.7	\$1,046.1	\$ 1,670.3	\$ 94.7	\$(1,982.7)	\$ 1,500.1
LIABILITIES AND EQUITY						
<i>Current liabilities</i>						
Current maturities of long-term debt	\$ 0.1	\$ 1.3	\$ 0.2	\$ 0.4	\$ —	\$ 2.0
Accounts payable and accrued liabilities	33.1	111.0	157.2	8.8	(71.7)	238.4
Total current liabilities	33.2	112.3	157.4	9.2	(71.7)	240.4
Long-term debt	0.2	598.4	1.5	1.3	—	601.4
Deferred income taxes	—	29.8	7.7	0.9	—	38.4
Other long-term liabilities	0.2	3.9	10.6	0.4	—	15.1
Due to affiliates	43.2	76.7	168.3	39.5	(327.7)	—
Total liabilities	76.8	821.1	345.5	51.3	(399.4)	895.3
<i>Equity</i>						
Capital stock, no par	397.8	574.5	1,674.9	81.7	(2,331.1)	397.8
Additional paid-in-capital	41.1	—	—	—	—	41.1
Retained earnings (deficit)	180.4	(331.0)	(342.2)	(47.7)	720.9	180.4
Accumulated other comprehensive loss	(24.4)	(18.5)	(7.9)	(0.5)	26.9	(24.4)
Total Cott Corporation equity	594.9	225.0	1,324.8	33.5	(1,583.3)	594.9
Non-controlling interests	—	—	—	9.9	—	9.9
Total equity	594.9	225.0	1,324.8	43.4	(1,583.3)	604.8
Total liabilities and equity	\$ 671.7	\$1,046.1	\$ 1,670.3	\$ 94.7	\$(1,982.7)	\$ 1,500.1

Table of Contents

Consolidating Balance Sheets

(in millions of U.S. dollars)

	As of December 29, 2012					Consolidated
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	
ASSETS						
<i>Current assets</i>						
Cash & cash equivalents	\$ 39.8	\$ 37.5	\$ 96.4	\$ 5.7	\$ —	\$ 179.4
Accounts receivable, net of allowance	18.4	111.5	122.3	16.2	(69.0)	199.4
Income taxes recoverable	—	0.9	0.2	0.1	—	1.2
Inventories	21.1	65.9	130.8	7.0	—	224.8
Prepaid expenses and other assets	2.5	13.4	4.3	0.1	—	20.3
Total current assets	81.8	229.2	354.0	29.1	(69.0)	625.1
Property, plant & equipment, net	50.7	188.4	242.0	9.8	—	490.9
Goodwill	27.5	4.5	98.3	—	—	130.3
Intangibles and other assets, net	1.0	101.4	198.4	14.6	—	315.4
Deferred income taxes	2.9	—	—	0.4	—	3.3
Other tax receivable	0.2	0.1	0.6	—	—	0.9
Due from affiliates	40.0	175.2	78.0	41.9	(335.1)	—
Investments in subsidiaries	487.5	389.7	820.0	—	(1,697.2)	—
Total assets	\$ 691.6	\$1,088.5	\$ 1,791.3	\$ 95.8	\$(2,101.3)	\$ 1,565.9
LIABILITIES AND EQUITY						
<i>Current liabilities</i>						
Current maturities of long-term debt	\$ —	\$ 1.3	\$ 0.2	\$ 0.4	\$ —	\$ 1.9
Accounts payable and accrued liabilities	36.2	119.5	193.1	7.9	(69.0)	287.7
Total current liabilities	36.2	120.8	193.3	8.3	(69.0)	289.6
Long-term debt	0.2	598.7	1.5	1.4	—	601.8
Deferred income taxes	—	30.3	7.9	0.9	—	39.1
Other long-term liabilities	0.2	4.0	8.3	—	—	12.5
Due to affiliates	43.2	76.7	177.8	37.4	(335.1)	—
Total liabilities	79.8	830.5	388.8	48.0	(404.1)	943.0
<i>Equity</i>						
Capital stock, no par	397.8	574.5	1,724.3	83.6	(2,382.4)	397.8
Additional paid-in-capital	40.4	—	—	—	—	40.4
Retained earnings (deficit)	186.0	(329.7)	(331.2)	(46.1)	707.0	186.0
Accumulated other comprehensive (loss) income	(12.4)	13.2	9.4	(0.8)	(21.8)	(12.4)
Total Cott Corporation equity	611.8	258.0	1,402.5	36.7	(1,697.2)	611.8
Non-controlling interests	—	—	—	11.1	—	11.1
Total equity	611.8	258.0	1,402.5	47.8	(1,697.2)	622.9
Total liabilities and equity	\$ 691.6	\$1,088.5	\$ 1,791.3	\$ 95.8	\$(2,101.3)	\$ 1,565.9

Table of Contents

Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)

Unaudited

	For the Three Months Ended March 30, 2013					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating activities						
Net income (loss)	\$ —	\$ (2.3)	\$ 3.3	\$ 1.3	\$ (1.3)	\$ 1.0
Depreciation & amortization	1.6	9.6	12.0	1.5	—	24.7
Amortization of financing fees	—	0.7	—	—	—	0.7
Share-based compensation expense	0.1	0.4	0.2	—	—	0.7
Increase (decrease) in deferred income taxes	0.4	(0.6)	0.2	—	—	—
Equity (loss) income, net of distributions	(2.3)	(1.1)	2.1	—	1.3	—
Intercompany transactions	10.8	2.2	—	—	(13.0)	—
Other non-cash items	—	0.2	0.1	—	—	0.3
Net change in operating assets and liabilities	(8.7)	(22.2)	(68.3)	0.2	13.0	(86.0)
Net cash provided by (used in) operating activities	<u>1.9</u>	<u>(13.1)</u>	<u>(50.4)</u>	<u>3.0</u>	<u>—</u>	<u>(58.6)</u>
Investing activities						
Additions to property, plant & equipment	(1.7)	(12.8)	(4.6)	(0.8)	—	(19.9)
Proceeds from insurance recoveries	—	0.4	—	—	—	0.4
Advances to affiliates	—	—	—	(2.0)	2.0	—
Additions to intangibles and other assets	—	(0.1)	—	(0.1)	—	(0.2)
Net cash used in investing activities	<u>(1.7)</u>	<u>(12.5)</u>	<u>(4.6)</u>	<u>(2.9)</u>	<u>2.0</u>	<u>(19.7)</u>
Financing activities						
Payments of long-term debt	—	(0.4)	—	(0.1)	—	(0.5)
Advances from affiliates	2.0	—	—	—	(2.0)	—
Distributions to non-controlling interests	—	—	—	(2.1)	—	(2.1)
Common shares repurchased and cancelled	(2.9)	—	—	—	—	(2.9)
Net cash used in financing activities	<u>(0.9)</u>	<u>(0.4)</u>	<u>—</u>	<u>(2.2)</u>	<u>(2.0)</u>	<u>(5.5)</u>
Effect of exchange rate changes on cash	(0.8)	—	(1.9)	0.1	—	(2.6)
Net decrease in cash & cash equivalents	<u>(1.5)</u>	<u>(26.0)</u>	<u>(56.9)</u>	<u>(2.0)</u>	<u>—</u>	<u>(86.4)</u>
Cash & cash equivalents, beginning of period	<u>39.8</u>	<u>37.5</u>	<u>96.4</u>	<u>5.7</u>	<u>—</u>	<u>179.4</u>
Cash & cash equivalents, end of period	<u>\$ 38.3</u>	<u>\$ 11.5</u>	<u>\$ 39.5</u>	<u>\$ 3.7</u>	<u>\$ —</u>	<u>\$ 93.0</u>

Table of Contents

Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)

Unaudited

	For the Three Months Ended March 31, 2012					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net income	\$ 5.9	\$ 4.7	\$ 9.6	\$ 0.8	\$ (14.2)	\$ 6.8
Depreciation & amortization	1.6	8.8	12.0	1.4	—	23.8
Amortization of financing fees	0.1	1.0	0.1	—	—	1.2
Share-based compensation expense	0.1	0.5	0.2	—	—	0.8
Increase (decrease) in deferred income taxes	0.4	(0.7)	0.2	0.1	—	—
Loss on disposal of property, plant & equipment	—	0.4	0.2	—	—	0.6
Equity (loss) income, net of distributions	(8.1)	(1.0)	(5.1)	—	14.2	—
Intercompany transactions	4.2	1.2	—	—	(5.4)	—
Other non-cash items	(0.4)	—	—	—	—	(0.4)
Net change in operating assets and liabilities, net of acquisition	(9.9)	(19.5)	(52.7)	0.8	5.4	(75.9)
Net cash (used in) provided by operating activities	<u>(6.1)</u>	<u>(4.6)</u>	<u>(35.5)</u>	<u>3.1</u>	<u>—</u>	<u>(43.1)</u>
Investing Activities						
Acquisition	—	—	(5.0)	—	—	(5.0)
Additions to property, plant & equipment	(1.5)	(11.1)	(5.0)	(0.1)	—	(17.7)
Additions to intangibles and other assets	—	(2.2)	(0.5)	—	—	(2.7)
Advances to affiliates	—	—	—	(2.6)	2.6	—
Net cash used in investing activities	<u>(1.5)</u>	<u>(13.3)</u>	<u>(10.5)</u>	<u>(2.7)</u>	<u>2.6</u>	<u>(25.4)</u>
Financing Activities						
Payments of long-term debt	—	(1.1)	—	(0.1)	—	(1.2)
Borrowings under ABL	—	7.0	—	—	—	7.0
Payments under ABL	—	(7.0)	—	—	—	(7.0)
Advances from affiliates	2.6	—	—	—	(2.6)	—
Distributions to non-controlling interests	—	—	—	(1.1)	—	(1.1)
Net cash provided by (used in) financing activities	2.6	(1.1)	—	(1.2)	(2.6)	(2.3)
Effect of exchange rate changes on cash	0.3	—	0.8	0.4	—	1.5
Net decrease in cash & cash equivalents	(4.7)	(19.0)	(45.2)	(0.4)	—	(69.3)
Cash & cash equivalents, beginning of period	13.7	20.7	58.9	7.6	—	100.9
Cash & cash equivalents, end of period	<u>\$ 9.0</u>	<u>\$ 1.7</u>	<u>\$ 13.7</u>	<u>\$ 7.2</u>	<u>\$ —</u>	<u>\$ 31.6</u>

Note 16 – Subsequent Event

On February 14, 2013, our board of directors adopted the Amended and Restated Equity Plan, pursuant to which the 2010 Equity Incentive Plan was amended and restated to, among other things, increase the number of shares that may be issued under the plan to 12,000,000 shares and to provide that the number of shares available for issuance will be reduced 2.0 shares for each share issued pursuant to a “full-value” award (i.e. an award other than an option or stock appreciation right). The Amended and Restated Equity Plan was approved by Cott’s shareowners on April 30, 2013.

On February 15, 2013, our board of directors declared a dividend of C\$0.06 per common share, payable in cash on April 5, 2013 to shareowners of record at the close of business on March 20, 2013. The dividend payment was approximately \$5.6 million in the aggregate.

On April 28, 2013, our U.K. reporting segment signed a share purchase agreement to acquire Cooke Bros Holdings Limited, which includes the subsidiary companies Calypso Soft Drinks Limited and Mr. Freeze (Europe) Limited (together, “Calypso Soft Drinks”). Calypso Soft Drinks is a privately owned soft drink and freezable products business based in Wrexham, United Kingdom with annual revenues of approximately \$50 million. The purchase price is estimated to be approximately \$31 million, which includes an adjustment for high seasonal working capital and approximately \$5 million of deferred consideration over a 24 month period. Completion of the transaction is subject to customary conditions, including clearance from the United Kingdom’s Office for Fair Trading and is anticipated to close in June 2013.

On April 30, 2013, our board of directors declared a dividend of C\$0.06 per share on common shares, payable in cash on June 12, 2013 to shareowners of record at the close of business on May 30, 2013.

On April 30, 2013, our board of directors approved the renewal of our share repurchase program for up to 5% of Cott's outstanding common shares over a 12-month period commencing upon the expiration of Cott's currently effective share repurchase program on May 21, 2013.

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to further the reader's understanding of the consolidated financial condition and results of operations of our Company. It should be read in conjunction with the financial statements included in this quarterly report on Form 10-Q and our annual report on Form 10-K for the year ended December 29, 2012 (the "2012 Annual Report"). These historical financial statements may not be indicative of our future performance. This discussion contains a number of forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risks referred to under "Risk Factors" in Item 1A in our 2012 Annual Report.

Overview

We are one of the world's largest producers of beverages on behalf of retailers, brand owners and distributors. Our objective of creating sustainable long-term growth in revenue and profitability is predicated on working closely with our customers to provide proven profitable products. As a "fast follower" of innovative products, our goal is to identify which new products are succeeding in the marketplace and develop similar high quality products at a better value. This objective is increasingly relevant in more difficult economic times.

The beverage market is subject to some seasonal variations. Our beverage sales are generally higher during the warmer months and also can be influenced by the timing of holidays and weather fluctuations. The purchases of our raw materials and related accounts payable fluctuate based upon the demand for our products as well as the timing of the fruit growing seasons. The seasonality of our sales volume combined with the seasonal nature of fruit growing causes our working capital needs to fluctuate throughout the year, with inventory levels increasing in the first half of the year in order to meet high summer demand, and with fruit inventories peaking during the last quarter of the year when purchases are made after the growing season. In addition, our accounts receivable balances decline in the fall as customers pay their higher-than-average outstanding balances from the summer deliveries.

We typically operate at low margins and therefore relatively small changes in cost structures can materially affect results.

Ingredient and packaging costs represent a significant portion of our cost of sales. These costs are subject to global and regional commodity price trends. Our most significant commodities are aluminum, polyethylene terephthalate ("PET") resin, corn, sugar, fruit and fruit concentrates. We attempt to manage our exposure to fluctuations in ingredient and packaging costs by entering into fixed price commitments for a portion of our ingredient and packaging requirements and implementing price increases as needed. We have entered into fixed price commitments for a majority of our forecasted aluminum and fruit requirements for the remainder of 2013, as well as a portion of our aluminum and fruit requirements for 2014. We have entered into fixed price commitments for all of our high fructose corn syrup ("HFCS") and sugar requirements for 2013.

In 2010, we completed the acquisition of substantially all of the assets and liabilities of Cliffstar Corporation ("Cliffstar") and its affiliated companies for approximately \$503.0 million in cash, \$14.0 million in deferred consideration payable in equal installments over three years and contingent consideration of up to \$55.0 million (the "Cliffstar Acquisition"). The first \$15.0 million of the contingent consideration was paid upon the achievement of milestones in certain expansion projects in 2010. The remainder of the contingent consideration was to be calculated based on the achievement of certain performance measures during the fiscal year ending January 1, 2011. In 2011, the seller of Cliffstar raised certain objections to the performance measures used to calculate the contingent consideration, and the parties commenced the dispute resolution mechanism provided for in the asset purchase agreement. During 2011, Cott made interim payments to the seller equal to \$29.6 million, which was net of a \$4.7 million refund due to Cott and included \$0.9 million in settlement of certain of the seller's objections to the calculation of the contingent consideration. The seller's claims for an additional \$12.1 million in contingent consideration were submitted to binding arbitration pursuant to the asset purchase agreement and favorably resolved in February 2013 by payment of \$0.6 million by Cott to settle all claims.

We supply Walmart and its affiliated companies, under annual non-exclusive supply agreements, with a variety of products in the United States, Canada, the United Kingdom, and Mexico, including carbonated soft drinks ("CSDs"), 100% shelf stable juice and juice-based products, clear, still and sparkling flavored waters, energy products, sports products, new age beverages, and ready-to-drink teas. During the first three months of 2013, we supplied Walmart with all of its private-label CSDs in the United States. In the event Walmart were to utilize additional suppliers to fulfill a portion of its requirements for such products, our operating results could be materially adversely affected. Sales to Walmart for the three months ended March 30, 2013 and March 31, 2012 accounted for 32.8% and 31.6% of total revenue.

Table of Contents

Non-GAAP Measures

In this report, we supplement our reporting of financial measures determined in accordance with U.S. generally accepted accounting principles (“GAAP”) by utilizing certain non-GAAP financial measures. We exclude the impact of foreign exchange to separate the impact of currency exchange rate changes from our results of operations. We exclude the impact of foreign exchange to better understand trends in the business.

We also utilize EBITDA, which is GAAP earnings before interest expense, provision for income taxes, depreciation and amortization. We consider EBITDA to be an indicator of operating performance. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies.

Because we use these adjusted financial results in the management of our business and to understand underlying business performance, we believe this supplemental information is useful to investors for their independent evaluation and understanding of our business performance and the performance of our management. The non-GAAP financial measures described above are in addition to, and not meant to be considered superior to, or a substitute for, our financial statements prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this report reflect our judgment of particular items, and may be different from, and therefore may not be comparable to, similarly titled measures reported by other companies.

Summary financial results

Our net income for the three months ended March 30, 2013 (the “first quarter”) was effectively zero or \$0.00 per diluted share, compared with net income of \$5.9 million or \$0.06 per diluted share for the three months ended March 31, 2012.

The following items of significance impacted our financial results for the first quarter of 2013:

- our revenue decreased by 3.5% from the comparable prior year period due to lower global volumes, slightly offset by an increase in average price per case in North America. Absent foreign exchange impact, revenue decreased 3.4%;
- our gross profit as a percentage of revenue declined to 11.2% for the first quarter from 12.1% in the comparable prior year period due primarily to lower global volumes, which resulted in unfavorable fixed cost absorption;
- our filled beverage 8-ounce equivalents (“beverage case volume”) decreased 4.9% due primarily to the residual effect of exiting low gross margin business in North America last year, a general market decline in the North American CSD category, and loss of market share for the private label segment within the overall CSD category in North America;
- our selling, general and administrative (“SG&A”) expenses for the first quarter decreased to \$41.3 million from \$41.8 million in the comparable prior year period due primarily to a reduction in information technology costs;
- other expense was \$0.3 million in the first quarter compared to other income of \$0.2 million in the comparable prior year period due to the recording of foreign exchange losses during the period compared to foreign exchange gains in the prior year period; and
- our income tax expense was flat as compared to the prior year period.

Table of Contents

The following items of significance impacted our financial results for the first quarter of 2012:

- our revenue decreased 1.9% from the comparable prior year period due primarily to a decline in North America volume resulting from the exit of certain case pack water business and the continuing decline in the U.S. shelf stable juice market. Absent foreign exchange impact, revenue decreased 1.3% from the comparable prior year period;
- our gross profit as a percentage of revenue declined to 12.1% for the first quarter from 13.0% in the comparable prior year period;
- our beverage case volume decreased 6.8% during the first quarter due primarily to the loss of certain customers resulting from the strategic implementation of price increases;
- our SG&A expenses for the first quarter decreased to \$41.8 million from \$45.1 million in the comparable prior year period due primarily to a reduction of information technology costs and professional fees, offset in part by an increase in certain employee-related costs;
- other income was \$0.2 million in the first quarter compared to other expense of \$0.8 million in the comparable prior year period due primarily to foreign exchange gains primarily related to intercompany transactions; and
- our income tax expense was \$0.4 million compared to \$1.6 million in the comparable prior year period, due primarily to a favorable audit settlement of \$0.9 million.

The following table summarizes our Consolidated Statements of Operations as a percentage of revenue for the three months ended March 30, 2013 and March 31, 2012:

<i>(in millions of U.S. dollars)</i>	For the Three Months Ended			
	March 30, 2013		March 31, 2012	
	\$	%	\$	%
Revenue, net	505.4	100.0	523.8	100.0
Cost of sales	449.0	88.8	460.4	87.9
Gross profit	56.4	11.2	63.4	12.1
Selling, general, and administrative expenses	41.3	8.2	41.8	8.0
Loss on disposal of property, plant & equipment	—	—	0.6	0.1
Operating income	15.1	3.0	21.0	4.0
Other expense (income), net	0.3	0.1	(0.2)	—
Interest expense, net	13.3	2.6	14.0	2.7
Income before income taxes	1.5	0.3	7.2	1.3
Income tax expense	0.5	0.1	0.4	0.1
Net income	1.0	0.2	6.8	1.2
Less: Net income attributable to non-controlling interests	1.0	0.2	0.9	0.2
Net income attributed to Cott Corporation	—	—	5.9	1.0
Depreciation & amortization	24.7	4.9	23.8	4.5

Table of Contents

The following table summarizes our revenue and operating income (loss) by reporting segment for the three months ended March 30, 2013 and March 31, 2012:

<i>(in millions of U.S. Dollars)</i>	For the Three Months Ended	
	March 30, 2013	March 31, 2012
<u>Revenue</u>		
North America	\$ 393.2	\$ 408.1
United Kingdom	97.4	99.2
Mexico	7.4	9.1
RCI	7.4	7.4
Total	<u>\$ 505.4</u>	<u>\$ 523.8</u>
<u>Operating income (loss)</u>		
North America	\$ 13.8	\$ 17.3
United Kingdom	—	3.2
Mexico	(0.7)	(1.3)
RCI	2.0	1.8
Total	<u>\$ 15.1</u>	<u>\$ 21.0</u>

Revenues are attributed to reporting segments based on the location of the customer.

The following table summarizes our beverage case volume by reporting segment for the three months ended March 30, 2013 and March 31, 2012:

<i>(in millions of cases)</i>	For the Three Months Ended	
	March 30, 2013	March 31, 2012
<u>Volume - 8 oz equivalent cases - Total Beverage (including concentrate)</u>		
North America	172.6	179.6
United Kingdom	44.5	44.9
Mexico	4.9	5.9
RCI	63.5	71.0
Total	<u>285.5</u>	<u>301.4</u>
<u>Volume - 8 oz equivalent cases - Filled Beverage</u>		
North America	148.0	156.4
United Kingdom	40.1	40.9
Mexico	4.9	5.9
RCI	0.2	—
Total	<u>193.2</u>	<u>203.2</u>

Table of Contents

The following tables summarize revenue and volume by product for the three months ended March 30, 2013 and March 31, 2012:

For the Three Months Ended March 30, 2013					
<i>(in millions of U.S. dollars)</i>	North America	United Kingdom	Mexico	RCI	Total
Revenue					
Carbonated soft drinks	\$151.4	\$ 32.7	\$ 3.5	\$ 0.1	\$187.7
Juice	135.0	3.1	—	0.5	138.6
Concentrate	3.1	0.6	—	6.8	10.5
All other products	103.7	61.0	3.9	—	168.6
Total	<u>\$393.2</u>	<u>\$ 97.4</u>	<u>\$ 7.4</u>	<u>\$ 7.4</u>	<u>\$505.4</u>

For the Three Months Ended March 30, 2013					
<i>(in millions of physical cases)</i>	North America	United Kingdom	Mexico	RCI	Total
Volume - 8 oz. equivalent cases - Total Beverage (including concentrate)					
Carbonated soft drinks	66.8	17.4	2.3	0.1	86.6
Juice	30.8	0.8	—	0.1	31.7
Concentrate	24.6	4.4	—	63.3	92.3
All other products	50.4	21.9	2.6	—	74.9
Total	<u>172.6</u>	<u>44.5</u>	<u>4.9</u>	<u>63.5</u>	<u>285.5</u>

For the Three Months Ended March 31, 2012					
<i>(in millions of U.S. dollars)</i>	North America	United Kingdom	Mexico	RCI	Total
Revenue					
Carbonated soft drinks	\$163.8	\$ 33.7	\$ 5.6	\$—	\$203.1
Juice	133.9	3.1	0.1	0.4	137.5
Concentrate	2.9	0.8	—	7.0	10.7
All other products	107.5	61.6	3.4	—	172.5
Total	<u>\$408.1</u>	<u>\$ 99.2</u>	<u>\$ 9.1</u>	<u>\$ 7.4</u>	<u>\$523.8</u>

For the Three Months Ended March 31, 2012					
<i>(in millions of physical cases)</i>	North America	United Kingdom	Mexico	RCI	Total
Volume - 8 oz. equivalent cases - Total Beverage (including concentrate)					
Carbonated soft drinks	74.9	18.1	4.0	—	97.0
Juice	30.4	0.8	0.1	—	31.3
Concentrate	23.2	4.0	—	71.0	98.2
All other products	51.1	22.0	1.8	—	74.9
Total	<u>179.6</u>	<u>44.9</u>	<u>5.9</u>	<u>71.0</u>	<u>301.4</u>

Table of Contents

Results of operations

The following tables summarize the change in revenue by reporting segment for the three months ended March 30, 2013 and March 31, 2012:

(in millions of U.S. dollars)

	For the Three Months Ended				
	March 30, 2013				
	Cott	North America	United Kingdom	Mexico	RCI
Change in revenue	\$(18.4)	\$(14.9)	\$ (1.8)	\$ (1.7)	\$—
Impact of foreign exchange ¹	0.6	0.1	0.7	(0.2)	—
Change excluding foreign exchange	<u>\$(17.8)</u>	<u>\$(14.8)</u>	<u>\$ (1.1)</u>	<u>\$ (1.9)</u>	<u>\$—</u>
Percentage change in revenue	<u>-3.5%</u>	<u>-3.7%</u>	<u>-1.8%</u>	<u>-18.7%</u>	<u>0.0%</u>
Percentage change in revenue excluding foreign exchange	<u>-3.4%</u>	<u>-3.6%</u>	<u>-1.1%</u>	<u>-20.9%</u>	<u>0.0%</u>

(in millions of U.S. dollars)

	For the Three Months Ended				
	March 31, 2012				
	Cott	North America	United Kingdom	Mexico	RCI
Change in revenue	\$(10.3)	\$(20.7)	\$ 12.9	\$ (2.3)	\$(0.2)
Impact of foreign exchange ¹	3.2	0.7	1.7	0.8	—
Change excluding foreign exchange	<u>\$ (7.1)</u>	<u>\$(20.0)</u>	<u>\$ 14.6</u>	<u>\$ (1.5)</u>	<u>\$(0.2)</u>
Percentage change in revenue	<u>-1.9%</u>	<u>-4.8%</u>	<u>14.9%</u>	<u>-20.2%</u>	<u>-2.6%</u>
Percentage change in revenue excluding foreign exchange	<u>-1.3%</u>	<u>-4.7%</u>	<u>16.9%</u>	<u>-13.2%</u>	<u>-2.6%</u>

- 1 Impact of foreign exchange is the difference between the current year's revenue translated utilizing the current year's average foreign exchange rates less the current year's revenue translated utilizing the prior year's average foreign exchange rates.

The following table summarizes our EBITDA for the three months ended March 30, 2013 and March 31, 2012.

(in millions of U.S. dollars)

	For the Three Months Ended	
	March 30, 2013	March 31, 2012
Net income attributed to Cott Corporation	\$ —	\$ 5.9
Interest expense, net	13.3	14.0
Income tax expense	0.5	0.4
Depreciation & amortization	24.7	23.8
Net income attributable to non-controlling interests	1.0	0.9
EBITDA	<u>\$ 39.5</u>	<u>\$ 45.0</u>

Revenue – Revenue decreased \$18.4 million or 3.5% in the first quarter from the comparable prior year period. Excluding the impact of foreign exchange, revenue decreased 3.4% in the first quarter from the comparable prior year period.

North America revenue decreased \$14.9 million, or 3.7%, in the first quarter from the comparable prior year period due primarily to the residual effect of exiting low gross margin business last year, a general market decline in the North American CSD category and loss of market share for the private label segment within the overall CSD category, slightly offset by higher volumes in the juice category and increased average price per case.

U.K. revenue decreased \$1.8 million, or 1.8%, in the first quarter from the comparable prior year period due primarily to poor weather experienced in March and the narrowing price gaps associated with national brands, particularly in the energy and sports drink categories. Absent foreign exchange impact, U.K. revenue decreased 1.1% in the first quarter.

Table of Contents

Mexico revenue decreased \$1.7 million, or 18.7%, in the first quarter from the comparable prior year period due primarily to the continuing impact from the loss of a regional brand license at the end of its term. Absent foreign exchange impact, Mexico revenue decreased 20.9% in the first quarter.

RCI revenue remained flat in the first quarter from the comparable prior year period. Concentrate volume declined 10.8% from the comparable prior year period due primarily to lower shipments to Asia offset by increased average price per case.

Cost of Sales – Cost of sales represented 88.8% of revenue in the first quarter, compared to 87.9% in the comparable prior year period. The increase in cost of sales as a percentage of revenue was due primarily to unfavorable fixed cost absorption associated with lower global volumes as well as an increase in variable costs as we were not able to reduce variable costs at the same rate that volumes declined.

Gross Profit – Gross profit as a percentage of revenue decreased to 11.2% in the first quarter from 12.1% in the comparable prior year period due primarily to lower global volumes, which resulted in unfavorable fixed cost absorption.

Selling, General and Administrative Expenses – SG&A decreased \$0.5 million, or 1.2%, in the first quarter from the comparable prior year period. The decrease was due primarily to a reduction in information technology costs. As a percentage of revenue, SG&A increased to 8.2% in the first quarter from 8.0% in the comparable prior year period.

Operating Income – Operating income was \$15.1 million in the first quarter compared to \$21.0 million in the comparable prior year period. The decrease was due primarily to lower gross profit as a percentage of revenue, offset in part by lower SG&A.

Other Expense (Income) – Other expense was \$0.3 million in the first quarter compared to other income of \$0.2 million in the comparable prior year period. This increase in expense was due primarily to unfavorable foreign exchange impact during the first quarter.

Income Taxes – We recorded income tax expense of \$0.5 million in the first quarter compared to \$0.4 million in the comparable prior year period. The reorganization of our legal entity structure and refinancing of intercompany debt during the second quarter of 2011 is expected to result in a reduction of Cott's effective tax rate versus the statutory rate for the prior and current year but as a result of discrete items the tax rate was higher during the quarter relative to the anticipated tax rate for the year.

Liquidity and Financial Condition

The following table summarizes our cash flows for the three months ended March 30, 2013 and March 31, 2012, as reported in our Consolidated Statements of Cash Flows in the accompanying Consolidated Financial Statements:

<i>(in millions of U.S. dollars)</i>	For the Three Months Ended	
	March 30, 2013	March 31, 2012
Net cash used in operating activities	\$ (58.6)	\$ (43.1)
Net cash used in investing activities	(19.7)	(25.4)
Net cash used in financing activities	(5.5)	(2.3)
Effect of exchange rate changes on cash	(2.6)	1.5
Net decrease in cash & cash equivalents	(86.4)	(69.3)
Cash & cash equivalents, beginning of period	179.4	100.9
Cash & cash equivalents, end of period	<u>\$ 93.0</u>	<u>\$ 31.6</u>

Financial and Capital Resources and Liquidity

As of March 30, 2013, we had total debt of \$605.4 million and \$93.0 million of cash and cash equivalents compared to \$607.2 million of debt and \$31.6 million of cash and cash equivalents as of March 31, 2012.

We believe that our level of resources, which includes cash on hand, available borrowings under our asset based lending credit facility (the "ABL facility") and funds provided by operations, will be adequate to meet our expenses, capital expenditures, and debt service obligations for the next twelve months. We have maintained adequate liquidity to meet current working capital requirements, fund capital expenditures and make scheduled principal and interest payments on debt. Absent

Table of Contents

deterioration of market conditions, we believe that cash flows from operating activities and financing activities will provide adequate resources to satisfy working capital, scheduled principal and interest payments on debt, and anticipated capital expansion requirements for both short-term and long-term capital needs, as well as the payment of future dividends. For periods extending beyond twelve months, we believe that our ability to generate cash to meet our expenses and debt service obligations and to otherwise reduce our debt as anticipated will depend primarily on our ability to retain a substantial amount of volume from our key customers and maintain the profitability of our business. If we do not have enough cash to pay our debt service obligations, or if the ABL facility, the 8.375% senior notes that are due on November 15, 2017 (the “2017 Notes”), or the 8.125% senior notes that are due on September 1, 2018 (the “2018 Notes”) were to become currently due, either at maturity or as a result of a breach, we may be required to take actions such as amending our ABL facility or the indentures governing our 2017 Notes and 2018 Notes, refinancing all or part of our existing debt, selling assets, incurring additional indebtedness or raising equity. If we need to seek additional financing, there is no assurance that this additional financing will be available on favorable terms or at all.

Should we desire to consummate significant acquisition opportunities or undertake significant expansion activities, our capital needs would increase and could result in our need to increase available borrowings under our ABL facility or access public or private debt and equity markets.

As of March 30, 2013, our total availability under the ABL facility was \$263.2 million, which was based on our borrowing base (accounts receivables, inventory, and fixed assets) as of April 15, 2013 (the March month-end under the terms of the credit agreement governing our ABL facility), and we had no outstanding borrowings under the ABL facility and \$11.2 million in outstanding letters of credit. As a result, our excess availability under the ABL facility was \$252.0 million. Each month’s borrowing base is not effective until submitted to the lenders, which usually occurs on the fifteenth day of the following month.

We earned approximately 100% of our consolidated operating income in subsidiaries located outside of Canada during the first three months of 2013. All of these foreign earnings are considered to be indefinitely reinvested in foreign jurisdictions where we have made, and will continue to make, substantial investments to support the ongoing development and growth of our international operations. Accordingly, no Canadian income taxes have been provided for on these foreign earnings. Cash and cash equivalents held by our foreign subsidiaries are readily convertible into other foreign currencies, including Canadian dollars. We do not intend, nor do we foresee a need, to repatriate these funds.

We expect existing domestic cash, cash equivalents, cash flows from operations and the issuance of domestic debt to continue to be sufficient to fund our domestic operating, investing and financing activities. In addition, we expect existing foreign cash, cash equivalents, and cash flows from operations to continue to be sufficient to fund our foreign operating and investing activities.

In the future, should we require more capital to fund significant discretionary activities in Canada than is generated by our domestic operations and is available through the issuance of domestic debt or stock, we could elect to repatriate future periods’ earnings from foreign jurisdictions. This alternative could result in a higher effective tax rate during the period of repatriation. While the likelihood is remote, we could also elect to repatriate earnings from foreign jurisdictions that have previously been considered to be indefinitely reinvested. Upon distribution of those earnings in the form of dividends or otherwise, we may be subject to additional Canadian income taxes and withholding taxes payable to various foreign jurisdictions, where applicable. This alternative could result in a higher effective tax rate in the period in which such a determination is made to repatriate prior period foreign earnings.

We may, from time to time, depending on market conditions, including without limitation whether the 2017 Notes or 2018 Notes are then trading at discounts to their respective face amounts, repurchase the 2017 Notes or 2018 Notes for cash and/or in exchange for shares of our common stock, warrants, preferred stock, debt or other consideration, in each case in open market purchases and/or privately negotiated transactions. The amounts involved in any such transactions, individually or in aggregate, may be material. However, the covenants in our ABL facility subject such purchases to certain limitations and conditions.

Operating activities

Cash used in operating activities was \$58.6 million during the first quarter compared to \$43.1 million in the comparable prior year period. The \$15.5 million increase was due primarily to a reduction in net income and inventory as compared to the prior year period, an increase in accounts payable payments as compared to the prior year period, and the timing of accounts receivable receipts.

Table of Contents

Investing activities

Cash used in investing activities was \$19.7 million during the first quarter compared to \$25.4 million in the comparable prior year period. The \$5.7 million decrease was due primarily to the acquisition of a beverage and wholesale business by our U.K. reporting segment in the prior year period, and the receipt of insurance proceeds related to a loss incurred on a U.S. facility. Increased property, plant & equipment additions were offset by a reduction in intangible and other asset additions.

Financing activities

Cash used in financing activities was \$5.5 million during the first quarter compared to \$2.3 million in the comparable prior year period. The \$3.2 million increase was due primarily to common shares repurchased from employees who elected to withhold common shares to satisfy tax obligations related to the vesting of stock-based awards and increased distributions to non-controlling interests as compared to the prior year period offset in part by a reduction in long-term debt payments as compared to the prior year period.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as defined under Item 303(a)(4) of Regulation S-K as of March 30, 2013.

Contractual Obligations

We have no material changes to the disclosure on this matter made in our 2012 Annual Report.

Debt

Asset-Based Lending Facility

On March 31, 2008, we entered into a credit agreement with JPMorgan Chase Bank N.A. as Agent that created an ABL facility to provide financing for our North America, U.K. and Mexico reporting segments. In connection with the Cliffstar Acquisition, we refinanced the ABL facility on August 17, 2010 to, among other things, provide for the Cliffstar Acquisition, the issuance of the 2018 Notes and the application of net proceeds therefrom, the underwritten public offering of 13,340,000 common shares at a price of \$5.67 per share and the application of net proceeds therefrom, and to increase the amount available for borrowings to \$275.0 million. We drew down a portion of the indebtedness under the ABL facility in order to fund the Cliffstar Acquisition. We incurred \$5.4 million of financing fees in connection with the refinancing of the ABL facility.

On July 19, 2012, we amended the ABL facility to, among other things, extend the maturity date to either July 19, 2017 or, if we have not redeemed, repurchased or refinanced the 2017 Notes by May 1, 2017, May 15, 2017. We incurred \$1.2 million of financing fees in connection with the amendment of the ABL facility.

The financing fees incurred in connection with the refinancing of the ABL facility on August 17, 2010, along with the financing fees incurred in connection with the amendment of the ABL facility on July 19, 2012, are being amortized using the straight line method over the duration of the amended ABL facility.

As of March 30, 2013, we had no outstanding borrowings under the ABL facility. The commitment fee was 0.375% per annum of the unused commitment, which, taking into account \$11.2 million of letters of credit, was \$252 million as of March 30, 2013.

8.375% Senior Notes due in 2017

On November 13, 2009, we issued \$215.0 million of the 2017 Notes. The 2017 Notes were issued at a \$3.1 million discount. The issuer of the 2017 Notes is our wholly-owned U.S. subsidiary Cott Beverages Inc., and most of our U.S., Canadian and U.K. subsidiaries guarantee the 2017 Notes. The interest on the 2017 Notes is payable semi-annually on May 15th and November 15th of each year.

We incurred \$5.1 million of financing fees in connection with the 2017 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the duration of the 2017 Notes.

8.125% Senior Notes due in 2018

On August 17, 2010, we issued \$375.0 million of the 2018 Notes. The issuer of the 2018 Notes is our wholly-owned U.S. subsidiary Cott Beverages Inc., and most of our U.S., Canadian and U.K. subsidiaries guarantee the 2018 Notes. The interest on the 2018 Notes is payable semi-annually on March 1st and September 1st of each year.

We incurred \$8.6 million of financing fees in connection with the 2018 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the duration of the 2018 Notes.

Table of Contents

Credit Ratings and Covenant Compliance

Credit Ratings

We have no material changes to the disclosure on this matter made in our 2012 Annual Report.

Covenant Compliance

8.375% Senior Notes due in 2017

Under the indenture governing the 2017 Notes, we are subject to a number of covenants, including covenants that limit our and certain of our subsidiaries' ability, subject to certain exceptions and qualifications, to (i) pay dividends or make distributions, repurchase equity securities, prepay subordinated debt or make certain investments, (ii) incur additional debt or issue certain disqualified stock or preferred stock, (iii) create or incur liens on assets securing indebtedness, (iv) merge or consolidate with another company or sell all or substantially all of our assets taken as a whole, (v) enter into transactions with affiliates and (vi) sell assets. We have been in compliance with all of the covenants under the 2017 Notes and there have been no amendments to any such covenants since the 2017 Notes were issued.

8.125% Senior Notes due in 2018

Under the indenture governing the 2018 Notes, we are subject to a number of covenants, including covenants that limit our and certain of our subsidiaries' ability, subject to certain exceptions and qualifications, to (i) pay dividends or make distributions, repurchase equity securities, prepay subordinated debt or make certain investments, (ii) incur additional debt or issue certain disqualified stock or preferred stock, (iii) create or incur liens on assets securing indebtedness, (iv) merge or consolidate with another company or sell all or substantially all of our assets taken as a whole, (v) enter into transactions with affiliates and (vi) sell assets. We have been in compliance with all of the covenants under the 2018 Notes and there have been no amendments to any such covenants since the 2018 Notes were issued.

ABL Facility

Under the credit agreement governing the ABL facility, Cott and its restricted subsidiaries are subject to a number of business and financial covenants, including a covenant requiring a minimum fixed charge coverage ratio of at least 1.1 to 1.0 effective when and if excess availability is less than the greater of 10% of the lenders' commitments under the revolving credit facility (the "Revolver") or \$27.5 million. If excess availability is less than the greater of 12.5% of the lenders' commitments under the Revolver or \$34.375 million, the lenders will take dominion over the cash and will apply excess cash to reduce amounts owing under the facility. We were in compliance with all of the applicable covenants under the ABL facility as of March 30, 2013.

Common Share Repurchase Program

On May 1, 2012, our board of directors authorized the repurchase of up to \$35.0 million of our common shares in the open market or through privately negotiated transactions over a 12-month period through either a 10b5-1 automatic trading plan or at management's discretion in compliance with regulatory requirements, and given market, cost and other considerations. During the second quarter of 2012, we repurchased 35,272 common shares for approximately \$0.3 million through open market transactions. No additional repurchases were made under the program through March 30, 2013. On April 30, 2013, our board of directors approved the renewal of our share repurchase program for up to 5% of Cott's outstanding common shares over a 12-month period commencing upon the expiration of Cott's currently effective share repurchase program on May 21, 2013. We are unable to predict the number of shares that will be repurchased under the share repurchase program, or the aggregate dollar amount of the shares actually purchased. We may discontinue purchases at any time, subject to compliance with applicable regulatory requirements.

Issuer Purchases of Equity Securities

In the fourth quarter of 2012, 356,379 shares of our previously-issued common stock were withheld from delivery to our employees to satisfy their tax obligations related to stock-based awards.

Capital Structure

Since December 29, 2012, equity has decreased by \$16.9 million. The decrease was due to \$5.6 million in dividends and other comprehensive loss of \$12.0 million, offset by \$0.7 million of share-based compensation expense.

Table of Contents

Dividend Payments

On February 14, 2013, the Board of Directors declared a dividend of C\$0.06 per share on common shares, payable in cash on April 5, 2013 to shareowners of record at the close of business on March 20, 2013. Cott intends to pay a regular quarterly dividend on its common shares subject to, among other things, the best interests of its shareowners, Cott's results of operations, cash balances and future cash requirements, financial condition, statutory regulations and covenants set forth in the ABL facility and indentures governing the 2017 Notes and 2018 Notes, as well as other factors that our board of directors may deem relevant from time to time.

Critical Accounting Policies and Estimates

Our critical accounting policies require management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and the accompanying notes. These estimates are based on historical experience, the advice of external experts or on other assumptions management believes to be reasonable. Where actual amounts differ from estimates, revisions are included in the results for the period in which actuals become known. Historically, differences between estimates and actuals have not had a significant impact on our consolidated financial statements.

Critical accounting policies and estimates used to prepare the financial statements are discussed with our Audit Committee as they are implemented and on an annual basis.

We have no material changes to our Critical Accounting Policies and Estimates disclosure as filed in our 2012 Annual Report.

Forward-looking Statements

In addition to historical information, this report may contain statements relating to future events and future results. These statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation and involve known and unknown risks, uncertainties, future expectations and other factors that may cause actual results, performance or achievements of Cott Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such statements include, but are not limited to, statements that relate to projections of sales, earnings, earnings per share, cash flows, capital expenditures or other financial items, discussions of estimated future revenue enhancements and cost savings. These statements also relate to our business strategy, goals and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. Generally, words such as "anticipate," "believe," "continue," "could," "endeavor," "estimate," "expect," "intend," "may," "will," "plan," "predict," "project," "should" and similar terms and phrases are used to identify forward-looking statements in this report and in the documents incorporated in this report by reference. These forward-looking statements reflect current expectations regarding future events and operating performance and are made only as of the date of this report.

The forward-looking statements are not guarantees of future performance or events and, by their nature, are based on certain estimates and assumptions regarding interest and foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities and effective income tax rates, which are subject to inherent risks and uncertainties. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in forward-looking statements may include, but are not limited to, assumptions regarding management's current plans and estimates, our ability to remain a low cost supplier, and effective management of commodity costs. Although we believe the assumptions underlying 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 prove to be incorrect. Our operations involve risks and uncertainties, many of which are outside of our control, and any one or any combination of these risks and uncertainties could also affect whether the forward-looking statements ultimately prove to be correct. These risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. "Risk Factors" in our 2012 Annual Report, and those described from time to time in our future reports filed with the Securities and Exchange Commission ("SEC") and Canadian securities regulatory authorities.

The following are some of the factors that could affect our financial performance, including but not limited to, sales, earnings and cash flows, or could cause actual results to differ materially from estimates contained in or underlying the forward-looking statements:

- our ability to compete successfully in the highly competitive beverage category;
- changes in consumer tastes and preferences for existing products and our ability to develop and timely launch new products that appeal to such changing consumer tastes and preferences;

Table of Contents

- loss of or a reduction in business with key customers, particularly Walmart;
- fluctuations in commodity prices and our ability to pass on increased costs to our customers, and the impact of those increased prices on our volumes;
- our ability to manage our operations successfully;
- currency fluctuations that adversely affect the exchange between the U.S. dollar and the British pound sterling, the Euro, the Canadian dollar, the Mexican peso and other currencies;
- our ability to maintain favorable arrangements and relationships with our suppliers;
- our substantial indebtedness we incurred and our ability to meet our obligations;
- our ability to maintain compliance with the covenants and conditions under our debt agreements;
- fluctuations in interest rates;
- credit rating changes;
- the impact of global financial events on our financial results;
- our ability to fully realize the expected cost savings and/or operating efficiencies from our restructuring activities;
- any disruption to production at our beverage concentrates or other manufacturing facilities;
- our ability to protect our intellectual property;
- compliance with product health and safety standards;
- liability for injury or illness caused by the consumption of contaminated products;
- liability and damage to our reputation as a result of litigation or legal proceedings;
- changes in the legal and regulatory environment in which we operate;
- the impact of proposed taxes on soda and other sugary drinks;
- enforcement of compliance with the Ontario Environmental Protection Act;
- unseasonably cold or wet weather, which could reduce demand for our beverages;
- the impact of national, regional and global events, including those of a political, economic, business and competitive nature;
- our ability to recruit, retain, and integrate new management and a new management structure;
- our exposure to intangible asset risk;
- our ability to renew our collective bargaining agreements on satisfactory terms;
- disruptions in our information systems; or
- volatility of our stock price.

We undertake no obligation to update any information contained in this report or to publicly release the results of any revisions to forward-looking statements to reflect events or circumstances of which we may become aware of after the date of this report. Undue reliance should not be placed on forward-looking statements, and all future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We do not trade market risk sensitive instruments.

Currency Exchange Rate Risk

Our North America and U.K. reporting segments purchase a portion of their inventory for their Canadian and European operations, respectively, through transactions denominated and settled in U.S. dollars and Euros, respectively, currencies different from the functional currency of those operations. These inventory purchases are subject to exposure from movements in exchange rates. We use foreign exchange forward contracts to hedge operational exposures resulting from changes in these foreign currency exchange rates. The intent of the foreign exchange contracts is to provide predictability in our overall cost structure. These foreign exchange contracts, carried at fair value, have maturities of less than one year. As of March 30, 2013, we had outstanding foreign exchange forward contracts with notional amounts of \$9.4 million.

Table of Contents

Debt Obligations and Interest Rates

We have exposure to interest rate risk from the outstanding principal amounts of our short-term and long-term debt. Our long-term debt is fixed and our short-term debt is variable. Our ABL facility is vulnerable to fluctuations in the U.S. short-term base rate and the LIBOR rate. At current debt levels as of March 30, 2013, a 100 basis point increase in the current per annum interest rate for our ABL facility (excluding the \$11.2 million in outstanding letters of credit) would result in less than \$0.1 million of additional interest expense during the next year. This change would not be material to our cash flows or our results of operations. The weighted-average interest rate of our debt outstanding at March 30, 2013 was 8.2%.

Commodity Price Risk

We have no material changes to the disclosure on this matter made in our 2012 Annual Report.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 30, 2013. Based upon this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of March 30, 2013, the Company's disclosure controls and procedures are functioning effectively to ensure that information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In addition, our management carried out an evaluation, as required by Rule 13a-15(d) of the Exchange Act, with the participation of our Chief Executive Officer and our Chief Financial Officer, of changes in our internal control over financial reporting. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that there have been no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to the legal proceedings described in our 2012 Annual Report.

Item 1A. Risk Factors

There has been no material change in our risk factors since December 29, 2012. Please refer to our 2012 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Common Share Repurchase Program

On May 1, 2012, our board of directors authorized the repurchase of up to \$35.0 million of our common shares in the open market or through privately negotiated transactions over a 12-month period through either a 10b5-1 automatic trading plan or at management's discretion in compliance with regulatory requirements, and given market, cost and other considerations. We repurchased 35,272 shares of common stock for approximately \$0.3 million during the second quarter of 2012. No additional repurchases were made through March 30, 2013. On April 30, 2013, our board of directors approved the renewal of our share repurchase program for up to 5% of Cott's outstanding common shares over a 12-month period commencing upon the expiration of Cott's currently effective share repurchase program on May 21, 2013. We are unable to predict the number of shares that will be repurchased under the share repurchase program, or the aggregate dollar amount of the shares actually purchased. We may discontinue purchases at any time, subject to compliance with applicable regulatory requirements.

Table of Contents

Item 6. Exhibits

<u>Number</u>	<u>Description</u>
3.1	Articles of Amalgamation of Cott Corporation (incorporated by reference to Exhibit 3.1 to our Form 10-K dated February 28, 2007).
3.2	Second Amended and Restated By-laws of Cott Corporation (incorporated by reference to Exhibit 3.2 to our Form 10-Q filed May 10, 2007).
10.1	Employment Offer Letter to Steven Kitching dated February 14, 2013 (filed herewith).
31.1	Certification of the Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended March 30, 2013 (filed herewith).
31.2	Certification of the Chief Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended March 30, 2013 (filed herewith).
32.1	Certification of the Chief Executive Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended March 30, 2013 (furnished herewith).
32.2	Certification of the Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended March 30, 2013 (furnished herewith).
101	The following financial statements from Cott Corporation's Quarterly Report on Form 10-Q for the quarter ended March 30, 2013, filed on May 3, 2013, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, (vi) Notes to the Consolidated Financial Statements (furnished herewith).

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 3, 2013

COTT CORPORATION
(Registrant)

/s/ Jay Wells

Jay Wells
Chief Financial Officer
(On behalf of the Company)

Date: May 3, 2013

/s/ Gregory Leiter

Gregory Leiter
Senior Vice President, Chief Accounting Officer and Assistant
Secretary
(Principal Accounting Officer)

Table of Contents

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101	The following financial statements from Cott Corporation's Quarterly Report on Form 10-Q for the quarter ended March 30, 2013, filed on May 3, 2013, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, (vi) Notes to the Consolidated Financial Statements (furnished herewith).

February 14, 2013

Steve Kitching
14 The Drive
Northampton
NN1 4SH
United Kingdom

Dear Steve:

I am very pleased to outline in this letter (the “**Offer Letter**”) the terms and conditions on which we are offering you the position of President US Business Unit of Cott Corporation (the “**Company**”). This Offer Letter will not constitute an agreement until it has been fully executed by both parties. Please note that this Offer Letter does not contemplate a contract or promise of employment for any specific term; you will be an at will employee at all times.

1. Position and Duties

1.1 Position. Subject to the terms and conditions hereof, you will be employed by the Company as its President US Business Unit, effective as of March 4th, 2013 (the “**Employment Date**”).

1.2 Responsibilities

(a) As the Company’s President US Business Unit, you will report to the Chief Executive Officer and have such duties and responsibilities as may be assigned to you from time to time by the Chief Executive Officer.

(b) You agree to devote all of your business time and attention to the business and affairs of the Company and to discharging the responsibilities assigned to you. This shall not preclude you from (i) serving on the boards of directors of a reasonable number of charitable organizations, (ii) engaging in charitable activities and community affairs, and (iii) managing your personal affairs, so long as these activities do not interfere with the performance of your duties and responsibilities as the Company’s President US Business Unit.

1.3 No Employment Restriction . You hereby represent and covenant that, except as disclosed to the Company, your employment by the Company does not violate any agreement or covenant to which you are subject or by which you are bound and that there is no such agreement or covenant that could restrict or impair your ability to perform your duties or discharge your responsibilities to the Company.

1.4 Term. The term of this Offer Letter is for a period of three years from the Employment Date. In the event you decide not to remain in the United States after the term of this Offer Letter, the Company will use reasonable commercial efforts to find you a position of similar scope and size to the General Manager UK position you held prior to becoming President US Business Unit. If no such position is available within three months of the expiration of the term of this Offer Letter, you will be made redundant and you shall be entitled to the payments set forth in Section 5. You shall not be entitled to any such payments if you resign from the Company.

2. Remuneration.

2.1 Base Salary. Your annual base salary will initially be at the rate of US \$380,000 per year (“**Annual Base Salary**”), paid on a bi-weekly basis, pro-rated for any partial periods based on the actual number of days in the applicable period. Your performance will be evaluated at least annually, and any increase to the level of your Annual Base Salary will be determined as part of the regular annual review process. You will receive an annual car allowance in the amount of US \$13,500 annually and a cell phone allowance in the amount of US \$2,025 annually.

2.2 Bonus. You will be eligible to participate in the Company’s annual bonus plan and may earn a bonus based upon the achievement of specified performance goals. The amount of your target bonus is 75% of your Annual Base Salary. The bonus year is the Company’s fiscal year and any payments made to you for bonus year 2013 will be pro-rated based on the period of time you held the position of General Manager UK Business Unit and President US Business Unit. Currently the maximum potential payout permitted under the bonus plan is two (2) times the applicable target bonus for achievement of performance goals significantly in excess of the target goals, as established by the Human Resources and Compensation Committee of the Company’s Board of Directors. Please note that the bonus plan is entirely discretionary and the Company reserves in its absolute discretion the right to terminate or amend it or any other bonus plan that may be established.

2.3 LTI Grant.

(a) Annual Award. During the term of this Offer Letter, subject to approval of the Human Resources and Compensation Committee, you will be entitled to receive an annual long term incentive (“LTI”), in the amount of 100% of your base salary, when such annual awards are made to other senior executives of the Company. Each annual LTI award, including the vesting terms, will be governed by the 2010 Equity Incentive Plan (the “Plan”) and your award agreement.

(b) One-time Award. Subject to approval of the Human Resources and Compensation Committee, as an inducement for your employment as President US Business Unit, you will be entitled to receive a one-time LTI award equivalent to \$300,000 when the 2013 annual awards are made to other senior executives of the Company. The one-time LTI award, including the vesting terms, will be governed by the Plan and your award agreement.

3. Benefits.

3.1 Benefit Program. Effective as of the Employment Date, you will be eligible to participate in the Company’s benefit programs generally available to other senior executives of the Company. Our benefit programs include health, disability and life insurance

benefits. Employee contributions are required for our benefit program. You will also be eligible to be reimbursed or the Company will pay directly for the costs of an annual medical examination in an amount not to exceed US \$1,500 per year.

3.2 401(k) Plan. In addition, on the Employment Date you will be eligible to participate in the Company's 401(k) Savings and Retirement Plan.

3.3 Vacation. You will be entitled to four (4) weeks vacation per calendar year. You are encouraged to take vacation in the calendar year it is earned. All earned vacation must be taken by March 31st of the year following the year in which it is earned; otherwise it may be forfeited. If you should leave the Company, the value of any unearned vacation taken by you will be considered a debt to the Company. All vacation periods require the approval of the Chief Executive Officer.

3.4 Reimbursement. You will be reimbursed for expenses reasonably incurred in connection with the performance of your duties in accordance with the Company's policies as established from time to time.

3.5 No Other Benefits. You will not be entitled to any benefit or perquisite other than as specifically set out in this Offer Letter or separately agreed to in writing by the Company.

3.6 Living Expenses. During the term of this Offer Letter, you will be reimbursed for your apartment rental/transportation expenses in Tampa, Florida, up to a maximum of \$70,000 annually (gross annual) ("Living Expense Reimbursement"); provided, however, that the Living Expense Reimbursement shall cease if you make Tampa, Florida your permanent residence.

4. Redundancy; Payments and Entitlements Upon a Redundancy.

4.1 Termination. The Company may terminate your employment: (a) for Cause (as defined in Exhibit A), (b) upon your Disability (as defined in Exhibit A), or (c) for any reason or no reason, in all cases, upon reasonable notice to you. Your employment with the Company will terminate upon your death.

4.2 Redundancy. Subject to Sections 4.3, 8.9, and 10.11, if you are made redundant following the date of this Offer Letter (i) by the Company without Cause other than by reason of your Disability or (ii) by you for Good Reason (either (i) or (ii)), you will be entitled to the following payments and entitlements:

(a) **Cash Payment.** You will receive a cash payment in an amount equal to nine months of your then Annual Base Salary (the "**Cash Payment Amount**"). The Cash Payment Amount will be paid in a lump sum, less all applicable withholding taxes, within thirty (30) days after the redundancy date, except in the case of an Involuntary Termination that is part of a group termination program, in which case the payment shall be made within sixty (60) days. The Cash Payment Amount will not be considered as compensation for purposes of determining benefits under any other qualified or non-qualified plans of the Company.

(b) **Accrued Salary and Vacation**. You will be paid all salary and accrued vacation pay earned through the date of your redundancy, less all applicable withholding taxes, on the first regular pay date following the date of your redundancy.

(c) **No Other Payments**. Upon payment of the amounts to be paid pursuant to Sections 4.2(a) and 4.2(b), the Company shall have no further liability hereunder.

4.3 Release Required. You will not be entitled to receive the payment set forth in Section 4.2(a) and, if applicable, Section 9, unless you execute, at least seven days before the date payment is due to be made, and do not revoke, a release in the form of Exhibit B in favor of the Company and related parties relating to all claims or liabilities of any kind relating to your employment with the Company and the Involuntary Termination of such employment.

5. Other Termination. If your employment is terminated by (a) your resignation, (b) your death, or (c) by the Company for Cause or as a result of your Disability, then you shall not be entitled to receive any other payments, entitlements or benefits other than Annual Base Salary earned through the date of termination and reimbursement for expenses through the date of termination and, in either case, not yet paid. For greater certainty, with respect to a termination by reason of death or by reason of a Disability, nothing in this Offer Letter shall derogate from any rights and/or entitlements that you may be entitled to receive under any other equity compensation or benefit plan of the Company applicable to you.

6. Resignation. If you are a director of the Company or a director or an officer of a company affiliated or related to the Company at the time of your termination, you will be deemed to have resigned all such positions, and you agree that upon termination you will execute such tenders of resignation as may be requested by the Company to evidence such resignations.

7. Rights under Equity Plans. The provisions of this Offer Letter are subject to the terms of the Company's equity plans in effect from time to time. Any equity awards granted to you under the equity plans shall be forfeited or not, vest or not, and, in the case of stock options and stock appreciation rights, become exercisable or not, as provided by and subject to the terms of the applicable equity plan.

8. Restrictive Covenants

8.1 Confidentiality

(a) You acknowledge that in the course of carrying out, performing and fulfilling your obligations to the Company hereunder, you will have access to and will be entrusted with information that would reasonably be considered confidential to the Company or its Affiliates, the disclosure of which to competitors of the Company or its Affiliates or to the general public, will be highly detrimental to the best interests of the Company or its Affiliates. Such information includes, without limitation, trade secrets, know-how, marketing plans and techniques, cost figures, client lists, software, and information relating to employees, suppliers,

customers and persons in contractual relationship with the Company. Except as may be required in the course of carrying out your duties hereunder, you covenant and agree that you will not disclose, for the duration of your employment or at any time thereafter, any such information to any person, other than to the directors, officers, employees or agents of the Company that have a need to know such information, nor shall you use or exploit, directly or indirectly, such information for any purpose other than for the purposes of the Company, nor will you disclose or use for any purpose, other than for those of the Company or its Affiliates, any other information which you may acquire during your employment with respect to the business and affairs of the Company or its Affiliates. Notwithstanding all of the foregoing, you shall be entitled to disclose such information if required pursuant to a subpoena or order issued by a court, arbitrator or governmental body, agency or official, provided that you shall first have:

(i) notified the Company;

(ii) consulted with the Company on whether there is an obligation or defense to providing some or all of the requested information;

(iii) if the disclosure is required or deemed advisable, cooperate with the Company in an attempt to obtain an order or other assurance that such information will be accorded confidential treatment.

(b) Notwithstanding the foregoing, you may disclose information relating to your own compensation and benefits to your spouse, attorneys, financial advisors and taxing authorities. Please note that pursuant to rules promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 in effect on the date hereof, the amount and components of your compensation are required to be publicly disclosed on an annual basis.

8.2 Inventions. You acknowledge and agree that all right, title and interest in and to any information, trade secrets, advances, discoveries, improvements, research materials and databases made or conceived by you prior to or during your employment relating to the business or affairs of the Company, shall belong to the Company. In connection with the foregoing, you agree to execute any assignments and/or acknowledgements as may be requested by the Chief Executive Officer from time to time.

8.3 Corporate Opportunities. Any business opportunities related to the business of the Company which become known to you during your employment with the Company must be fully disclosed and made available to the Company by you, and you agree not to take or attempt to take any action if the result would be to divert from the Company any opportunity which is within the scope of its business.

8.4 Non-Competition and Non-Solicitation.

(a) You will not at any time, without the prior written consent of the Company, during your employment with the Company and for a period after the termination of your employment that is equal to the number of months used in the calculation of the Cash Payment under Section 4.2(a) (regardless of the reason for such termination or whether the Cash Payment is made), either individually or in partnership, jointly or in conjunction with any person or persons, firm, association, syndicate, corporation or company, whether as agent, shareholder, employee, consultant, or in any manner whatsoever, directly or indirectly:

(i) anywhere in the Territory, engage in, carry on or otherwise have any interest in, advise, lend money to, guarantee the debts or obligations of, permit your name to be used in connection with any business which is competitive to the Business or which provides the same or substantially similar services as the Business;

(ii) for the purpose, or with the effect, of competing with any business of the Company, solicit, interfere with, accept any business from or render any services to anyone who is a client or a prospective client of the Company or any Affiliate at the time you ceased to be employed by the Company or who was a client during the 12 months immediately preceding such time;

(iii) solicit or offer employment to any person employed or engaged by the Company or any Affiliate at the time you ceased to be employed by the Company or who was an employee during the 12-month period immediately preceding such time.

(b) Nothing in this Offer Letter shall prohibit or restrict you from holding or becoming beneficially interested in up to one (1%) percent of any class of securities in any company provided that such class of securities are listed on a recognized stock exchange in Canada or the United States or on the NASDAQ.

(c) If you are at any time in violation of any provision of this Section 8.4, then each time limitation set forth in this Section 8.4 shall be extended for a period of time equal to the period of time during which such violation or violations occur. If the Company seeks injunctive relief from any such violation, then the covenants set forth shall be extended for a period of time equal to the pendency of the proceeding in which relief is sought, including all appeals therefrom.

8.5 Insider and Other Policies. You will comply with all applicable securities laws and the Company's Insider Trading Policy and Insider Reporting Procedures in respect of any securities of the Company that you may acquire, and you will comply with all other of the Company's policies that may be applicable to you from time to time.

8.6 Non-Disparagement. You will not disparage the Company or any of its affiliates, directors, officers, employees or other representatives in any manner and will in all respects avoid any negative criticism of the Company.

8.7 Injunctive Relief.

(a) You acknowledge and agree that in the event of a breach of the covenants, provisions and restrictions in this Section 8, the Company's remedy in the form of monetary damages will be inadequate and that the Company shall be, and is hereby, authorized and entitled, in addition to all other rights and remedies available to it, to apply for and obtain from a court of competent jurisdiction interim and permanent injunctive relief and an accounting of all profits and benefits arising out of such breach.

(b) The parties acknowledge that the restrictions in this Section 8 are reasonable in all of the circumstances and you acknowledge that the operation of restrictions contained in this Section 8 may seriously constrain your freedom to seek other remunerative employment. If any of the restrictions are determined to be unenforceable as going beyond what

is reasonable in the circumstances for the protection of the interests of the Company but would be valid, for example, if the scope of their time periods or geographic areas were limited, the parties consent to the court making such modifications as may be required and such restrictions shall apply with such modifications as may be necessary to make them valid and effective.

8.8 Survival of Restrictions. Each and every provision of this Section 8 shall survive the termination of this Offer Letter or your employment (regardless of the reason for such termination).

8.9 Forfeiture. Notwithstanding the provisions of Section 4.2, if following any Involuntary Termination it shall be determined that the you have breached (either before or after such termination) any of the agreements in this Section 8, the Company shall have no obligation or liability or otherwise to make any further payment under Section 4.2 from and after the date of such breach, except for payments, if any, that cannot legally be forfeited.

9. Code Section 409A.

9.1 In General. This Section 11 shall apply to you if you are subject to Section 409A of the United States Internal Revenue Code of 1986 (the "Code"), but only with respect to any payment due hereunder that is subject to Section 409A of the Code.

9.2 Release. Any requirement that you execute and not revoke a release to receive a payment hereunder shall apply to a payment described in Section 9.1 only if the Company provides the release to you on or before the date of your Involuntary Termination.

9.3 Payment Following Involuntary Termination. Notwithstanding any other provision herein to the contrary, any payment described in Section 9.1 that is due to be paid within a stated period following your Involuntary Termination shall be paid:

(a) If, at the time of your Involuntary Termination, you are a "specified employee" as defined in Section 409A of the Code, such payment shall be made as of the later of (i) the date payment is due hereunder, or (ii) the earlier of the date which is six months after your "separation from service" (as defined under Section 409A of the Code), or the date of your death; or

(b) In any other case, on the later of (i) last day of the stated period, or if such stated period is not more than 90 days, at any time during such stated period as determined by the Company without any input from you, or (ii) the date of your "separation from service" (as defined under Section 409A of the Code).

9.4 Reimbursements. The following shall apply to any reimbursement that is a payment described in Section 9.1: (a) with respect to any such reimbursement under Section 12.8, reimbursement shall not be made unless the expense is incurred during the period beginning on your effective hire date and ending on the sixth anniversary of your death; (b) the amount of expenses eligible for reimbursement during your taxable year shall not affect the expenses eligible for reimbursement in any other year; and (c) the timing of all such reimbursements shall be as provided herein, but not later than the last day of your taxable year following the taxable year in which the expense was incurred.

9.5 Offset . If you are subject to Section 409A of the Code, any offset under Section 10.11 shall apply to a payment described in Section 9.1 only if the debt or obligation was incurred in the ordinary course of your employment with the Company, the entire amount of the set-off in any taxable year of the Company does not exceed \$5,000, and the set-off is made at the same time and in the same amount as the debt or obligation otherwise would have been due and collected from you.

9.6 Interpretation . This Offer Letter shall be interpreted and construed so as to avoid the additional tax under Section 409A(a)(1)(B) of the Code to the maximum extent practicable.

10. General Provisions.

10.1 Entire Agreement . This Offer Letter, together with the plans and documents referred to herein, constitutes and expresses the whole agreement of the parties hereto with reference to any of the matters or things herein provided for or herein before discussed or mentioned with reference to your employment. All promises, representation, collateral agreements and undertakings not expressly incorporated in this Offer Letter are hereby superseded by this Offer Letter.

10.2 Amendment . This Offer Letter may be amended or modified only by a writing signed by both of the parties hereto.

10.3 Assignment . This Offer Letter may be assigned by the Company to any successor to its business or operations. Your rights hereunder may not be transferred by you except by will or by the laws of descent and distribution and except insofar as applicable law may otherwise require. Any purported assignment in violation of the preceding sentence shall be void.

10.4 Governing Law; Consent to Personal Jurisdiction and Venue . This Offer Letter takes effect upon its acceptance and execution by the Company. The validity, interpretation, and performance of this Offer Letter shall be governed, interpreted, and construed in accordance with the laws of the State of Florida without giving effect to the principles of comity or conflicts of laws thereof. You hereby consent to personal jurisdiction and venue, for any action brought by the Company arising out of a breach or threatened breach of this Offer Letter or out of the relationship established by this Offer Letter, exclusively in the United States District Court for the Middle District of Florida, Tampa Division, or in the Circuit Court in and for Hillsborough County, Florida; and, if applicable, the federal and state courts in any jurisdiction where you are employed or reside; you hereby agree that any action brought by you, alone or in combination with others, against the Company, whether arising out of this Offer Letter or otherwise, shall be brought exclusively in the United States District Court for the Middle District of Florida, Tampa Division, or in the Circuit Court in and for Hillsborough County, Florida.

10.5 Severability . The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Offer Letter shall not affect the enforceability of the remaining portions of the Offer Letter or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the

words, phrases, sentences, clauses or sections contained in the Offer Letter shall be declared invalid, the Offer Letter shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted.

10.6 Section Headings and Gender. The section headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, as the identity of the person or persons may require.

10.7 No Term of Employment. Nothing herein obligates the Company to continue to employ you. Where lawfully permitted in any jurisdiction in which you perform employment responsibilities on behalf of the Company, your employment shall be at will.

10.8 Indemnification. The Company will indemnify and hold you harmless to the maximum extent permitted by applicable law against judgments, fines, amounts paid in settlement and reasonable expenses, including reasonable attorneys' fees, in connection with the defense of, or as a result of any action or proceeding (or any appeal from any action or proceeding) in which you are made or are threatened to be made a party by reason of the fact that you are or were an officer of the Company or any Affiliate. In addition, the Company agrees that you shall be covered and insured up to the maximum limits provided by any insurance which the Company maintains to indemnify its directors and officers (as well as any insurance that it maintains to indemnify the Company for any obligations which it incurs as a result of its undertaking to indemnify its officers and directors).

10.9 Survivorship. Upon the termination your employment, the respective rights and obligations of the parties shall survive such termination to the extent necessary to carry out the intended preservation of such rights and obligations.

10.10 Taxes. All payments under this Offer Letter shall be subject to withholding of such amounts, if any, relating to tax or other payroll deductions as the Company may reasonably determine and should withhold pursuant to any applicable law or regulation.

10.11 Set-Off. Except as limited by Section 9.5, the Company may set off any amount or obligation which may be owing by you to the Company against any amount or obligation owing by the Company to you.

10.12 Records. All books, records, and accounts relating in any manner to the Company or to any suppliers, customers, or clients of the Company, whether prepared by you or otherwise coming into your possession, shall be the exclusive property of the Company and immediately returned to the Company upon termination of employment or upon request at any time.

10.13 Counterparts. This Offer Letter may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

10.14 Consultation with Counsel. You acknowledge that you have conferred with your own counsel with respect to this Offer Letter, and that you understand the restrictions and limitations that it imposes upon your conduct.

Steve, please indicate your acceptance of this offer by returning one signed original of this Offer Letter.

Yours truly,

A handwritten signature in black ink, appearing to read "Jerry Fowden". The signature is fluid and cursive, with a period at the end.

Jerry Fowden, CEO Cott Corporation

I accept this offer of employment and agree to be bound by the terms and conditions listed herein.

/s/ Steven Kitching

Steven Kitching

February 14, 2013

Date

Exhibit A

Definitions

“ **Affiliate** ” shall mean, with respect to any person or entity (herein the “ **first party** ”), any other person or entity that directs or indirectly controls, or is controlled by, or is under common control with, such first party. The term “control” as used herein (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to: (i) vote 50% or more of the outstanding voting securities of such person or entity, or (ii) otherwise direct or significantly influence the management or policies of such person or entity by contract or otherwise.

“ **Business** ” shall mean the business of manufacturing, selling or distributing carbonated soft drinks, juices, water and other non-alcoholic beverages to the extent such other non-alcoholic beverages contribute, or are contemplated or projected to contribute, materially to the profits of the Company at the time of termination of your employment.

“ **Cause** ” shall mean your:

(a) willful failure to properly carry out your duties and responsibilities or to adhere to the policies of the Company after written notice by the Company of the failure to do so, and such failure remaining uncorrected following an opportunity for you to correct the failure within ten (10) days of the receipt of such notice;

(b) theft, fraud, dishonesty or misappropriation, or the gross negligence or willful misconduct, involving the property, business or affairs of the Company, or in the carrying out of your duties, including, without limitation, any breach of the representations, warranties and covenants contained herein;

(c) conviction of or plea of guilty to a criminal offence that involves fraud, dishonesty, theft or violence;

(d) breach of a fiduciary duty owed to the Company;

(e) refusal to follow the lawful written reasonable and good faith direction of the Board; or

(f) failure to relocate to the greater metropolitan Tampa, Florida area within six months of the Employment Date.

“ **Disability** ” shall mean any incapacity or inability by you, including any physical or mental incapacity, disease, illness or affliction, which has prevented or which will likely prevent you from performing the essential duties of your position for six (6) consecutive months or for any cumulative period of 125 business days (whether or not consecutive) in any two (2) year period.

“ **Good Reason** ” shall mean any of the following:

(a) a material diminution in your title or assignment to you of materially inconsistent duties; unless such diminution is effected with your approval;

(b) a reduction in your then-current Annual Base Salary or target bonus opportunity as a percentage of Annual Base Salary, unless such reduction is made applicable to all senior executives;

(c) relocation of your principal place of employment to a location that is more than 50 miles away from your principal place of employment on the Employment Date, unless such relocation is effected with your approval;

(d) a material breach by the Company of any provisions of this Offer Letter, or any employment agreement to which you and the Company are parties, after written notice by you of the breach and such failure remaining uncorrected following an opportunity for the Company to correct such failure within ten (10) days of the receipt of such notice; or

(e) the failure of the Company to obtain the assumption in writing of its obligation to perform this Offer Letter by any successor to all or substantially all of the business or assets of the Company within fifteen (15) days after a merger, consolidation, sale or similar transaction.

“ **Territory** ” shall mean the countries in which the Company and its subsidiaries conduct the Business or in which the Company plans to conduct the Business within the following 12 months.

Exhibit B

Form of Release

RELEASE AGREEMENT

In consideration of the mutual promises, payments and benefits provided for in the Offer Letter between COTT Corporation (the “**Corporation**”) and Steve Kitching (the “**Employee**”) dated _____, the Corporation and the Employee agree to the terms of this Release Agreement. Capitalized terms used and not defined in this Release Agreement shall have the meanings assigned thereto in the Offer Letter.

1. The Employee acknowledges and agrees that the Corporation is under no obligation to offer the Employee the payments and benefits set forth in Section 4.2 of the Offer Letter unless the Employee consents to the terms of this Release Agreement. The Employee further acknowledges that he/she is under no obligation to consent to the terms of this Release Agreement and that the Employee has entered into this agreement freely and voluntarily.
2. In consideration of the payment and benefits set forth in the Offer Letter and the Corporation’s release set forth in paragraph 5, the Employee voluntarily, knowingly and willingly releases and forever discharges the Corporation and its Affiliates, together with its and their respective officers, directors, partners, shareholders, employees and agents, and each of its and their predecessors, successors and assigns (collectively, “**Releasees**”), from any and all charges, complaints, claims, promises, agreements, controversies, causes of action and demands of any nature whatsoever that the Employee or his/her executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have against the Releasees by reason of any matter, cause or thing whatsoever arising prior to the time of signing of this Release Agreement by the Employee. The release being provided by the Employee in this Release Agreement includes, but is not limited to, any rights or claims relating in any way to the Employee’s employment relationship with the Corporation or any its Affiliates, or the termination thereof, or under any statute, including, but not limited to the *Employment Standards Act, 2000*, the *Human Rights Code*, the *Workplace Safety and Insurance Act* re-employment provisions, the *Occupational Health & Safety Act*, the *Pay Equity Act*, the *Labor Relations Act*, Title VII of the *Civil Rights Act of 1964*, the *Age Discrimination in Employment Act*, as amended by the *Older Workers’ Benefit Protection Act*, the *Family and Medical Leave Act*, and the *Americans With Disabilities Act*, or pursuant to any other applicable law or legislation governing or related to his/her employment or other engagement with the Corporation. The Employee is aware of his rights under the *Human Rights Code* and represents, warrants, and hereby confirms that he is not asserting such rights, alleging that any such rights have been breached, or advancing a human rights claim or complaint. In no event shall this Release apply to the Employee’s right, if any, to indemnification, under the Employee’s employment agreement or otherwise, that is in effect on the date of this Release and, if applicable, to the Corporation’s obligation to maintain in force reasonable director and officer insurance in respect of such indemnification obligations.
3. The Employee acknowledges and agrees that he/she shall not, directly or indirectly, seek or further be entitled to any personal recovery in any lawsuit or other claim against the Corporation or any other Releasee based on any event arising out of the matters released in paragraph 2.
4. Nothing herein shall be deemed to release: (i) any of the Employee’s continuing rights under the Offer Letter; or (ii) any of the vested benefits that the Employee has accrued prior to the date this Release Agreement is executed by the Employee under the employee benefit plans and arrangements of the Corporation or any of its Affiliates; or (iii) any claims that may arise after the date this Release Agreement is executed.

5. In consideration of the Employee's release set forth in paragraph 2, the Corporation knowingly and willingly releases and forever discharges the Employee from any and all charges, complaints, claims, promises, agreements, controversies, causes of action and demands of any nature whatsoever that the Corporation now has or hereafter can, shall or may have against him/her by reason of any matter, cause or thing whatsoever arising prior to the time of signing of this Release Agreement by the Corporation, provided, however, that nothing herein is intended to release (i) any claim the Corporation may have against the Employee for any illegal conduct or arising out of any illegal conduct, (ii) any recovery of incentive compensation paid to the Employee pursuant to the Dodd-Frank Wall Street and Consumer Protection Act, the Sarbanes-Oxley Act of 2002, rules, regulations and listing standards promulgated thereunder, or Company policies implementing the same as may be in effect from time to time.
6. The Employee acknowledges that he has carefully read and fully understands all of the provisions and effects of the Offer Letter and this Release Agreement. The Employee also acknowledges that the Corporation, by this paragraph 6 and elsewhere, has advised him/her to consult with an attorney of his/her choice prior to signing this Release Agreement. The Employee represents that, to the extent he/she desires, he/she has had the opportunity to review this Release Agreement with an attorney of his/her choice.
7. The Employee acknowledges that he/she has been offered the opportunity to consider the terms of this Release Agreement for a period of at least forty-five (45) days, although he/she may sign it sooner should he/she desire. The Employee further shall have seven (7) additional days from the date of signing this Release Agreement to revoke his/her consent hereto by notifying, in writing, the General Counsel of the Corporation. This Release Agreement will not become effective until seven days after the date on which the Employee has signed it without revocation.

Dated:

Steven Kitching (Employee)

COTT CORPORATION

Per: _____

Name:

Title:

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.

I, Jerry Fowden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cott Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 3, 2013

/s/ Jerry Fowden

Jerry Fowden
Chief Executive Officer

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.

I, Jay Wells, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cott Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 3, 2013

/s/ Jay Wells

Jay Wells

Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-
OXLEY ACT OF 2002**

The undersigned, Jerry Fowden, Chief Executive Officer of Cott Corporation (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 2013 (the "Report").

The undersigned hereby certifies that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 3rd day of May, 2013.

/s/ Jerry Fowden

Jerry Fowden

Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-
OXLEY ACT OF 2002**

The undersigned, Jay Wells, Chief Financial Officer of Cott Corporation (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 2013 (the "Report").

The undersigned hereby certifies that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 3rd day of May, 2013.

/s/ Jay Wells

Jay Wells

Chief Financial Officer