

PRIMO WATER CORP /CN/

FORM 10-Q (Quarterly Report)

Filed 05/12/10 for the Period Ending 04/03/10

Address	4221 W. BOY SCOUT BLVD. SUITE 400 TAMPA, FL, 33607
Telephone	813-313-1732
CIK	0000884713
Symbol	PRMW
SIC Code	2086 - Bottled and Canned Soft Drinks and Carbonated Waters
Industry	Non-Alcoholic Beverages
Sector	Consumer Non-Cyclicals
Fiscal Year	12/28

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: April 3, 2010

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 [X] 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 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 [X]
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 [X]

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

Table with 2 columns: Class, Outstanding at May 7, 2010. Row 1: Common Stock, no par value per share, 81,331,330 shares

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Cott Corporation
Consolidated Statements of Operations
(in millions of U.S. dollars, except per share amounts)
Unaudited

	<u>For the Three Months Ended</u>	
	<u>April 3, 2010</u>	<u>March 28, 2009</u>
Revenue, net	\$ 362.9	\$ 367.0
Cost of sales	<u>305.7</u>	<u>308.8</u>
Gross profit	57.2	58.2
Selling, general and administrative expenses	32.4	34.7
Loss (gain) on disposal of property, plant & equipment	0.2	(0.1)
Restructuring and asset impairments		
Restructuring	(0.5)	1.2
Asset impairments	<u>—</u>	<u>0.1</u>
Operating income	25.1	22.3
Other expense, net	1.8	0.1
Interest expense, net	<u>6.2</u>	<u>7.6</u>
Income before income taxes	17.1	14.6
Income tax expense (benefit)	<u>4.4</u>	<u>(6.2)</u>
Net income	\$ 12.7	\$ 20.8
Less: Net income attributable to non-controlling interests	<u>1.2</u>	<u>0.9</u>
Net income attributed to Cott Corporation	<u>\$ 11.5</u>	<u>\$ 19.9</u>
Net income per common share attributed to Cott Corporation		
Basic	\$ 0.14	\$ 0.28
Diluted	\$ 0.14	\$ 0.28
Weighted average outstanding shares (thousands) attributed to Cott Corporation		
Basic	80,374	70,472
Diluted	80,840	70,472

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

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Cott Corporation
Consolidated Balance Sheets
(in millions of U.S. dollars, except share data)
Unaudited

	<u>April 3, 2010</u>	<u>January 2, 2010</u>
ASSETS		
<i>Current assets</i>		
Cash & cash equivalents	\$ 23.2	\$ 30.9
Accounts receivable, net of allowance of \$5.8 (\$5.9 as of January 2, 2010)	172.6	152.3
Income taxes recoverable	5.8	20.8
Inventories	112.4	99.7
Prepaid and other expenses	10.6	11.4
Deferred income taxes	3.3	3.2
Other current assets	<u>2.1</u>	<u>2.2</u>
Total current assets	330.0	320.5
Property, plant and equipment	335.6	343.0
Goodwill	31.7	30.6
Intangibles and other assets	151.0	155.5
Deferred income taxes	6.1	5.4
Other tax receivable	<u>18.8</u>	<u>18.8</u>
Total assets	<u>\$ 873.2</u>	<u>\$ 873.8</u>
LIABILITIES AND EQUITY		
<i>Current liabilities</i>		
Short-term borrowings	\$ 27.9	\$ 20.2
Current maturities of long-term debt	5.8	17.6
Income taxes payable	4.3	2.1
Accounts payable and accrued liabilities	160.6	166.8
Deferred income taxes	<u>0.4</u>	<u>0.4</u>
Total current liabilities	199.0	207.1
Long-term debt	232.2	233.2
Deferred income taxes	17.3	17.5
Other tax liabilities	0.5	0.5
Other long-term liabilities	<u>10.5</u>	<u>14.2</u>
Total liabilities	459.5	472.5
Contingencies and Commitments—Note 10		
<i>Equity</i>		
Capital stock, no par—81,331,330 (January 2, 2010—81,331,330) shares issued	322.5	322.5
Treasury stock	(3.3)	(4.4)
Additional paid-in-capital	37.5	37.4
Retained earnings	63.3	51.8
Accumulated other comprehensive loss	<u>(20.9)</u>	<u>(21.3)</u>
Total Cott Corporation equity	399.1	386.0
Non-controlling interests	<u>14.6</u>	<u>15.3</u>
Total equity	<u>413.7</u>	<u>401.3</u>
Total liabilities and equity	<u>\$ 873.2</u>	<u>\$ 873.8</u>

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

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

	For the Three Months Ended	
	April 3, 2010	March 28, 2009
Operating Activities		
Net income	\$ 12.7	\$ 20.8
Depreciation and amortization	15.9	17.0
Amortization of financing fees	0.5	0.3
Share-based compensation expense	0.5	0.1
(Decrease) increase in deferred income taxes	(0.1)	2.2
Decrease in other income tax liabilities	—	(7.8)
Loss (gain) on disposal of property, plant and equipment	0.2	(0.1)
Loss on buyback of notes	0.1	—
Asset impairments	—	0.1
Lease contract termination gain	(0.4)	—
Lease contract termination payments	(3.9)	(0.9)
Other non-cash items	3.0	0.6
Change in accounts receivable	(21.9)	(6.6)
Change in inventories	(12.7)	(3.0)
Change in prepaid expenses and other current assets	0.8	2.7
Change in other assets	(0.5)	0.1
Change in accounts payable and accrued liabilities	(3.4)	(4.0)
Change in income taxes receivable, net	17.4	(0.5)
Net cash provided by operating activities	<u>8.2</u>	<u>21.0</u>
Investing Activities		
Additions to property, plant and equipment	(7.6)	(5.9)
Additions to intangibles	(1.1)	—
Proceeds from disposal of property, plant & equipment and held-for-sale assets	0.1	1.2
Net cash used in investing activities	<u>(8.6)</u>	<u>(4.7)</u>
Financing Activities		
Payments of long-term debt	(13.2)	(1.8)
Short-term borrowings, ABL	58.6	344.4
Short-term repayments, ABL	(50.8)	(361.3)
Distributions to non-controlling interests	(1.9)	(1.4)
Deferred financing fees	(0.2)	—
Other financing activities	—	(0.1)
Net cash used in financing activities	<u>(7.5)</u>	<u>(20.2)</u>
Effect of exchange rate changes on cash	<u>0.2</u>	<u>(0.2)</u>
Net decrease in cash & cash equivalents	(7.7)	(4.1)
Cash & cash equivalents, beginning of period	<u>30.9</u>	<u>14.7</u>
Cash & cash equivalents, end of period	<u>\$ 23.2</u>	<u>\$ 10.6</u>
Supplemental Noncash Financing Activities:		
Capital lease additions	\$ 0.1	\$ —
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ 1.3	\$ 2.1
Cash (received) paid for income taxes, net	\$ (13.8)	0.2

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

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Cott Corporation
Consolidated Statements of Equity
(in millions of U.S. dollars, except share amounts)
Unaudited

	Cott Corporation Equity								
	Number of Common Shares (In thousands)	Number of Treasury Shares (In thousands)	Common Shares	Treasury Shares	Additional Paid-in- Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive (Loss) Income	Non- Controlling Interests	Total Equity
Balance at December 27, 2008	71,871	2,307	\$ 275.0	\$ (6.4)	\$ 38.1	\$ (29.7)	\$ (47.8)	\$ 17.3	\$246.5
Treasury shares issued - PSU	—	(396)	—	1.1	(1.1)	—	—	—	—
Share-based compensation	—	—	—	—	0.3	—	—	—	0.3
Distributions to non-controlling interests	—	—	—	—	—	—	—	(1.4)	(1.4)
Comprehensive income									
Currency translation adjustment	—	—	—	—	—	—	(4.0)	—	(4.0)
Pension liabilities	—	—	—	—	—	—	0.1	—	0.1
Net income	—	—	—	—	—	19.9	—	0.9	20.8
Balance at March 28, 2009	71,871	1,911	\$ 275.0	\$ (5.3)	\$ 37.3	\$ (9.8)	\$ (51.7)	\$ 16.8	\$262.3
Balance at January 2, 2010	81,331	1,504	\$ 322.5	\$ (4.4)	\$ 37.4	\$ 51.8	\$ (21.3)	\$ 15.3	\$401.3
Treasury shares issued - PSU Plan	—	(437)	—	1.1	(1.1)	—	—	—	—
Tax Impact of PSU distributions	—	—	—	—	0.7	—	—	—	0.7
Treasury Shares issued - EISPP	—	(1)	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	0.5	—	—	—	0.5
Distributions to non-controlling interests	—	—	—	—	—	—	—	(1.9)	(1.9)
Comprehensive income									
Currency translation adjustment	—	—	—	—	—	—	0.3	—	0.3
Pension liabilities	—	—	—	—	—	—	0.2	—	0.2
Unrealized losses on derivative instruments net of income tax	—	—	—	—	—	—	(0.1)	—	(0.1)
Net income	—	—	—	—	—	11.5	—	1.2	12.7
Balance at April 3, 2010	81,331	1,066	\$ 322.5	\$ (3.3)	\$ 37.5	\$ 63.3	\$ (20.9)	\$ 14.6	\$413.7

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

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

	<u>For the Three Months Ended</u>	
	<u>April 3, 2010</u>	<u>March 28, 2009</u>
Net income	\$ 12.7	\$ 20.8
Other comprehensive income (loss), net of tax:		
Net currency translation	0.3	(4.0)
Pension benefit plan, net of tax	0.2	0.1
Unrealized losses on derivative instruments	(0.1)	—
Total other comprehensive income (loss), net of tax	<u>0.4</u>	<u>(3.9)</u>
Comprehensive income	\$ 13.1	\$ 16.9
Less: Net income attributable to non-controlling interests	<u>1.2</u>	<u>0.9</u>
Comprehensive income attributed to Cott Corporation	<u>\$ 11.9</u>	<u>\$ 16.0</u>

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 Summary of Significant Accounting Policies

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 non-alcoholic beverage companies and the world’s largest retailer brand soft drink provider. In addition to carbonated soft drinks (“CSDs”), our product lines include clear, still and sparkling flavored waters, energy-related drinks, juice-based products, bottled water and ready-to-drink teas.

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 January 2, 2010. 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.

Recently Issued Accounting Pronouncements

ASC No. 810 – Variable Interest Entity (formerly SFAS No. 167)

In June 2009, the Financial Accounting Standards Board (“FASB”) issued ASC No. 810, “Amendments to FASB Interpretation No. 46 (R)”, which amends FASB Interpretation No. 46 (revised December 2003), to address the elimination of the concept of a qualifying special purpose entity. ASC 810 also replaces the quantitative-based risks and rewards calculation for determining which enterprise has a controlling financial interest in a variable interest entity with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity and the obligation to absorb losses of the entity or the right to receive benefits from the entity. Additionally, ASC 810 provides more timely and useful information about an enterprise’s involvement with a variable interest entity. ASC 810 became effective in the first quarter of 2010. This standard does not have an impact on our consolidated financial statements.

ASU 2010 -06 – Improving Disclosures about Fair Value Measurements

In January 2010, the FASB issued Accounting Standards Update (“ASU”) 2010-06, “Improving Disclosures about Fair Value Measurements”. ASU 2010-06 requires additional disclosures about fair value measurements including transfers in and out of Levels 1 and 2 and a higher level of disaggregation for the different types of financial instruments. For the reconciliation of Level 3 fair value measurements, information about purchases, sales, issuances and settlements are presented separately. This standard is effective for interim and annual reporting periods beginning after December 15, 2009 with the exception of revised Level 3 disclosure requirements which are effective for interim and annual reporting periods beginning after December 15, 2010. Comparative disclosures are not required in the year of adoption. The Company adopted the provisions of the standard on January 3, 2010, which did not have a material impact on our financial statements.

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Note 2 – Restructuring and Asset Impairments

The Company implements restructuring programs from time to time that are designed to improve operating effectiveness and lower costs. When the Company implements these programs, it incurs various charges, including severance, contract termination and asset impairments, and other employment related costs. In 2007, the Company implemented one such program, which involved the realignment of the management of our Canadian and U.S. businesses to a North American basis, rationalization of our product offerings, elimination of underperforming assets, an increased focus on high potential accounts, and the closure of several plants and warehouses in North America that resulted in lease contract termination losses and a partial reduction in our workforce (the “North American Plan”). The Company also implemented a plan in 2009 (“the 2009 Restructuring Plan”) that resulted in a further reduction of our workforce. During the three months ended April 3, 2010, the Company settled one of its lease obligations related to the North American Plan for \$3.0 million which resulted in a gain of approximately \$0.4 million. In addition, the Company recorded a \$0.1 million gain related to other non-cash charges for the North American Plan.

The following table summarizes restructuring charges incurred during the three months ended April 3, 2010 and March 28, 2009:

<i>(in millions of U.S. dollars)</i>	For the three months ended			
	April 3, 2010		March 28, 2009	
	North America	Total	North America	Total
Restructuring	\$ (0.5)	\$ (0.5)	\$ 1.2	\$ 1.2
Asset impairment	—	—	0.1	0.1
	<u>\$ (0.5)</u>	<u>\$ (0.5)</u>	<u>\$ 1.3</u>	<u>\$ 1.3</u>

The following table is a summary of our restructuring liabilities as of April 3, 2010 and January 2, 2010, along with charges to costs and expenses and cash payments:

North American Plan:

<i>(in millions of U.S. dollars)</i>	Balance at January 2, 2010	Charges to costs and expenses	Cash payments	Balance at April 3, 2010
Lease contract termination loss	\$ 5.8	\$ (0.4)	\$ (3.9)	\$ 1.5
	<u>\$ 5.8</u>	<u>\$ (0.4)</u>	<u>\$ (3.9)</u>	<u>\$ 1.5</u>

The following table is a summary of our restructuring liabilities as of March 28, 2009 and December 27, 2008, along with charges to costs and expenses and cash payments:

North American Plan:

<i>(in millions of U.S. dollars)</i>	Balance at December 27, 2008	Charges to costs and expenses	Cash payments	Balance at March 28, 2009
Lease contract termination loss	\$ 9.6	\$ —	\$ (0.9)	\$ 8.7
	<u>\$ 9.6</u>	<u>\$ —</u>	<u>\$ (0.9)</u>	<u>\$ 8.7</u>

Note 3 – Share-Based Compensation

Each of our share-based compensation plans has been approved by our shareowners, except for our 1986 Common Share Option Plan, as amended (the “Option Plan”), which was adopted prior to our initial public offering, and our Chief Executive Officer award, which was an inducement grant made to attract and retain that executive. Subsequent amendments to the Option Plan that required shareowner approval have been so approved.

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The table below summarizes the share-based compensation expenses for the three month periods ended April 3, 2010 and March 28, 2009. This share-based compensation expense was recorded in selling, general and administrative expenses.

<i>(in millions of U.S. dollars)</i>	For the three months ended	
	April 3, 2010	March 28, 2009
Stock options	\$ 0.3	\$ —
Performance share units	0.1	0.2
Share appreciation rights	0.1	0.1
Interim CEO award	—	(0.1)
Total	\$ 0.5	\$ 0.2

As of April 3, 2010, the unrecognized share-based compensation expense and years we expect to recognize share-based compensation expense were as follows:

	Unrecognized share-based compensation expense as of	Weighted average years
	April 3, 2010	expected to recognize compensation
	<i>(in millions of U.S. dollars)</i>	
Stock options	0.9	0.3
Performance share units	0.2	0.8
Share appreciation rights	0.1	1.8
Restated Executive Incentive Purchase Plan	0.1	0.8
Total	\$ 1.3	

Option Plan

There were no common shares issued pursuant to option exercises during the three months ended April 3, 2010. Options representing 250,000 shares were granted during the first quarter at an exercise price of C\$8.01 per share. The fair value of this option grant was estimated to be C\$5.16 using the Black-Scholes option pricing model. This grant vests in four equal quarterly installments from the date of grant.

The fair value of each option granted during the quarter was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	April 3, 2010	March 28, 2009
Risk-free interest rate	2.5%	2.3%
Average expected life (years)	5.5	5.5
Expected volatility	74.8%	50.0%
Expected dividend yield	—	—

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The table below summarizes option activity for the three months ended April 3, 2010:

	Shares <i>(In thousands)</i>	Weighted average exercise price <i>(Canadian \$)</i>
Balance at January 2, 2010	831	\$ 18.97
Awarded	250	8.01
Forfeited or expired	<u>(29)</u>	<u>34.23</u>
Outstanding at April 3, 2010	<u>1,052</u>	<u>15.95</u>
Exercisable at April 3, 2010	<u>802</u>	<u>\$ 18.43</u>

Long-Term Incentive Plans

The Company's shareowners have approved and adopted two long-term incentive plans, the Amended and Restated Performance Share Unit Plan ("PSU Plan") and the Amended and Restated Share Appreciation Rights Plan ("SAR Plan").

Amended and Restated PSU Plan

Under the PSU Plan, performance share units ("PSUs") may be awarded to employees of our Company and its subsidiaries. The value of an employee's award under our PSU Plan will depend on (i) our performance over a maximum three-year performance cycle; and (ii) the market price of our common shares at the time of vesting. Performance targets will be established annually by the Human Resources and Compensation Committee of the Board of Directors ("HRCC"). PSUs granted will vest over a term not to exceed three fiscal years. As of April 3, 2010, the Trustee under the PSU Plan held 0.6 million common shares to satisfy our anticipated future liability of this plan. The Company intends that no further grants will be made under the PSU Plan.

Amended and Restated SAR Plan

Under the SAR Plan, share appreciation rights ("SARs") may be awarded to employees and directors of our Company and its subsidiaries. SARs typically vest on the third anniversary of the grant date. On vesting, each SAR will represent the right to be paid the difference, if any, between the price of our common shares on the date of grant and their price on the vesting date of the SAR. Payments in respect of vested in-the-money SARs will be made in the form of our common shares purchased on the open market by an independent trust with cash contributed by us. During the three months ended April 3, 2010, 154,000 SARs vested out-of-the-money. The Company intends that no further grants will be made under the SAR Plan.

During the three months ended April 3, 2010, PSU and SAR activity was as follows:

	Number of PSUs <i>(In thousands)</i>	Number of SARs <i>(In thousands)</i>
Balance at January 2, 2010	625	254
Awarded	—	—
Issued	(437)	—
Forfeited	—	(154)
Outstanding at April 3, 2010	<u>188</u>	<u>100</u>

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Note 4 – Income Taxes

Income tax expense was \$4.4 million on pretax income of \$17.1 million and \$1.2 million of net income attributable to non-controlling interests in the three months ended April 3, 2010 as compared to a \$6.2 million benefit on pretax income of \$14.6 million and \$0.9 million of net income attributable to non-controlling interests in the three months ended March 28, 2009. The estimated effective tax rate applied to income from operations differs from the statutory rate due to the net reversal of previously recorded valuation allowances, the tax benefit of intercompany financing structures and foreign tax rate differentials. Also, the 2009 tax benefit includes an \$8.0 million tax benefit related to the reversal of uncertain tax positions in the first quarter of 2009 and a benefit of \$0.2 million on the reversal of interest and penalties in the income statement.

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 and PSUs.

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

<i>(In thousands)</i>	<u>For the three months ended</u>	
	<u>April 3, 2010</u>	<u>March 28, 2009</u>
Weighted average number of shares outstanding - basic	<u>80,374</u>	70,472
Dilutive effect of stock options	278	—
Dilutive effect of PSUs	<u>188</u>	—
Adjusted weighted average number of shares outstanding - diluted	<u>80,840</u>	<u>70,472</u>

At April 3, 2010, options to purchase 1,052,150 (March 28, 2009 — 1,067,450) common shares at a weighted average exercise price of C\$15.95 (March 28, 2009 — C\$20.96) per share were outstanding, of which 452,150 were not included in 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. We excluded 957,104 of treasury shares associated with the PSU Plan and held in various trusts under the PSU Plan in the calculation of basic and diluted earnings per share.

Note 6 – Segment Reporting

We produce, package and distribute retailer brand and branded bottled and canned CSDs, waters, juice-based products, energy-related drinks and ready-to-drink teas to regional and national grocery, mass-merchandise and wholesale chains through five reportable segments – North America (which includes our U.S. reporting unit and Canada reporting unit), U.K. (which includes our United Kingdom reporting unit and our Continental European reporting unit), Mexico, Royal Crown International (“RCI”) and All Other (which includes our international corporate expenses).

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Operating Segments

(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						
April 3, 2010						
External revenue ¹	\$263.2	\$ 79.7	\$11.8	\$ 8.2	\$ —	\$362.9
Depreciation and amortization	12.1	3.3	0.5	—	—	15.9
Operating income (loss)	20.9	3.0	(1.8)	3.0	—	25.1
Restructuring and asset impairments – Note 2	(0.5)	—	—	—	—	(0.5)
Additions to property, plant and equipment	4.9	2.4	0.3	—	—	7.6
As of April 3, 2010						
Property, plant and equipment	\$234.4	\$ 87.0	\$14.2	\$ —	\$ —	\$335.6
Goodwill	27.2	—	—	4.5	—	31.7
Intangibles and other assets	134.0	16.2	0.8	—	—	151.0
Total assets ²	630.3	192.6	36.0	13.6	0.7	873.2

¹ Intersegment revenue between North America and the other segments is not material and has not been separately disclosed in the table above.

² Excludes intersegment receivables, investments and notes receivable.

Operating Segments

(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 28, 2009						
External revenue ¹	\$289.0	\$ 64.0	\$ 9.8	\$ 4.2	\$ —	\$367.0
Depreciation and amortization	13.6	3.0	0.4	—	—	17.0
Operating (loss) income	26.3	(2.6)	(2.3)	0.9	—	22.3
Restructuring and asset impairments – Note 2	1.3	—	—	—	—	1.3
Additions to property, plant and equipment	3.0	2.9	—	—	—	5.9
As of January 2, 2010						
Property, plant and equipment	\$236.5	\$ 93.0	\$13.5	\$ —	\$ —	\$343.0
Goodwill	26.1	—	—	4.5	—	30.6
Intangibles and other assets	137.0	17.7	0.8	—	—	155.5
Total assets ²	632.1	197.0	33.4	10.6	0.7	873.8

¹ Intersegment revenue between North America and the other segments is not material and has not been separately disclosed in the table above.

² Excludes intersegment receivables, investments and notes receivable.

For the three months ended April 3, 2010, sales to Wal-Mart accounted for 32.9% (March 28, 2009—37.2%) of our total revenues, 36.7% of our North America operating segment revenues (March 28, 2009 – 42.2%), 16.8% of our U.K. operating segment revenues (March 28, 2009 – 18.6%), and 45.6% of our Mexico operating segment revenues (March 28, 2009 – 27.4%).

Credit risk arises from the potential default of a customer in meeting its financial obligations with 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.

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Revenues by geographic area are as follows:

<i>(in millions of U.S. dollars)</i>	For the three months ended	
	April 3, 2010	March 28, 2009
United States	\$ 235.9	\$ 262.0
Canada	40.1	40.5
United Kingdom	80.4	64.0
Mexico	11.8	9.8
RCI ¹	8.2	4.2
All Other	—	—
Elimination ²	(13.5)	(13.5)
	<u>\$ 362.9</u>	<u>\$ 367.0</u>

¹ RCI sells concentrate products to bottlers in approximately 50 countries.

² Represents intersegment revenue among all countries of which \$5.9 million and \$2.9 million represent intersegment revenue between North America and our international segments for the three months ended April 3, 2010 and March 28, 2009, respectively.

Revenues are attributed to operating segments based on the location of the plant.

Property, plant and equipment by geographic area are as follows:

<i>(in millions of U.S. dollars)</i>	April 3, 2010	January 2, 2010
United States	\$ 184.5	\$ 188.7
Canada	49.9	47.8
United Kingdom	87.0	93.0
Mexico	14.2	13.5
	<u>\$ 335.6</u>	<u>\$ 343.0</u>

Note 7 – Inventories

<i>(in millions of U.S. dollars)</i>	April 3, 2010	January 2, 2010
Raw materials	\$ 39.0	\$ 39.4
Finished goods	58.1	45.3
Other	15.3	15.0
	<u>\$ 112.4</u>	<u>\$ 99.7</u>

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Note 8 – Intangibles and Other Assets Including Goodwill

<i>(in millions of U.S. dollars)</i>	<u>April 3, 2010</u>			<u>January 2, 2010</u>		
	<u>Cost</u>	<u>Amortization</u>	<u>Net</u>	<u>Cost</u>	<u>Amortization</u>	<u>Net</u>
Goodwill	\$ 31.7	\$ —	\$ 31.7	\$ 30.6	\$ —	\$ 30.6

The change in goodwill represents fluctuations in foreign currency exchange rates.

<i>(in millions of U.S. dollars)</i>	<u>April 3, 2010</u>			<u>January 2, 2010</u>		
	<u>Cost</u>	<u>Amortization</u>	<u>Net</u>	<u>Cost</u>	<u>Amortization</u>	<u>Net</u>
Intangibles						
<i>Not subject to amortization</i>						
Rights	45.0	—	45.0	45.0	—	45.0
<i>Subject to amortization</i>						
Customer relationships	152.8	82.2	70.6	154.1	79.3	74.8
Trademarks	24.6	15.6	9.0	24.7	15.2	9.5
Information technology	55.7	49.4	6.3	54.1	48.3	5.8
Other	3.7	2.1	1.6	3.6	2.0	1.6
	<u>236.8</u>	<u>149.3</u>	<u>87.5</u>	<u>236.5</u>	<u>144.8</u>	<u>91.7</u>
	<u>281.8</u>	<u>149.3</u>	<u>132.5</u>	<u>281.5</u>	<u>144.8</u>	<u>136.7</u>
Other Assets						
Financing costs	11.5	2.6	8.9	11.4	2.1	9.3
Deposits	7.5	—	7.5	7.8	—	7.8
Other	8.2	6.1	2.1	7.3	5.6	1.7
	<u>27.2</u>	<u>8.7</u>	<u>18.5</u>	<u>26.5</u>	<u>7.7</u>	<u>18.8</u>
Total Intangibles & Other Assets	\$309.0	\$ 158.0	\$151.0	\$308.0	\$ 152.5	\$155.5

Amortization expense of intangibles was \$5.3 million for the three months ended April 3, 2010 and \$4.9 million for the three months ended March 28, 2009.

The estimated amortization expense for intangibles over the next five years and thereafter is as follows:

<i>(in millions of U.S. dollars)</i>	
Remainder of 2010	\$10.5
2011	13.6
2012	12.5
2013	12.4
2014	12.0
Thereafter	26.5
	\$87.5

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Note 9 – Debt

Our debt is summarized as follows:

<i>(in millions of U.S. dollars)</i>	<u>April 3, 2010</u>	<u>January 2, 2010</u>
8% senior subordinated notes due in 2011	\$ —	\$ 11.1
8.375% senior notes due in 2017 ¹	215.0	215.0
ABL facility	27.9	20.2
GE Obligation	20.2	22.0
Other capital leases	3.4	3.2
Other debt	2.4	2.6
Total debt	268.9	274.1
Less: Short-term borrowings and current debt:		
ABL facility	27.9	20.2
Total short-term borrowings	27.9	20.2
8% senior subordinated notes due in 2011	—	11.1
GE obligation - current maturities	4.7	5.5
Other capital leases - current maturities	0.5	0.4
Other debt - current maturities	0.6	0.6
Total current debt	33.7	37.8
Long-term debt before discount	235.2	236.3
Less discount on 8.375% notes	(3.0)	(3.1)
Total long-term debt	\$ 232.2	\$ 233.2

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

Debt

8% Senior Subordinated Notes due in 2011

The Company repurchased all of the outstanding 8% senior subordinated notes due December 15, 2011 (the “2011 Notes”) for \$11.1 million on February 1, 2010, and recorded a loss on buy back of \$0.1 million. The 2011 Notes acquired by the Company have been retired, and we have discontinued the payment of interest.

Asset Based Lending Facility

On March 31, 2008, we entered into a credit agreement that created an asset-based lending (“ABL”) credit facility to provide financing for our United States and Canada reporting units and United Kingdom and Mexico operating segments.

As of April 3, 2010, we had \$27.9 million in borrowings under the ABL facility outstanding. The commitment fee was 0.5% per annum of the unused commitment which was \$189.6 as of April 3, 2010.

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Covenant Compliance

ABL Facility

We and our 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 \$30.0 million. Our fixed charge coverage ratio as calculated under this covenant as of April 3, 2010, was greater than 1.1 to 1.0. If availability is less than \$37.5 million, the lenders will take dominion over the cash and will apply excess cash to reduce amounts owing under the revolver. The credit agreement governing the ABL facility requires us to maintain excess availability of at least \$15.0 million. We believe we were in compliance with all of the applicable covenants under the ABL facility on April 3, 2010.

8.375% Senior Notes due in 2017

Under the indenture governing the 8.375% Senior Notes due in 2017 (the “2017 Notes”), we are subject to a number of covenants. We believe 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 they were issued.

Note 10 – Contingencies and Commitments

We are subject to various claims and legal proceedings with respect to matters such as governmental regulations, income taxes, 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 or results from operations.

We had \$7.5 million in standby letters of credit outstanding as of April 3, 2010 (March 28, 2009 – \$9.9 million).

Note 11 – Shares Held in Trust Treated as Treasury Shares

In May 2008, an independent trustee acting under certain of our benefit plans purchased 2.3 million of our common shares to be used to satisfy any future liability under the PSU Plan and the Restated Executive Investment Share Purchase Plan (the “Restated EISPP”). During the three months ended April 3, 2010, we distributed 0.4 million shares from the trust to satisfy certain PSU obligations that had vested. As of April 3, 2010, 0.6 million and 0.5 million shares were held in trust for remaining obligations under the PSU Plan and the Restated EISPP, respectively. Treasury shares are reported at cost.

Note 12 – Hedging Transactions and Derivative Financial Instruments

The Company is directly and indirectly affected by changes in foreign currency market conditions. These changes in market conditions may adversely impact the Company’s financial performance and are referred to as market risks. Our Company, when deemed appropriate by management, uses derivatives as a risk management tool to mitigate the potential impact of foreign currency market risks. The Company’s foreign currency market risks are managed by the Company through the use of derivative instruments.

The Company purchases 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 accounts payable and accrued liabilities. The carrying values of the derivatives reflect the impact of legally enforceable agreements with the same counterparties. These allow the Company 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 type 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 income statement 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.

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The Company formally designates and documents, 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, the Company formally assesses 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.

The Company estimates the fair values of its derivatives based on quoted market prices or pricing models using current market rates (refer to Note 13). 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. The Company does not view the fair values of its derivatives in isolation, but rather in relation to the fair values or cash flows of the underlying hedged transactions. All of our derivatives are straightforward 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. The Company mitigates pre-settlement risk by being permitted to net settle for transactions with the same counterparty.

Cash Flow Hedging Strategy

The Company uses 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 income statement 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. The Company did not discontinue any cash flow hedging relationships during the first quarter of 2010. The maximum length of time over which the Company hedges its exposure to future cash flows is typically one year.

The Company maintains 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. When the U.S. dollar strengthens significantly against foreign currencies, the decline in the present value of future foreign currency cash flows is partially offset by gains in the fair value of the derivative instruments. Conversely, when the U.S. dollar weakens as compared to other currencies, the increase in the present value of future foreign currency cash flows is partially offset by losses in the fair value of the derivative instruments. The total notional value of derivatives that have been designated and qualify for the Company's foreign currency cash flow hedging program as of April 3, 2010, was approximately \$6.5 million.

The following table summarizes the Company's derivative instruments as of April 3, 2010:

<i>(in millions of U.S. dollars)</i> <u>Derivatives designated as cash flow hedging instruments</u>	<u>Liability Derivatives</u>	
	<u>Balance sheet location</u>	<u>Fair value</u>
	Accounts payable and	
Foreign exchange contracts	accrued liabilities	\$ 0.1

The settlement of our derivative instruments resulted in a charge to cost of sales of less than \$0.1 million for the three months ended April 3, 2010.

Note 13 – 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.

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- 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.

The Company has certain assets and liabilities that are required to be recorded at fair value on a recurring basis in accordance with U.S. GAAP. For our Company, the only assets and liabilities that are adjusted to fair value on a recurring basis are derivative instruments. The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of April 3, 2010.

<i>(in millions of U.S. dollars)</i>	April 3, 2010				
	Level 1	Level 2	Level 3	Netting Adjustment	Fair Value Measurements
Liabilities					
Derivatives	\$ —	\$ 0.1	\$ —	\$ —	\$ 0.1
Total Liabilities	<u>\$ —</u>	<u>\$ 0.1</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.1</u>

The carrying amounts reflected in the consolidated balance sheets for cash, 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 April 3, 2010 and January 2, 2010 are as follows:

<i>(in millions of U.S. dollars)</i>	April 3, 2010		January 2, 2010	
	Par Value	Fair Value	Par Value	Fair Value
8% senior subordinated notes due in 2011 ¹	\$ —	\$ —	\$ 11.1	\$ 11.1
8.375% senior notes due in 2017 ¹	215.0	223.1	215.0	222.0
ABL facility	27.9	27.9	20.2	20.2
Total	<u>\$242.9</u>	<u>\$ 251.0</u>	<u>\$246.3</u>	<u>\$ 253.3</u>

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

Note 14 – Subsequent Events

2010 Equity Incentive Plan

Our shareowners approved our 2010 Equity Incentive Plan (the “Equity Incentive Plan”) at the Annual and Special Meeting of Shareowners held on May 4, 2010. Awards under the Equity Incentive Plan may be in the form of incentive stock options, non-qualified stock options, restricted shares, restricted share units, performance shares, performance units, stock appreciation rights, and stock payments to employees, directors and outside consultants. The Equity Incentive Plan is administered by the HRCC or any other board committee as may be designated by the board from time to time. At the inception of the Equity Incentive Plan, 4,000,000 shares were reserved for future issuance, subject to adjustment upon a share split, share dividend, recapitalization, and other similar transactions and events.

Note 15 – Guarantor Subsidiaries

The 2017 Notes issued by our 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”). Such guarantees are full, unconditional and joint and several.

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

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The following supplemental financial information sets forth on an unconsolidated basis, our balance sheets, statements of income 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.

Consolidating Statements of Operations (in millions of U.S. dollars, unaudited)

	For the three months ended April 3, 2010					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	\$ 40.1	\$ 218.1	\$ 80.4	\$ 33.5	\$ (9.2)	\$ 362.9
Cost of sales	34.0	181.5	70.3	29.1	(9.2)	305.7
Gross profit	6.1	36.6	10.1	4.4	—	57.2
Selling, general and administrative expenses	7.8	14.2	7.0	3.4	—	32.4
Loss on disposal of property, plant and equipment	—	0.2	—	—	—	0.2
Restructuring and asset impairments:						
Restructuring	—	(0.5)	—	—	—	(0.5)
Asset impairments	—	—	—	—	—	—
Operating (loss) income	(1.7)	22.7	3.1	1.0	—	25.1
Other expense (income), net	1.7	0.1	0.2	(0.2)	—	1.8
Intercompany interest (income) expense, net	(1.7)	3.2	(1.5)	—	—	—
Interest expense, net	0.1	5.9	0.1	0.1	—	6.2
Income (loss) before income taxes and equity income (loss)	(1.8)	13.5	4.3	1.1	—	17.1
Income tax (benefit) expense	(1.0)	5.1	0.1	0.2	—	4.4
Equity income (loss)	12.3	1.5	9.8	—	(23.6)	—
Net income (loss)	11.5	9.9	14.0	0.9	(23.6)	12.7
Less: Net income attributable to non-controlling interests	—	—	—	1.2	—	1.2
Net income (loss) attributed to Cott Corporation	\$ 11.5	\$ 9.9	\$ 14.0	\$ (0.3)	\$ (23.6)	\$ 11.5

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Consolidating Statements of Operations (in millions of U.S. dollars, unaudited)

	For the three months ended March 28, 2009					
	<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	\$ 40.5	\$ 243.6	\$ 65.1	\$ 29.7	\$ (11.9)	\$ 367.0
Cost of sales	<u>36.6</u>	<u>197.8</u>	<u>59.9</u>	<u>26.4</u>	<u>(11.9)</u>	<u>308.8</u>
Gross profit	3.9	45.8	5.2	3.3	—	58.2
Selling, general and administrative expenses	6.3	17.4	7.8	3.2	—	34.7
Gain on disposal of property, plant and equipment	—	(0.1)	—	—	—	(0.1)
Restructuring and asset impairments:						
Restructuring	—	1.2	—	—	—	1.2
Asset impairments	<u>0.1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.1</u>
Operating (loss) income	(2.5)	27.3	(2.6)	0.1	—	22.3
Other (income) expense, net	(0.4)	0.2	—	0.3	—	0.1
Intercompany interest expense (income), net	(2.4)	3.2	(0.8)	—	—	—
Interest expense, net	<u>0.1</u>	<u>7.4</u>	<u>0.1</u>	<u>—</u>	<u>—</u>	<u>7.6</u>
Income (loss) before income taxes and equity (loss) income	0.2	16.5	(1.9)	(0.2)	—	14.6
Income tax (benefit) expense	(7.8)	2.8	(1.2)	—	—	(6.2)
Equity income (loss)	<u>11.9</u>	<u>1.3</u>	<u>15.8</u>	<u>—</u>	<u>(29.0)</u>	<u>—</u>
Net income (loss)	\$ 19.9	\$ 15.0	\$ 15.1	\$ (0.2)	\$ (29.0)	\$ 20.8
Less: Net income attributable to the non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.9</u>	<u>—</u>	<u>0.9</u>
Net income (loss) income attributed to Cott Corporation	<u>\$ 19.9</u>	<u>\$ 15.0</u>	<u>\$ 15.1</u>	<u>\$ (1.1)</u>	<u>\$ (29.0)</u>	<u>\$ 19.9</u>

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Consolidating Balance Sheets As of April 3, 2010 (in millions of U.S. dollars, unaudited)

	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	\$ 11.8	\$ 2.9	\$ 6.5	\$ 2.0	—	\$ 23.2
Accounts receivable, net	26.7	86.3	60.5	19.1	(20.0)	172.6
Income taxes recoverable	3.7	1.5	—	0.6	—	5.8
Inventories	19.3	64.8	18.7	9.6	—	112.4
Prepaid and other expenses	2.1	5.3	3.0	0.2	—	10.6
Deferred income taxes	1.6	1.7	—	—	—	3.3
Other current assets	—	—	2.1	—	—	2.1
	<u>65.2</u>	<u>162.5</u>	<u>90.8</u>	<u>31.5</u>	<u>(20.0)</u>	<u>330.0</u>
Property, plant and equipment	49.9	181.4	89.7	14.6	—	335.6
Goodwill	27.2	4.5	—	—	—	31.7
Intangibles and other assets	0.8	109.8	16.2	24.2	—	151.0
Deferred income taxes	5.8	—	—	0.3	—	6.1
Other tax receivable	—	18.8	—	—	—	18.8
Due from affiliates	249.9	10.0	209.5	41.9	(511.3)	—
Investments in subsidiaries	—	8.4	—	158.9	(167.3)	—
	<u>398.8</u>	<u>495.4</u>	<u>406.2</u>	<u>271.4</u>	<u>(698.6)</u>	<u>873.2</u>
LIABILITIES						
Current liabilities						
Short-term borrowings	—	23.3	4.6	—	—	27.9
Current maturities of long-term debt	—	5.3	—	0.5	—	5.8
Income taxes payable	—	3.2	1.0	0.1	—	4.3
Accounts payable and accrued liabilities	33.4	79.9	51.8	15.5	(20.0)	160.6
Deferred income taxes	—	—	0.4	—	—	0.4
	<u>33.4</u>	<u>111.7</u>	<u>57.8</u>	<u>16.1</u>	<u>(20.0)</u>	<u>199.0</u>
Long-term debt	0.1	229.4	—	2.7	—	232.2
Deferred income taxes	—	6.4	10.1	0.8	—	17.3
Other tax liabilities	—	—	—	0.5	—	0.5
Other long-term liabilities	—	3.4	7.1	—	—	10.5
Losses and distributions in excess of investment	(77.0)	—	109.6	—	(32.6)	—
Due from affiliates	43.2	208.1	233.4	26.6	(511.3)	—
	<u>(0.3)</u>	<u>559.0</u>	<u>418.0</u>	<u>46.7</u>	<u>(563.9)</u>	<u>459.5</u>
EQUITY						
Capital stock	322.5	279.1	372.1	175.1	(826.3)	322.5
Treasury stock	(3.3)	—	—	—	—	(3.3)
Additional paid-in-capital	37.5	—	—	—	—	37.5
Retained earnings (accumulated deficit)	63.3	(341.3)	(388.1)	(29.8)	759.2	63.3
Accumulated other comprehensive (loss) income	(20.9)	(1.4)	4.2	64.8	(67.6)	(20.9)
Total Cott Corporation equity	<u>399.1</u>	<u>(63.6)</u>	<u>(11.8)</u>	<u>210.1</u>	<u>(134.7)</u>	<u>399.1</u>
Non-controlling interests	—	—	—	14.6	—	14.6
Total equity	<u>399.1</u>	<u>(63.6)</u>	<u>(11.8)</u>	<u>224.7</u>	<u>(134.7)</u>	<u>413.7</u>
	<u>\$ 398.8</u>	<u>\$ 495.4</u>	<u>\$ 406.2</u>	<u>\$ 271.4</u>	<u>\$ (698.6)</u>	<u>\$ 873.2</u>

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Consolidating Balance Sheets
As of January 2, 2010
(in millions of U.S. dollars)

	<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>
ASSETS						
Current assets						
Cash & cash equivalents	\$ 4.2	\$ 10.4	\$ 12.2	\$ 4.1	—	\$ 30.9
Accounts receivable	38.1	77.3	55.8	17.5	(36.4)	152.3
Income taxes recoverable	2.5	17.8	—	0.5	—	20.8
Inventories	15.9	61.1	15.8	6.9	—	99.7
Prepaid and other expenses	4.1	5.2	2.0	0.1	—	11.4
Deferred income taxes	1.5	1.7	—	—	—	3.2
Other current assets	—	—	2.2	—	—	2.2
	<u>66.3</u>	<u>173.5</u>	<u>88.0</u>	<u>29.1</u>	<u>(36.4)</u>	<u>320.5</u>
Property, plant and equipment	47.8	185.3	96.1	13.8	—	343.0
Goodwill	26.1	4.5	—	—	—	30.6
Intangibles and other assets	1.0	111.8	17.7	25.0	—	155.5
Deferred income taxes	5.6	—	—	0.2	(0.4)	5.4
Other tax receivable	—	18.8	—	—	—	18.8
Due from affiliates	247.1	10.0	207.9	41.9	(506.9)	—
Investments in subsidiaries	—	14.5	—	152.5	(167.0)	—
	<u>393.9</u>	<u>518.4</u>	<u>409.7</u>	<u>262.5</u>	<u>(710.7)</u>	<u>873.8</u>
LIABILITIES						
Current liabilities						
Short-term borrowings	—	20.2	—	—	—	20.2
Current maturities of long-term debt	—	17.2	—	0.4	—	17.6
Income taxes payable	—	—	2.1	—	—	2.1
Accounts payable and accrued liabilities	37.1	99.5	52.4	14.2	(36.4)	166.8
Deferred income taxes	—	—	0.4	—	—	0.4
	<u>37.1</u>	<u>136.9</u>	<u>54.9</u>	<u>14.6</u>	<u>(36.4)</u>	<u>207.1</u>
Long-term debt	—	230.5	—	2.7	—	233.2
Deferred income taxes	—	6.4	10.9	0.2	—	17.5
Other tax liabilities	—	—	—	0.9	(0.4)	0.5
Other long-term liabilities	0.1	6.5	7.6	—	—	14.2
Losses and distributions in excess of investment	(72.5)	—	118.8	—	(46.3)	—
Due from affiliates	43.2	206.6	234.5	22.6	(506.9)	—
	<u>7.9</u>	<u>586.9</u>	<u>426.7</u>	<u>41.0</u>	<u>(590.0)</u>	<u>472.5</u>
EQUITY						
Capital stock	322.5	279.2	378.0	175.0	(832.2)	322.5
Treasury stock	(4.4)	—	—	—	—	(4.4)
Restricted shares	—	—	—	—	—	—
Additional paid-in-capital	37.4	—	—	—	—	37.4
Retained earnings (accumulated deficit)	51.8	(346.2)	(393.0)	(27.6)	766.8	51.8
Accumulated other comprehensive (loss) income	(21.3)	(1.5)	(2.0)	58.8	(55.3)	(21.3)
Total Cott Corporation's equity	<u>386.0</u>	<u>(68.5)</u>	<u>(17.0)</u>	<u>206.2</u>	<u>(120.7)</u>	<u>386.0</u>
Non-controlling interests	—	—	—	15.3	—	15.3
Total equity	<u>386.0</u>	<u>(68.5)</u>	<u>(17.0)</u>	<u>221.5</u>	<u>(120.7)</u>	<u>401.3</u>
	<u>\$ 393.9</u>	<u>\$ 518.4</u>	<u>\$ 409.7</u>	<u>\$ 262.5</u>	<u>\$ (710.7)</u>	<u>\$ 873.8</u>

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Condensed Consolidating Statements of Cash Flows (in millions of U.S. dollars, unaudited)

	For the three months ended April 3, 2010					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Elimination Entries	Consolidated
Operating activities						
Net income (loss)	\$ 11.5	\$ 9.9	\$ 14.0	\$ 0.9	\$ (23.6)	\$ 12.7
Depreciation and amortization	1.6	9.5	3.4	1.4	—	15.9
Amortization of financing fees	0.1	0.4	—	—	—	0.5
Share-based compensation expense	—	0.4	0.1	—	—	0.5
Decrease in deferred income taxes	—	—	(0.1)	—	—	(0.1)
Loss on disposal of property, plant and equipment	—	0.2	—	—	—	0.2
Equity (loss) income, net of distributions	(12.3)	(1.5)	(9.8)	—	23.6	—
Intercompany transactions	2.3	1.9	—	—	(4.2)	—
Loss on buyback of Notes	—	0.1	—	—	—	0.1
Lease contract termination gain	—	(0.4)	—	—	—	(0.4)
Lease contract termination payments	—	(3.9)	—	—	—	(3.9)
Other non-cash items	1.7	1.3	—	—	—	3.0
Net change in non-cash working capital	(1.0)	(14.2)	(11.0)	1.7	4.2	(20.3)
Net cash provided by (used in) operating activities	<u>3.9</u>	<u>3.7</u>	<u>(3.4)</u>	<u>4.0</u>	<u>—</u>	<u>8.2</u>
Investing activities						
Additions to property, plant and equipment	(1.8)	(3.1)	(2.4)	(0.3)	—	(7.6)
Additions to intangibles	—	(1.1)	—	—	—	(1.1)
Proceeds from disposal of property, plant and equipment and held-for-sale assets	—	—	0.1	—	—	0.1
Advances to affiliates	1.2	—	(3.1)	(3.9)	5.8	—
Net cash (used in) provided by investing activities	<u>(0.6)</u>	<u>(4.2)</u>	<u>(5.4)</u>	<u>(4.2)</u>	<u>5.8</u>	<u>(8.6)</u>
Financing activities						
Payments of long-term debt	—	(13.1)	—	(0.1)	—	(13.2)
Short-term borrowings - ABL	—	51.9	6.7	—	—	58.6
Short-term repayments - ABL	—	(48.6)	(2.2)	—	—	(50.8)
Advances from affiliates	3.9	3.0	(1.1)	—	(5.8)	—
Distributions to non-controlling interests	—	—	—	(1.9)	—	(1.9)
Deferred financing fees	—	(0.2)	—	—	—	(0.2)
Net cash provided by (used in) financing activities	<u>3.9</u>	<u>(7.0)</u>	<u>3.4</u>	<u>(2.0)</u>	<u>(5.8)</u>	<u>(7.5)</u>
Effect of exchange rate on cash	0.4	—	(0.3)	0.1	—	0.2
Net (decrease) increase in cash & cash equivalents	<u>7.6</u>	<u>(7.5)</u>	<u>(5.7)</u>	<u>(2.1)</u>	<u>—</u>	<u>(7.7)</u>
Cash & cash equivalents, beginning of period	<u>4.2</u>	<u>10.4</u>	<u>12.2</u>	<u>4.1</u>	<u>—</u>	<u>30.9</u>
Cash & cash equivalents, end of period	<u>\$ 11.8</u>	<u>\$ 2.9</u>	<u>\$ 6.5</u>	<u>\$ 2.0</u>	<u>\$ —</u>	<u>\$ 23.2</u>

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Condensed Consolidating Statements of Cash Flows (in millions of U.S. dollars, unaudited)

	For the three months ended March 28, 2009					Elimination Entries	Consolidated
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries			
Operating activities							
Net income (loss)	\$ 19.9	\$ 15.0	\$ 15.1	\$ (0.2)	\$ (29.0)		\$ 20.8
Depreciation and amortization	2.1	10.3	3.3	1.3	—		17.0
Amortization of financing fees	0.1	0.2	—	—	—		0.3
Share-based compensation expense	0.1	—	—	—	—		0.1
Increase (decrease) in deferred income taxes	0.3	2.2	(0.2)	(0.1)	—		2.2
Decrease in other income tax liabilities	(7.8)	—	—	—	—		(7.8)
Gain on disposal of property, plant and equipment	—	(0.1)	—	—	—		(0.1)
Equity income (loss), net of distributions	(11.9)	(1.3)	(15.8)	—	29.0		—
Intercompany transactions	1.8	1.5	—	—	(3.3)		—
Asset impairments	—	0.1	—	—	—		0.1
Lease contract termination payments	—	(0.9)	—	—	—		(0.9)
Other non-cash items	—	0.6	—	—	—		0.6
Net change in non-cash working capital	(23.8)	1.0	(0.8)	9.0	3.3		(11.3)
Net cash (used in) provided by operating activities	(19.2)	28.6	1.6	10.0	—		21.0
Investing activities							
Additions to property, plant and equipment	(0.8)	(2.3)	(2.8)	—	—		(5.9)
Proceeds from disposal of property, plant and equipment and held-for- sale assets	—	1.2	—	—	—		1.2
Advances to affiliates	6.3	—	(2.6)	(3.7)	—		(0.0)
Net cash (used in) provided by investing activities	5.5	(1.1)	(5.4)	(3.7)	—		(4.7)
Financing activities							
Payments of long-term debt	—	(1.7)	—	(0.1)	—		(1.8)
Short-term borrowings, ABL	67.9	258.2	18.3	—	—		344.4
Short-term payments, ABL	(59.1)	(289.5)	(12.7)	—	—		(361.3)
Advances from affiliates	3.8	2.6	(6.4)	—	—		—
Distributions to non-controlling interests	—	—	—	(1.4)	—		(1.4)
Other financing activities	—	(0.1)	—	—	—		(0.1)
Net cash provided by (used in) financing activities	12.6	(30.5)	(0.8)	(1.5)	—		(20.2)
Effect of exchange rate on cash	(0.2)	—	(0.1)	0.1	—		(0.2)
Net (decrease) increase in cash & cash equivalents	(1.3)	(3.0)	(4.7)	4.9	—		(4.1)
Cash & cash equivalents, beginning of period	2.1	3.1	7.4	2.1	—		14.7
Cash & cash equivalents, end of period	\$ 0.8	\$ 0.1	\$ 2.7	\$ 7.0	\$ —		\$ 10.6

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion 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 January 2, 2010 (the "2009 Annual Report"). These historical financial statements may not be indicative of our future performance. This Management's Discussion and Analysis of Financial Condition and Results of Operations 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 described in Part I, Item 1A. "Risk Factors" in our 2009 Annual Report.

Overview

We are one of the world's largest non-alcoholic beverage companies and the world's largest retailer brand soft drink company. Our objective of creating sustainable long-term growth in revenue and profitability is predicated on working closely with our retailer partners to provide proven profitable products. As a "fast follower" of innovative products, our goal is to identify which new products are succeeding in the marketplace and develop similar private label products to provide our retail partners and their consumers with high quality products at a better value. This objective is increasingly relevant in more difficult economic times.

Sales of our products tend to be seasonal, with the second and third quarters accounting for higher unit sales of our products than the first and fourth quarters. The seasonality of our sales volume, combined with the accounting for fixed costs such as depreciation, amortization, rent and interest expense, impacts our results on a quarterly basis. Accordingly, our results for the first quarter of 2010 may not necessarily be indicative of the results that may be expected for the full year.

Retailer brand suppliers, such as us, typically operate at low margins and therefore relatively small changes in cost structures can materially impact results.

During the first quarter of 2010, our revenues decreased 1.1%, or 4.4% excluding the impact of foreign exchange. This decrease was primarily due to a decline in North America beverage case volume in carbonated soft drinks ("CSDs") partially offset by volume improvements in the United Kingdom ("U.K.") and Royal Crown International ("RCI"). RCI primarily sells concentrate case volume. We also had a favorable foreign exchange impact due to the strengthening of the Canadian dollar, British pound sterling and Mexican peso versus the U.S. dollar compared to the prior year period.

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 three largest commodities are aluminum, PET resin, and corn (which is used to produce high fructose corn syrup ("HFCS")). We attempt to manage our exposure to fluctuations in ingredient and packaging costs of our products by implementing price increases with customers as needed and entering into fixed price commitments for a portion of our ingredient and packaging requirements. We have entered into fixed price commitments for a majority of our 2010 HFCS and aluminum requirements, with the remaining forecasted requirements to be purchased at prevailing market prices. We have also entered into fixed price commitments for a portion of our estimated aluminum requirements for 2011.

In the U.S., we have been supplying Wal-Mart with private label CSDs under an exclusive supply agreement dated December 21, 1998, between Cott Beverages Inc., a wholly-owned subsidiary of the Company, and Wal-Mart Stores, Inc. (the "Exclusive U.S. Supply Contract"). We also supply Wal-Mart and its affiliated companies with a variety of products on a non-exclusive basis in the U.S., Canada, United Kingdom and Mexico, including CSDs, clear, still and sparkling flavored waters, juice-based products, bottled water, energy drinks and ready-to-drink teas. On January 27, 2009, we received written notice from Wal-Mart stating that Wal-Mart was exercising its right to terminate, without cause, the Exclusive U.S. Supply Contract. The termination is effective on January 28, 2012. This has the effect of returning our relationship to more typical market terms over time, and allows Wal-Mart to introduce other suppliers in the future, if they so desire. The termination provision of the Exclusive U.S. Supply Contract provides for our exclusive right to supply CSDs to Wal-Mart in the U.S. to be phased out over a period of three years following notice of termination (the "Notice Period"). Accordingly, we had the exclusive right to supply at least two-thirds of Wal-Mart's total CSD volumes in the U.S., on an exclusive basis, during the first 12 months of the Notice Period, and we have the exclusive right to supply at least one-third of Wal-Mart's total CSD volumes in the U.S. during the second 12 months of the Notice Period. Notwithstanding the notice of termination of the Exclusive U.S. Supply Contract, we continue to supply Wal-Mart with all of its private label CSDs in the U.S. However, should Wal-Mart choose to introduce an additional supplier to fulfill a portion of its requirements for its private label CSDs, our operating results could be materially adversely affected.

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For the three months ended April 3, 2010, sales to Wal-Mart accounted for 32.9% (March 28, 2009—37.2%) of our total revenues, 36.7% of our North America operating segment revenues (March 28, 2009 – 42.2%), 16.8% of our U.K. operating segment revenues (March 28, 2009 – 18.6%), and 45.6% of our Mexico operating segment revenues (March 28, 2009 – 27.4%).

Summary financial results

Our net income for the three months ended April 3, 2010 (“first quarter”) was \$11.5 million or \$0.14 per diluted share, compared with our net income for the first quarter of 2009 of \$19.9 million or \$0.28 per diluted share.

The following items of significance impacted our first quarter 2010 financial results:

- increased competition in North America led to beverage case volume declines in that segment of 7.9% from the comparable prior year period;
- new customer gains and improved product mix in the U.K. led to a beverage case volume improvement in that segment of 12.3% from the comparable prior year period;
- decreased gross profit margins to 15.8% as compared to 15.9% from the comparable prior year period;
- increase in the foreign exchange rate for the Canadian dollar, pound sterling and Mexican peso as compared to the U.S. dollar that resulted in a \$12.5 million favorable impact on revenues and a \$1.2 million favorable impact on gross profit;
- continued selling, general and administrative cost savings; and
- tax expense of \$4.4 million in the current year as compared to a prior year tax benefit of \$6.2 million. The prior year benefit included favorable reversals of accruals related to uncertain tax positions.

The following items of significance impacted our first quarter 2009 financial results:

- the consumer trend toward private label;
- overall flat beverage case volume reflecting an increase in our North America reporting unit offset by declines in the U.K. and Mexico reporting units;
- improved gross profit margins to 15.9% from 10.5%, reflecting higher volumes, increased efficiencies from the utilization of plants, lower ingredient and packaging costs, and the benefit of price increases announced in 2008;
- decrease in the foreign exchange rate for the Canadian dollar, pound sterling and Mexican peso as compared to the U.S. dollar that resulted in a \$37.7 million adverse impact on revenues and a \$4.5 million adverse impact on gross profit;
- additional selling, general and administrative cost savings;
- restructuring, severance and lease termination costs of \$1.2 million in connection with the 2009 Restructuring Plan; and
- a tax benefit resulting from the reversal of uncertain tax positions that generated an \$8.0 million tax benefit and a lower effective income tax rate resulting from intercompany debt structures.

Non-GAAP Measures

In this report, we present certain information regarding changes in our revenue excluding the impact of foreign exchange. We believe that this is a useful financial measure for investors in evaluating our operating performance for the periods presented, as when read in conjunction with our changes in revenue on a U.S. GAAP basis, it presents a useful tool to evaluate our ongoing operations and provides investors with an opportunity to evaluate our management of assets held from period to period. In addition, these adjusted amounts are one of the factors we use in internal evaluations of the overall performance of our business. This information, however, is not a measure of financial performance under U.S. GAAP and should not be considered a substitute for changes in revenue as determined in accordance with U.S. GAAP.

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Results of Operations

<i>(In millions of U.S. dollars)</i>	For the three months ended			
	April 3, 2010		March 28, 2009	
	Percent of		Percent of	
	Dollars	Revenue	Dollars	Revenue
Revenue, net	<u>\$362.9</u>	<u>100.0%</u>	<u>\$367.0</u>	<u>100.0%</u>
Cost of sales	<u>305.7</u>	<u>84.2%</u>	<u>308.8</u>	<u>84.1%</u>
Gross profit	<u>57.2</u>	<u>15.8%</u>	<u>58.2</u>	<u>15.9%</u>
Selling, general, and administrative expenses	<u>32.4</u>	<u>8.9%</u>	<u>34.7</u>	<u>9.5%</u>
Loss (gain) on disposal of property, plant and equipment	<u>0.2</u>	<u>0.1%</u>	<u>(0.1)</u>	<u>0.0%</u>
Restructuring	<u>(0.5)</u>	<u>-0.1%</u>	<u>1.2</u>	<u>0.3%</u>
Asset impairment	<u>—</u>	<u>0.0%</u>	<u>0.1</u>	<u>0.0%</u>
Operating income	<u>25.1</u>	<u>6.9%</u>	<u>22.3</u>	<u>6.1%</u>
Other expense, net	<u>1.8</u>	<u>0.5%</u>	<u>0.1</u>	<u>0.0%</u>
Interest expense, net	<u>6.2</u>	<u>1.7%</u>	<u>7.6</u>	<u>2.1%</u>
Income before income taxes	<u>17.1</u>	<u>4.7%</u>	<u>14.6</u>	<u>4.0%</u>
Income tax (benefit) expense	<u>4.4</u>	<u>1.2%</u>	<u>(6.2)</u>	<u>-1.7%</u>
Net income	<u>12.7</u>	<u>3.5%</u>	<u>20.8</u>	<u>5.7%</u>
Less: Net income attributable to non-controlling interests	<u>1.2</u>	<u>0.3%</u>	<u>0.9</u>	<u>0.2%</u>
Net income attributed to Cott Corporation	<u>11.5</u>	<u>3.2%</u>	<u>19.9</u>	<u>5.5%</u>
Depreciation & amortization	<u>\$ 15.9</u>	<u>4.4%</u>	<u>\$ 17.0</u>	<u>4.6%</u>

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Analysis of Revenue, Operating Income (Loss) by Geographic Region:

<i>(In millions of U.S. Dollars)</i>	For the three months ended	
	April 3, 2010	March 28, 2009
<i>Revenue</i>		
North America	\$ 263.2	\$ 289.0
United Kingdom	79.7	64.0
Mexico	11.8	9.8
RCI	8.2	4.2
All Other	—	—
Total	<u>\$ 362.9</u>	<u>\$ 367.0</u>
<i>Operating income (loss)</i>		
North America	\$ 20.9	\$ 26.3
United Kingdom	3.0	(2.6)
Mexico	(1.8)	(2.3)
RCI	3.0	0.9
All Other	—	—
Total	<u>\$ 25.1</u>	<u>\$ 22.3</u>

Analysis of Case Volume by Geographic Region:

<i>(In millions of cases)</i>	For the three months ended	
	April 3, 2010	March 28, 2009
<i>Volume 8oz equivalent cases - Total Beverage (including concentrate)</i>		
North America	152.0	160.8
United Kingdom	44.5	39.6
Mexico	8.3	5.6
RCI	84.3	49.1
All Other	—	—
Total	<u>289.1</u>	<u>255.1</u>
<i>Volume 8oz equivalent cases - Filled Beverage</i>		
North America	130.6	141.8
United Kingdom	39.2	35.7
Mexico	8.3	5.6
RCI	—	—
All Other	—	—
Total	<u>178.1</u>	<u>183.1</u>

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Analysis of Revenue by Geographic Region:

	For the three months ended April 3, 2010					
<i>(In millions of U.S. dollars)</i>	Cott ¹	North America	United Kingdom	Mexico	RCI	All Other
Change in revenue	\$ (4.1)	\$ (25.8)	\$ 15.7	\$ 2.0	\$ 4.0	\$ —
Impact of foreign exchange	(12.5)	(6.2)	(5.2)	(1.1)	—	—
Change excluding foreign exchange	<u>\$(16.6)</u>	<u>\$ (32.0)</u>	<u>\$ 10.5</u>	<u>\$ 0.9</u>	<u>\$ 4.0</u>	<u>\$ —</u>
Percentage change in revenue	<u>-1.1%</u>	<u>-8.9%</u>	<u>24.5%</u>	<u>20.4%</u>	<u>95.2%</u>	<u>—</u>
Percentage change in revenue excluding foreign exchange	<u>-4.4%</u>	<u>-10.8%</u>	<u>15.2%</u>	<u>8.3%</u>	<u>95.2%</u>	<u>—</u>

¹ Cott includes the following operating segments: North America, United Kingdom, Mexico, RCI and All Other.

Analysis of Revenue and Case Volume by Product:

	For the three months ended April 3, 2010						
<i>(In millions of U.S. dollars)</i>	North America	United Kingdom	Mexico	RCI	All Other	Total	
Revenue							
Carbonated soft drinks	\$ 166.7	\$ 33.5	\$ 10.4	\$ —	\$ —	\$ 210.6	
Concentrate	2.0	1.3	—	8.2	—	11.5	
All other products	94.5	44.9	1.4	—	—	140.8	
Total	<u>\$ 263.2</u>	<u>\$ 79.7</u>	<u>\$ 11.8</u>	<u>\$ 8.2</u>	<u>\$ —</u>	<u>\$ 362.9</u>	

	For the three months ended April 3, 2010						
<i>(In millions of physical cases)</i>	North America	United Kingdom	Mexico	RCI	All Other	Total	
8 ounce volume							
Carbonated soft drinks	80.6	21.3	7.0	—	—	108.9	
Concentrate	21.5	5.3	—	84.3	—	111.1	
All other products	49.9	17.9	1.3	—	—	69.1	
Total	<u>152.0</u>	<u>44.5</u>	<u>8.3</u>	<u>84.3</u>	<u>—</u>	<u>289.1</u>	

	For the three months ended March 28, 2009						
<i>(In millions of U.S. dollars)</i>	North America	United Kingdom	Mexico	RCI	All Other	Total	
Revenue							
Carbonated soft drinks	\$ 193.9	\$ 28.3	\$ 9.4	\$ —	\$ —	\$ 231.6	
Concentrate	1.5	0.9	—	4.2	—	6.6	
All other products	93.6	34.8	0.4	—	—	128.8	
Total	<u>\$ 289.0</u>	<u>\$ 64.0</u>	<u>\$ 9.8</u>	<u>\$ 4.2</u>	<u>\$ —</u>	<u>\$ 367.0</u>	

	For the three months ended March 28, 2009						
<i>(In millions of physical cases)</i>	North America	United Kingdom	Mexico	RCI	All Other	Total	
8 ounce volume							
Carbonated soft drinks	93.0	17.6	5.4	—	—	116.0	
Concentrate	19.0	3.9	—	49.1	—	72.0	
All other products	48.8	18.1	0.2	—	—	67.1	
Total	<u>160.8</u>	<u>39.6</u>	<u>5.6</u>	<u>49.1</u>	<u>—</u>	<u>255.1</u>	

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Revenue – Revenue decreased 1.1% in the first quarter from the comparable prior year period. This change was primarily due to a decrease in filled beverage 8-ounce equivalents (“beverage case volume”) in our North America operating segment offset in part by favorable foreign exchange rates and an increase in beverage case volume in our U.K. and Mexico operating segments. The strengthening value in the Canadian dollar, the pound sterling and the Mexican peso, each relative to the U.S. dollar, had a collective \$12.5 million positive impact on our revenue. Absent foreign exchange impact, revenue decreased by 4.4% for the first quarter from the comparable prior year period.

Our North America operating segment revenue decreased 8.9% in the first quarter from the comparable prior year period, due primarily to a 7.9% decrease in beverage case volume. Net selling price per beverage case (which is revenue divided by beverage case volume) decreased by 1.0% for the first quarter from the comparable prior year period. Absent foreign exchange impact, our North America revenue for the first quarter decreased 10.8%. The decline in revenue was due to a combination of first quarter 2009 revenues being higher than normal due to national brand price increases taken in late 2008 and increased national brand promotional activity in the first quarter of 2010. These factors resulted in a higher than expected decline in revenue at two of our top customers, including our largest customer. The weighted average decline in revenue at these customers was 21.8% during the first quarter of 2010 as compared to the first quarter of 2009, which was higher than the revenue declines we have experienced in prior quarters. However, the decline was offset in part by increased revenues from other existing and new customers. We have taken steps to address the decline in North America revenue, including launching various promotional programs, which we expect should result in improved revenue trends in North America.

Our U.K. operating segment revenue increased 24.5% in the first quarter from the comparable prior year period, due primarily to favorable foreign exchange fluctuations and a 9.8% increase in beverage case volume. Absent foreign exchange impact, U.K. revenue increased 15.2% for the first quarter from the comparable prior year period. Net selling price per beverage case increased 13.4% for the first quarter from the comparable prior year period. The U.K. beverage case volume increased in the first quarter due primarily to growth in energy, sports and isotonic products.

Our Mexico operating segment revenue increased 20.4% in the first quarter from the comparable prior year period, primarily due to a 48.2% increase in beverage case volume. The increase in beverage case volume was due primarily to new business in the retail channel and the commencement of shipments to a new bottled water customer. Absent foreign exchange impact, Mexico revenue increased 8.3% for the first quarter from the comparable prior year period. Net selling price per beverage case decreased 18.8% for the first quarter from the comparable prior year period.

Our RCI operating segment revenue increased 95.2% in the first quarter from the comparable prior year period, due primarily to a 71.7% increase in concentrate case volume and ordering patterns in certain key geographies. Net selling price per beverage case increased 13.7% in the first quarter from the comparable prior year period. RCI primarily sells concentrate case volume.

Cost of Sales – Cost of sales as a percentage of revenue in the first quarter remained flat from the comparable prior year period. Variable costs represented 73.6% of total sales in the first quarter, down from 74.2% from the comparable prior year period. Major elements of these variable costs included ingredient and packaging costs, distribution costs and fees paid to third-party manufacturers.

Gross Profit – Gross profit for the first quarter as a percentage of revenue decreased slightly to 15.8% from 15.9% of sales in the comparable prior year period.

Selling, General and Administrative Expenses (“SG&A”) – SG&A decreased \$2.3 million or 6.6% in the first quarter from the comparable prior year period. As a percentage of revenue, SG&A decreased to 8.9% during the first quarter, from 9.5% in the comparable prior year period.

Both the overall decrease and the percentage of revenue decrease in SG&A for the first quarter were due primarily to a \$1.4 million reduction in bad debt expense due to the reversal of the allowance for receivables that were collected, and a \$1.2 million decrease in amortization due primarily to a reduction in software costs that became fully amortized in 2009, partially offset by a \$0.4 million increase in compensation for the first quarter.

Restructuring – Restructuring charges decreased \$1.7 million due to a gain of \$0.5 million on a lease contract termination in the first quarter and \$1.2 million in severance costs in the comparable prior year period.

Operating Income – Operating income was \$25.1 million in the first quarter, as compared to operating income of \$22.3 million in the comparable prior year period, primarily due to lower SG&A costs and decreased restructuring charges.

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Interest Expense – Net interest expense decreased \$1.4 million or 18.4% primarily due to lower average debt amounts.

Income Taxes – We recorded income tax expense of \$4.4 million in the first quarter as compared with an income tax benefit of \$6.2 million in the comparable prior year period. The prior year benefit included favorable reversals of accruals related to uncertain tax positions.

Net Income Per Share – Net income for the first quarter was \$11.5 million or \$0.14 per diluted common share as compared to net income of \$19.9 million or \$0.28 per diluted common share in the comparable prior year period.

Liquidity and Financial Condition

The following table summarizes our cash flows for the three months ended April 3, 2010 and March 28, 2009 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	
	April 3, 2010	March 28, 2009
Net cash provided by operating activities	\$ 8.2	\$ 21.0
Net cash used in investing activities	(8.6)	(4.7)
Net cash used in financing activities	(7.5)	(20.2)
Effect of exchange rate changes on cash	0.2	(0.2)
Net decrease in cash & cash equivalents	(7.7)	(4.1)
Cash & cash equivalents, beginning of period	30.9	14.7
Cash & cash equivalents, end of period	\$ 23.2	\$ 10.6

Financial Liquidity

As of April 3, 2010, we had a total of \$265.9 million of indebtedness.

We believe that our level of resources, which includes cash on hand, available borrowings under 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. Our ability to generate cash to meet our current expenses and debt service obligations will depend on our future performance. If we do not have enough cash to pay our debt service obligations or if the ABL facility or the 2017 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 indenture governing our Notes, refinancing all or part of our existing debt, selling assets, incurring additional indebtedness or raising equity.

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 primarily depend 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 generate sufficient cash from operations or have excess debt availability to meet our expenses and debt service obligations or if the ABL facility or the 2017 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 indenture governing the 2017 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.

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As of April 3, 2010, our total availability under the ABL facility was \$158.4 million, which was based on our borrowing base (accounts receivables, inventory, and fixed assets) as of February 27, 2010 (the February month-end under the terms of the credit agreement), and we had \$27.9 million of ABL borrowings outstanding and \$7.5 million in outstanding letters of credit. As a result, our excess availability under the ABL facility was \$123.0 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.

Operating activities

Cash provided by operating activities during the first quarter decreased by \$12.8 million compared to the first quarter of 2009 driven primarily by reduced operating results and increased working capital due to a buildup in our accounts receivable and inventory.

Investing activities

Cash used in investing activities during the first quarter increased by \$3.9 million compared to the first quarter of 2009 due primarily to increased capital expenditures.

Financing activities

Cash used in financing activities during the first quarter decreased by \$12.7 million compared to the first quarter of 2009 due primarily to payments related to our ABL facility in the prior year. In the first quarter we repurchased the remaining \$11.1 million of our 2011 Notes.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as defined under Item 303(a)(4) of Regulation S-K as of April 3, 2010.

Contractual Obligations

We have no material changes to the disclosure on this matter made in our Annual Report on Form 10-K for the year ended January 2, 2010.

Debt

8% Senior Subordinated Notes due in 2011

The Company repurchased the remaining outstanding 2011 Notes for \$11.1 million on February 1, 2010 and recorded a loss on the buy-back of \$0.1 million. The 2011 Notes acquired by the Company have been retired, and we have discontinued the payment of interest.

8.375% Senior Notes due in 2017

On November 13, 2009, we issued \$215.0 million of senior notes that are due on November 15, 2017. The 2017 Notes were issued at a \$3.1 million discount and deferred financing fees of \$5.1 million. The issuer of the 2017 Notes is Cott Beverages Inc., but we and most of our U.S., Canadian and United Kingdom subsidiaries guarantee the 2017 Notes. The interest on the 2017 Notes is payable semi-annually on May 15th and November 15th of each year, beginning on May 15, 2010.

Asset Based Lending Facility

On March 31, 2008, we entered into a credit agreement that created an ABL credit facility to provide financing for the U.S., Canada, the United Kingdom and Mexico.

As of April 3, 2010, we had \$27.9 million in borrowings under the ABL facility outstanding and the commitment fee was 0.5% per annum of the unused commitment.

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Credit Ratings and Covenant Compliance

Credit Ratings

The Company's debt rating on the 2017 Notes is 'B' and 'B3' by Standard & Poor's and Moody's investors services, respectively. Our corporate family rating is 'B' and 'B2' by Standard & Poor's and Moody's rating services, respectively. The Company's speculative grade liquidity rating by Moody's is SGL-2.

On April 14, 2010, Moody's upgraded the Company's debt rating on the 2017 Notes to 'B3' from 'Caa1' and the Company's corporate family rating to 'B2' from 'B3'. Concurrent with these rating upgrades, Moody's revised the Company's rating outlook to positive from stable.

Covenant Compliance

ABL Facility

We and our 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 \$30.0 million. Our fixed charge coverage ratio as calculated under this covenant as of April 3, 2010 was greater than 1.1 to 1.0. If availability is less than \$37.5 million, the lenders will take dominion over the cash and will apply excess cash to reduce amounts owing under the revolver. The credit agreement governing the ABL facility requires us to maintain excess availability of at least \$15.0 million. We believe we were in compliance with all of the applicable covenants under the ABL facility on April 3, 2010.

8.375% Senior Notes due in 2017

Under the indenture governing the 2017 Notes, we are subject to a number of covenants. We believe 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 they were issued.

Capital Structure

Since January 2, 2010, equity has increased by \$12.4 million. The increase was primarily the result of net income of \$11.5 million.

Dividend Payments

No dividend payments were made in the first three months of 2010 or in fiscal year 2009, and we do not expect to change this policy in the next 12 months as we intend to use cash for future growth and/or debt repayment.

There are certain restrictions on the payment of dividends under our ABL facility and 2017 Notes indenture.

Critical Accounting Policies and Estimates

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.

There have been no significant changes in our critical accounting policies and estimates since January 2, 2010.

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Forward-looking Statements

In addition to historical information, this report and the reports and documents incorporated by reference in this report contain statements relating to future events and our 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 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”, “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 are made as of the date of this report.

The forward-looking statements are based on assumptions that volume and revenue will be consistent with historical trends, and that interest rates will remain constant, and, in certain cases, on management’s current plans and estimates. While we believe these forward-looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could be incorrect. 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.

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;
- 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;
- loss of or a reduction in business with key customers, particularly Wal-Mart;
- 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 maintain favorable arrangements and relationships with our suppliers;
- our ability to manage our operations successfully;
- currency fluctuations that adversely affect the exchange between the U.S. dollar and the pound sterling, the Euro, the Canadian dollar, the Mexican peso and other currencies;
- our substantial debt levels and our ability to service and reduce our debt;
- our ability to maintain compliance with the covenants and conditions under our debt agreements;
- fluctuations in interest rates;
- credit rating downgrades;
- further deterioration of the capital markets;
- 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;
- the impact of regulation and regulatory, investigative and legal actions;
- the impact of proposed taxes on soda and other sugary drinks;
- 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;
- volatility of our stock price;

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- our ability to maintain compliance with the listing requirements of the New York Stock Exchange;
- our ability to renew our collective bargaining agreements on satisfactory terms; or
- disruptions in our information systems.

For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections contained elsewhere in this document, as well as in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010, any subsequent Reports on Form 10-Q and Form 8-K and other filings with the Securities and Exchange Commission and Canadian securities regulatory authorities. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

All forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this report, and we do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur, or of which we hereafter become aware.

You should read this document completely and with the understanding that our actual future results may be materially different from what we expect. We may not update these forward-looking statements, even if our situation changes in the future. All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not trade market risk sensitive instruments.

Currency Exchange Rate Risk

The Company’s North America operating segment purchases a portion of its inventory for its Canadian operations through transactions denominated and settled in U.S. dollars, a currency different from the functional currency of the Canadian operations. These inventory purchases are subject to exposure from movements in exchange rates. The Company uses 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 the Company’s overall cost structure. These foreign exchange contracts, carried at fair value, have maturities less than one year. As of April 3, 2010, the Company had outstanding foreign exchange forward contracts with notional amounts of \$6.5 million.

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 short-term credit facilities are vulnerable to fluctuations in the U.S. short-term base rate and the LIBOR rate. At current debt levels as of April 3, 2010, a 100 basis point increase in the current per annum interest rate for our ABL facility would result in \$0.3 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 April 3, 2010 was 7.9%.

Commodity Price Risk

We have no material changes to the disclosure on this matter made in our Annual Report on Form 10-K for the year ended January 2, 2010.

Item 4. CONTROLS AND PROCEDURES

Our management carried out an evaluation, as required by Rule 13a-15(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), with the participation of our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as of the end of our first quarter of 2010. Based upon this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q, such that the information relating to Cott and its consolidated subsidiaries required to be disclosed in our Exchange Act reports filed with the Securities and Exchange Commission (“SEC”) (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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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 were no changes in our internal control over financial reporting that occurred during our last 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 Annual Report on Form 10-K for the fiscal year ended January 2, 2010.

Item 1A. Risk Factors

Reference is made to the detailed description of risk factors in Item 1A: Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010.

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 Marni Morgan Poe, dated January 14, 2010 (filed herewith).
10.2	Severance Agreement with Matthew A. Kane, Jr. dated January 26, 2010 and effective February 15, 2010 (filed herewith).
10.3	Exhibits to Credit Agreement dated as of March 31, 2008 among Cott Corporation, Cott Beverages Inc., Cott Beverages Limited, the other Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., London Branch as UK Security Trustee, JPMorgan Chase Bank, N.A., as Administrative Agent and Administrative Collateral Agent, and General Electric Capital Corporation, as Co-Collateral Agent (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 April 3, 2010 (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 April 3, 2010 (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 April 3, 2010 (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 April 3, 2010 (furnished herewith).

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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.

COTT CORPORATION
(Registrant)

Date: May 12, 2010

/s/ Neal Cravens
Neal Cravens
Chief Financial Officer

Date: May 12, 2010

/s/ Gregory Leiter
Gregory Leiter
Senior Vice President, Chief Accounting Officer
(Principal accounting officer)

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Exhibit Index

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32.2	Certification of the Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended April 3, 2010 (furnished herewith).



January 14, 2010

Marni Poe
1402 S DeSoto Ave
Tampa, FL 33606

Dear Marni:

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 Vice President, General Counsel 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 Vice President, Secretary and General Counsel as of February 1, 2010.

1.2 Responsibilities .

(a) As the Company’s Vice President, Secretary and General Counsel, 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 General Counsel.

1.3 No Employment Restriction . You hereby represent and covenant that 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.

2. Remuneration .

2.1 Base Salary . Your Annual Base Salary will initially be at the rate of \$235,000 per year, paid on a semi-monthly basis, pro-rated for any partial periods based on the actual

Marni Poe
January 14, 2010

number of days in the applicable period. Your performance will be evaluated at least annually, and the level of your Annual Base Salary will be determined as part of the regular annual review process.

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 goals. The amount of your target bonus is 50% of your Annual Base Salary. 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 our Board. 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 Future LTI Program – You will also be eligible for the future LTI program which will be effective January 2010.

3. Benefits .

3.1 Benefit Program . From your date of hire 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 for the costs of an annual medical examination in an amount not to exceed \$1,500 per year.

3.2 401(k) Plan and ESPP. In addition, you will be able to continue to participate in the COTT USA 401K.

3.3 Vacation . You will be entitled to four (4) weeks vacation per calendar year. Vacation earned for 2010 will be prorated based on your date of hire. You are encouraged to take your vacation time 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 agreed to in writing by the Company.

Marni Poe
January 14, 2010

4. Termination; Payments and Entitlements Upon a Termination .

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 notice to you. Your employment with the Company will terminate upon your death.

4.2 Involuntary Termination . Subject to Sections 4.3, 8.9, and 10.11, if your employment is terminated (i) by the Company without Cause other than by reason of your Disability or (ii) by you for Good Reason (either (i) or (ii), an “**Involuntary Termination**”), you will be entitled to the following payments and entitlements:

(a) **Cash Severance Payment .** You will receive a cash payment in an amount (the “**Severance Amount**”) equal to six months of your then Annual Base Salary. The Severance Amount will be paid in a lump sum, less all applicable withholding taxes, within thirty (30) days of the Involuntary Termination, except in the case of an Involuntary Termination that is a part of a group termination program, in which case the payment shall be made within sixty (60) days. The Severance 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 termination, less all applicable withholding taxes, on the first regular pay date following the date of your termination.

(c) **No Other Payments .** Upon payment of the amounts to be paid pursuant to Sections 5.2(a) and 5.2(b), the Company shall have no further liability hereunder.

4.3 Release Required . You will not be entitled to receive the benefits set forth in Section 4.2 and, if applicable, Section 7, 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 favour 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 severance or 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.

Marni Poe
January 14, 2010

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 defence 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.

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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 Severance Payment under Section 4.2(a) (regardless of the reason for such termination), 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 9.4, then each time limitation set forth in this Section shall be extended for a period of time equal to the

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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 5.2, 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 Section 8, the Company shall have no obligation or liability or otherwise to make any further payment under Section 5.2 from and after the date of such breach, except for payments, if any, that cannot legally be forfeited.

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9. Code Section 409A.

9.1 In General. This Section 9 shall apply to you if you are subject to Section 409A of 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 11.8, 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 10.1 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.

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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 . This Offer Letter shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to principles of conflict of laws. Each of the parties hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of your employment.

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. Your employment shall be at will, as defined under applicable law.

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 defence 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

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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. 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.

* * * *

Marni Poe
January 14, 2010

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

Yours truly,

/s/ Jerry Fowden

Jerry Fowden
Chief Executive Officer
COTT Corporation

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

/s/ Marni Poe
Marni Poe

January 14, 2010
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.

“ **Annual Base Salary** ” shall mean the base salary rate that you are entitled to receive pursuant to your employment arrangements with the Company from time to time.

“ **Board** ” means the board of directors of the Company.

“ **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) wilful 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 wilful 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; or

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

11. “ **Code** ” shall mean the Internal Revenue Code of 1986, as amended.

12. “ **Disability** ” shall mean your inability by reason of mental or physical incapacity, illness or disability to perform your duties hereunder for a period of seven (7) consecutive days, as determined by the Board in its sole discretion.

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

(a) a material diminution in your title or assignment to you of materially inconsistent duties;

(b) a reduction in your then-current Annual Base Salary or target bonus opportunity as a percentage of Annual Base Salary, unless such reduction in target bonus opportunity 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 date of your hire, unless such relocation is effected at your request and 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 Marni Poe (the “ **Employee** ”) dated January 14, 2010, 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 *Labour 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. In no event shall this Release apply to the Participant’s right, if any, to indemnification, under the Participant’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 any claim the Corporation may have against the Employee for any illegal conduct or arising out of any illegal conduct.
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 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. In the event that the Employee is governed by the law in the United States, 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:

Employee

COTT CORPORATION

Per: _____

Name:
Title:

Per: _____

Name:
Title:

January 26, 2010

WITHOUT PREJUDICE

DELIVERED TO:

Matthew Kane

Dear Matt,

Re: Cott Corporation (“Cott”) – Termination of Employment

We are writing to notify you that your employment with Cott is hereby terminated without cause, effective February 15, 2010.

Cott appreciates your contribution to the corporation and with a view to resolving all matters on an amicable basis, has prepared the following severance arrangements (collectively, with Schedules “1” and “2,” the “Separation Agreement and Release”):

1. Date of Termination

The effective date of termination of employment is February 15, 2010 a (the “Termination Date”).

2. Accrued Salary and Vacation Pay

Regardless of whether you sign this Agreement, you will be paid your salary and accrued vacation pay to the Termination Date. These payments will be less applicable statutory deductions and withholdings and paid in a lump-sum payment during the next pay period immediately following the Termination Date.

3. Severance Payment

As outlined in your Retention, Severance and Non-Competition Plan Agreement dated May 11, 2007 and in the Amended and Restated Retention, Severance and Non-Competition Plan dated June 25, 2007 (collectively, the “Retention Agreement”), we have agreed to pay you a lump-sum payment equal to 1 times your annual base salary, car allowance, bonus at target and a prorated bonus for the current bonus year, as outlined below. You will receive these payments on the first pay run occurring at least five business days after the later of (a) the Termination Date and (b) the date on which this Separation Agreement and General Release becomes irrevocable. Such payments will be made on the basis that you will continue to perform your duties and our agreement to make such payments will be null and void if the reason for termination is Cause or resignation without Good Reason (as such terms are defined in the Retention Agreement) before the Termination Date. We agree, however, that your compliance with our request not to come into Cott’s offices or to take on a reduced role in performance of service for Cott shall not be deemed a resignation without Good Reason.

The payment will be equal to **\$482,250** (less applicable withholdings), calculated as follows;

Annual Base Salary	\$300,000
Car Allowance	\$ 13,500
Bonus at Target	\$150,000
Pro-rata Bonus (6 Weeks)	\$ 18,750
TOTAL PAYMENT	<u>\$482,250</u>

Additionally, COTT agrees to pay you any bonus earned for the fiscal year 2009. Upon board approval of the bonus payout multiple for the Corporate Bonus Pool (of which you are a participant), you will receive your 2009 bonus with all other bonus eligible employees.

Finally, upon confirmation of achievement of the 2008 Special PSU Award metric (Positive Adjusted Operating Income), Cott will distribute to you the shares that were granted to you and vested at the end of FY2009. The number of PSU's you were granted is 66,963. Per the PSU plan, a portion of these shares will be sold to cover any and all applicable taxes.

This is subject to, and without any limitation to, any additional rights you may have under the Retention Agreement, including without limitation, additional rights arising on a Change of Control during a Change of Control Window (as such terms are defined in the Retention Agreement).

4. Benefits

We confirm that, to the extent Cott may do so legally and in compliance with its benefit plans in existence from time to time, the following benefits will continue for a period of 12 months following the Termination Date or until alternative employment is secured that provides comparable benefits. Your continued benefits include Health Care, Dental and Vision, Basic Life and AD&D. All other benefits will terminate effective February 15, 2010. Alternatively, you may elect to receive a one time lump sum payment of **\$15,000** in lieu of continued benefits. By choosing to receive the lump sum, you agree that you will receive no form of health, dental, vision, life, AD&D, or long term care benefits or insurance beyond the Termination Date. If you choose to continue benefits with COTT, you will continue to be responsible for payment of your monthly insurance premiums.

5. Expenses

To the extent that you have incurred any proper travel, entertainment or other business expenses, you will be reimbursed in accordance with Cott's policy. All expense reports must be submitted within 30 days of your Termination Date.

6. Stock Options/Share Purchase Plan/DPSP/RSP

All other rights under Cott's share plans (other than the PSU Plan under which your entitlement shall be as described as above) and other long-term incentive plans, including, without limitation, all rights to unvested shares under the 401k Plan and Employee Share Purchase Plan shall terminate on the Termination Date in accordance with those plans. Rights under these plans that have vested as of the Termination Date will continue in accordance with and subject to the terms of the applicable plans.

7. Effect of Employment Agreement

The parties acknowledge and agree that the employment agreement between Cott and you dated March 14, 2004 (the "Employment Agreement"), as well as any other document that may be construed as an employment agreement, shall be of no further effect after the Termination Date.

8. No Other Payments

Other than as set out in Section 7 of the Retention Agreement, the payments and other entitlements set out or referenced in this Separation Agreement and Release, constitute your complete entitlement and Cott's complete obligations whatsoever, including with respect to the cessation of your employment, whether at common law, statute or contract. For greater certainty, we confirm that, other than as set out in Section 7 of the Retention Agreement and in this Separation Agreement and Release, you are not entitled to any further payment (including any bonus payments), benefits, perquisites, allowances or entitlements earned or owing to you from Cott pursuant to any employment or any other agreement, whether written or oral, whatsoever, all having ceased on the Termination Date without further obligation from Cott. All amounts paid to you pursuant to this letter shall be deemed to include all amounts owing pursuant to the *Employment Standards Act, 2000* and any applicable state wage payment or wage collection law, and such payments represent a greater right or benefit than that required under the *Employment Standards Act, 2000* and any applicable state wage payment or wage collection law.

9. Resignation & Release

You will resign as an officer of Cott (and any direct and indirect affiliates, subsidiaries and associated companies) with effect as of the Termination Date. In this respect, you agree to execute and deliver the Resignation Notice attached hereto as Schedule "1" and such further documentation as may reasonably be required by Cott, in its sole discretion, in order to effect this resignation. You agree to sign, no earlier than your last day of active employment with Cott, the Release Agreement in the form attached as Schedule "2" to this Separation Agreement and Release and further agree that, notwithstanding anything to the contrary in the Retention Agreement, your execution without revocation of the Release Agreement is a condition precedent to you receiving any severance payments hereunder that are in excess of payments required by statute.

10. Your Continuing Obligations

- (a) You will continue to abide by all of the provisions of your Employment Agreement through the Termination Date, and with all of the provisions of the Retention Agreement through the Termination Date and at all times thereafter following the cessation of your employment in accordance with and subject to the terms of the Retention Agreement (including Section 8 thereof) and this Separation Agreement and Release.
- (b) You are required to return to Cott within five (5) business days of the Termination Date all of the property of Cott in your possession or in the possession of your family or agents including, without limitation, wireless devices and accessories, computer and office equipment, keys, passes, credit cards, customer lists, sales materials, manuals, computer information, software and codes, files and all documentation (and all copies thereof) dealing with the finances, operations and activities of Cott, its clients, employees or suppliers.

-
- (c) You will agree to cooperate reasonably with Cott, and its legal advisors, at Cott's request, direction and reasonable cost, in connection with: (i) any Cott business matters in which you were involved during your employment with Cott; or (ii) any existing or potential claims, investigations, administrative proceedings, lawsuits and other legal and business matters which arose during your employment involving Cott; (iii) effecting routine administrative compliance with respect to any regulatory requirements that were applicable to Cott during the period of your employment; and (iv) completing any further documents required to give effect to the terms set out in this letter with respect to which you have knowledge of the underlying facts.
 - (d) In consideration of your agreement to cooperate as set forth in section 10 (a) above, we agree to indemnify you in accordance with the Indemnity entered into by Cott and you effective January 29, 2010, a copy of which is attached hereto and incorporated herein as Schedule 3 by reference.
 - (e) You agree to indemnify and hold harmless Cott and its Affiliates (as defined in the Retention Agreement), together with its and their respective officers, directors and employees, from and against any and all damages, taxes, penalties, interest, expenses and any other costs imposed under, in connection with, or related to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to payments and benefits provided pursuant to this Separation Agreement and Release including, but not limited to, any penalties associated with failure to report or failure to withhold.

11. Taxes

All payments referred to in this letter will be less applicable withholdings and deductions, and you shall be responsible for all tax liability resulting from your receipt of the payment and benefits referred to in this letter, except (i) to the extent that Cott has withheld funds for remittance to statutory authorities, and (ii) to the extent provided otherwise in your Retention Agreement with respect to any Gross-Up Payment. For greater certainty, we confirm that Section 7 of the Retention Agreement provides for a Gross-Up Payment in connection with any excise tax imposed under Section 4999 of the Code and not in connection with any tax, penalty or interest imposed under (or in connection with) Section 409A of the Code. In no event are you entitled to any payment from Cott with respect to any tax, penalty or interest imposed under (or in connection with) Section 409A of the Code, and in no event shall any such tax, penalty or interest be taken into account for purposes of determining the amount of any payment due under Section 7 of the Retention Agreement.

12. General

- (a) Entire Agreement: Except as otherwise specified in this Agreement, this Separation Agreement and Release constitutes the entire agreement between you and Cott with reference to any of the matters herein provided or with reference to your employment or office with Cott, or the cessation thereof. All promises, representations, collateral agreements, offers and understandings not expressly

incorporated in this letter agreement are hereby superseded and have no further effect. For greater certainty, your entitlement under Section 7, and your obligations under Section 8, of the Retention Agreement are expressly incorporated in this letter.

- (b) Severability : The provisions of this letter agreement shall be deemed severable, and the invalidity or unenforceability of any provision set out herein shall not affect the validity or enforceability of the other provisions hereof, all of which shall continue in accordance with their terms.
- (c) Full Understanding : By signing this letter, you confirm that: (i) you have had an adequate opportunity to read and consider the terms set out herein, including the Release Agreement attached, and that you fully understand them and their consequences; (ii) you have been advised, through this paragraph, to consult with legal counsel and have obtained such legal or other advice as you consider advisable with respect to this Separation Agreement and Release, including attachments; (iii) you have consulted with legal counsel regarding the application of Section 409A of the Code to the payments and benefits provided pursuant to this Separation Agreement and Release; (iv) you are signing this Separation Agreement and Release voluntarily, without coercion, and without reliance on any representation, express or implied, by Cott, or by any director, trustee, officer, shareholder, employee or other representative of Cott other than as set forth in this Separation Agreement and Release and the Retention Agreement; and (v) you have been provided with the 45-day consideration period and seven-day revocation period described in the attached Release Agreement.
- (d) Arbitration : In the event any dispute arises between you and Cott with respect to the interpretation, effect or construction of any provisions of this Separation Agreement and Release, either Cott or you may refer the matter to final and binding arbitration without right of appeal, pursuant to the United States Federal Arbitration Act, as applicable, for the disputed matters to be determined by an arbitrator that is to be mutually agreed upon, upon written notice to the other, whereupon, subject to the availability of such an arbitrator, the arbitration hearing will commence within 30 days of the said notice, without formality, with the costs of the arbitration to be shared equally between the parties, subject to such order for costs as the arbitrator may determine in his or her sole discretion. The arbitration shall be conducted pursuant to the then-existing rules and regulations of the American Arbitration Association to the extent not inconsistent with this letter agreement.
- (e) Currency : All dollar amounts set forth or referred to in this letter refer to US currency.
- (f) Governing Law : To the extent the laws of the United States must apply, the agreement confirmed by this letter shall be governed by the laws of the State of Florida.

* * *

If this offer is acceptable to you once you have had an opportunity to review it, please sign the acknowledgement below to confirm your acceptance of same and return to Reese Reynolds at the Tampa Office.

If you have any questions regarding the terms set out in this letter, please feel free to contact myself or Reese Reynolds, Sr. Director of Global Compensation & Benefits.

Yours very truly,

COTT CORPORATION

Per:

/s/ Michael Creamer
Michael Creamer, VP People

/s/ Jerry Fowden
Jerry Fowden, CEO

Enclosures:

1. Schedule "1" – Resignation Notice
2. Schedule "2" – Release Agreement

Acknowledgement and Acceptance

I acknowledge that I have been provided 45 days to review this letter and the attached Release Agreement and Resignation Notice, which I acknowledge is a reasonable period of time (although I may sign it sooner should I desire as long as the date of execution is after my last day of active employment), and seven days thereafter to revoke the letter agreement and attached Release Agreement, if I so choose. I also acknowledge that I have been advised, by this paragraph, and have had the opportunity to obtain independent legal advice and that the only consideration for the attached Release Agreement is as referred to in this letter and the Release Agreement. I further acknowledge that, by the attached Schedule 3, which is incorporated herein by reference, Cott has informed me in writing of the time limits and eligibility requirements applicable to the employment termination program; the decisional unit covered by the program; and the job title and age of each eligible employee selected or not selected from the decisional unit for termination under the program. I confirm that no other promises or representations of any kind other than as set forth in this Separation Agreement and Release and the Retention Agreement have been made to me to cause me to sign this acknowledgement and acceptance.

/s/ Matthew Kane
Matthew Kane

January, 29 2010
Date

SCHEDULE "1"

RESIGNATION NOTICE

TO: COTT CORPORATION

AND TO: ALL DIRECT AND INDIRECT AFFILIATES, SUBSIDIARIES AND ASSOCIATED COMPANIES THEREOF

AND TO: ALL DIRECTORS THEREOF

I, Matthew Kane, confirm my resignation from all offices held by me of **Cott Corporation**, including all direct and indirect affiliates, subsidiaries, and associated companies, with effect as of January 29, 2010.

/s/ Matthew Kane

Matthew Kane

SCHEDULE "2"

RELEASE AGREEMENT

In consideration of the mutual promises, payments and benefits provided for in the Severance Plan and the letter dated March 29, 2009 to which this Release Agreement is a Schedule (collectively, the "Plan"), and the release from Matthew Kane (the "Employee") set forth herein, Cott Corporation (the "Corporation") and the Employee agree to the terms of this Release Agreement. Capitalized terms used and not defined in this Release Agreement have the meanings assigned thereto in the Plan.

1. The Employee acknowledges and agrees that the Corporation is under no obligation to offer the Employee the payments and benefits set forth in the Plan, 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 Plan 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 *Labour 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. 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 rights under the Plan; 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 any claim the Corporation may have against the Employee for any illegal conduct or arising out of any illegal conduct and provided further that nothing herein shall be deemed to release the Corporation's rights under the Plan or for any claims that may arise after the date this Release Agreement is executed.

6. The Employee acknowledges that he/she has carefully read and fully understands all of the provisions and effects of the Plan and this Release Agreement. The Employee also acknowledges that the Corporation, by this paragraph 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 the Separation Agreement and this Release Agreement for a period of at least forty-five (45) days, although he/she may sign it sooner should he/she desire as long as the date of execution is after the Employee's last day of active employment. 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 VP of People 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: February 19, 2010

/s/ Matthew Kane

Employee:

Matthew Kane

Per:

/s/ Michael Creamer

Michael Creamer, VP People

/s/ Jerry Fowden

Jerry Fowden, CEO

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “ Assignment and Assumption ”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “ Assignor ”) and [*Insert name of Assignee*] (the “ Assignee ”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “ Credit Agreement ”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “ Assigned Interest ”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

- 1. Assignor: _____
- 2. Assignee: _____
[and is an Affiliate/Approved Fund of [*identify Lender*] ¹]
- 3. Borrowers: Cott Corporation, a Canadian corporation, Cott Beverages Inc., a Georgia corporation, and Cott Beverages Limited, a company organized under the laws of England and Wales.
- 4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement

¹ Select as applicable.

5. Credit Agreement: The \$250,000,000 Credit Agreement, dated as of March , 2008, among Cott Corporation Corporation Cott, a corporation organized under the laws of Canada, Cott Beverages Inc., a Georgia corporation, and Cott Beverages Limited, a company organized under the laws of England and Wales, as Borrowers, the other Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., London Branch, as UK Security Trustee; JPMorgan Chase Bank, N.A., as Administrative Agent and Administrative Collateral Agent, and General Electric Capital Corporation, as Co-Collateral Agent and the other parties thereto.

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ²
\$	\$	%
\$	\$	%
\$	\$	%

Effective Date: _____, _____ 20 __ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain Material non-public information about the Company, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including federal, provincial, territorial and state securities laws.

² Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

Exhibit A-3

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By _____
Title:

Consented to:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as UK Issuing Bank

By _____
Title:

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Canadian Issuing Bank

By _____
Title:

JPMORGAN CHASE BANK, N.A., as U.S. Issuing Bank

By _____
Title:

[Consented to:

[COTT CORPORATION/COTT BEVERAGES INC.], as Borrower Representative

By _____
Title:]³

³ If necessary according to Section 9.04(b)(ii) of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties .

1.1 Assignor . The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee . The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 4.01(b) or Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments . From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by facsimile shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Exhibit A-6

[RESERVED]

Exhibit B-1

BORROWING BASE CERTIFICATE



BORROWING BASE REPORT

Obligor Number:
Loan Number

Rpt # _____
Date: _____
Period Covered: _____ to _____

<u>COLLATERAL CATEGORY</u>	<u>A/R</u>	<u>Inventory</u>	<u>Total Eligible Collateral</u>
<i>Description</i>			
1. Beginning Balance (Previous report - Line 8)			
2. Additions to Collateral (Gross Sales or Purchases)			
3. Other Additions (Add back any non-A/R cash in line 3)			
4. Deductions to Collateral (Cash Received)			
5. Deductions to Collateral (Discounts, other)			
6. Deductions to Collateral (Credit Memos, all)			
7. Other non-cash credits to A/R			
8. Total Ending Collateral Balance			
9. Less Ineligible - Past Due			
10. Less Ineligible - Cross-age (50%)			
11. Less Ineligible - Foreign			
12. Less Ineligible - Contra			
13. Less Ineligible - Other (attached schedule)			
14. Total Ineligibles - Accounts Receivable			
15. Less Ineligible - Inventory Slow-moving			
16. Less Ineligible - Inventory Offsite not covered			
17. Less ineligible - Inventory WIP			
18. Less Ineligible - Consigned			
19. Less Ineligible - Other (attached schedule)			
20. Total Ineligible Inventory			
21. Total Eligible Collateral			
22. Advance Rate Percentage	%	%	
23. Net Available - Borrowing Base Value			
24. Reserves (other)			
25. Total Borrowing Base Value			
25A Total Availability/CAPS			
26. Revolver Line			Total Revolver Line
27. Maximum Borrowing Limit (Lesser of 25 or 26)*			Total Available
27A Suppressed Availability			

LOAN STATUS

28. Previous Loan Balance (Previous Report Line 31)	
29. Less: A. Net Collections (Same as line 4)	
B. Adjustments/Other	
30. Add: A. Request for Funds	
B. Adjustments/Other	
31. New Loan Balance	
32. Letter of Credit/BA's outstanding	
33. Availability Not Borrowed (Lines 27 less 31 & 32)	
34.	Total New Loan Balance:
35. OVERALL EXPOSURE (line 31)	

Pursuant to, and in accordance with, the terms and provisions of that certain Credit Agreement (“Agreement”), among JPMorgan Chase Bank, N.A. (“Chase”), as administrative agent for the Lenders, Cott Corporation (the “Company”), Cott Beverages Inc. (the “U.S. Borrower”), Cott Beverages Limited, Cott Nelson (Holdings) Limited, Cott (Nelson) Limited (together with Cott Beverages Limited and Cott Nelson (Holdings) Limited, the “U.K. Borrowers”) (the U.K. Borrowers, together with the Company and the U.S. Borrower, the “Borrowers,” and each a “Borrower”), the other Loan Parties party thereto and the other parties thereto, Borrower is executing and delivering to Chase this Collateral Report accompanied by supporting data (collectively referred to as the “Report”). Borrower represents and warrants to Chase that this Report is true and correct, and is based on information contained in Borrower’s own financial accounting records. Borrower, by the execution of this Report, hereby ratifies, confirms and affirms all of the terms, conditions and provisions of the Agreement, and further certifies on this __ day of _____, 20__, that the Borrower is in compliance with said Agreement.

BORROWER NAME:

AUTHORIZED SIGNATURE:

AGGREGATE BORROWING BASE CERTIFICATE

AGGREGATE BORROWING BASE REPORT

Obligor Number:
Loan Number

Rpt #
Date:
Period Covered: _____ to _____

<u>COLLATERAL CATEGORY</u>	<i>Description</i>	<u>A/R</u>	<u>Inventory</u>	<u>Total Eligible Collateral</u>
1.	Beginning Balance (Previous report - Line 8)			
2.	Additions to Collateral (Gross Sales or Purchases)			
3.	Other Additions (Add back any non-A/R cash in line 3)			
4.	Deductions to Collateral (Cash Received)			
5.	Deductions to Collateral (Discounts, other)			
6.	Deductions to Collateral (Credit Memos, all)			
7.	Other non-cash credits to A/R			
8.	Total Ending Collateral Balance			
9.	Less Ineligible - Past Due			
10.	Less Ineligible - Cross-age (50%)			
11.	Less Ineligible - Foreign			
12.	Less Ineligible - Contra			
13.	Less Ineligible - Other (attached schedule)			
14.	Total Ineligibles - Accounts Receivable			
15.	Less Ineligible - Inventory Slow-moving			
16.	Less Ineligible - Inventory Offsite not covered			
17.	Less ineligible - Inventory WIP			
18.	Less Ineligible - Consigned			
19.	Less Ineligible - Other (attached schedule)			
20.	Total Ineligible Inventory			
21.	Total Eligible Collateral			
22.	Advance Rate Percentage	%	%	
23.	Net Available - Borrowing Base Value			
24.	Reserves			
25.	Total Borrowing Base Value			
25A	Total Availability/CAPS			
26.	Revolver Line			Total CAPS/Loan Line
27.	Maximum Borrowing Limit (Lesser of 25 or 26)*			Total Available
27A	Suppressed Availability			

LOAN STATUS

28.	Previous Loan Balance (Previous Report Line 31)			
29.	Less: A. Net Collections (Same as line 4)			
	B. Adjustments/Other			
30.	Add: A. Request for Funds			
	B. Adjustments/Other			
31.	New Loan Balance			
32.	Letter of Credit/BA's outstanding			
33.	Availability Not Borrowed (Lines 27 less 31 & 32)			
34.				Total New Loan Balance:
35.	OVERALL EXPOSURE (line 31)			

Pursuant to, and in accordance with, the terms and provisions of that certain Credit Agreement ("Agreement"), among JPMorgan Chase Bank, N.A. ("Chase"), as administrative agent for the Lenders, Cott Corporation (the "Company"), Cott Beverages Inc. (the "U.S. Borrower"), Cott Beverages Limited, Cott Nelson (Holdings) Limited, Cott (Nelson) Limited (together with Cott Beverages Limited and Cott Nelson (Holdings) Limited, the "U.K. Borrowers") (the U.K. Borrowers, together with the Company and the U.S. Borrower, the "Borrowers," and each a "Borrower"), the other Loan Parties party thereto and the other parties thereto, Borrower is executing and delivering to Chase this Collateral Report accompanied by supporting data (collectively referred to as the "Report"). Borrower represents and warrants to Chase that this Report is true and correct, and is based on information contained in Borrower's own financial accounting records. Borrower, by the execution of this Report, hereby ratifies, confirms and affirms all of the terms, conditions and provisions of the Agreement, and further certifies on this __ day of _____, 20__, that the Borrower is in compliance with said Agreement

BORROWER REPRESENTATIVE'S NAME:

AUTHORIZED SIGNATURE:

COMPLIANCE CERTIFICATE

To: The Lenders parties to the
Credit Agreement Described Below

This Compliance Certificate is furnished pursuant to that certain Credit Agreement dated as of March [-], 2008 (as amended, modified, renewed or extended from time to time, the "Agreement"), among Cott Corporation Corporation Cott, a corporation organized under the laws of Canada, Cott Beverages Inc., a Georgia corporation, and Cott Beverages Limited, a company organized under the laws of England and Wales, as Borrowers, the other Loan Parties party hereto, the Lenders party hereto, JPMorgan Chase Bank, N.A., London Branch, as UK Security Trustee; JPMorgan Chase Bank, N.A., as Administrative Agent and Administrative Collateral Agent, and General Electric Capital Corporation, as Co-Collateral Agent and the other parties thereto. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES ON BEHALF OF THE BORROWERS AND NOT IN THE UNDERSIGNED'S INDIVIDUAL CAPACITY, THAT:

1. I am the duly elected _____ of the Borrower Representative;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Company and its Subsidiaries during the accounting period covered by the attached financial statements **[for quarterly or monthly financial statements add:** and such financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes];

3. The examinations described in paragraph 2 did not disclose, except as set forth below, and I have no knowledge of (i) the existence of any condition or event which constitutes a Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate or (ii) any change in GAAP or in the application thereof that has occurred since the date of the audited financial statements referred to in Section 3.04 of the Agreement;

4. I hereby certify that no Loan Party has changed (i) its name, (ii) its chief executive office, (iii) principal place of business, (iv) the type of entity it is or (v) its state or other jurisdiction of incorporation or organization without having given the Agent the notice required by Section 4.15 of the U.S. Security Agreement or Section 4.15 of the Canadian Security Agreement, as applicable;

5. Schedule I attached hereto sets forth financial data and computations of the Fixed Charge Coverage Ratio for the fiscal quarter most recently ended and, if applicable, evidencing the Borrowers' compliance with the covenant contained in Section 6.13(a) of the Agreement, all of which data and computations are true, complete and correct in all material respects;

Exhibit C-1

6. [Schedule II attached hereto sets forth an updated Customer List;] ⁴

7. Schedule III attached hereto sets forth a detailed listing of all intercompany loans made by any of the Loan Parties or their Restricted Subsidiaries since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date);

8. [Schedule IV sets forth a list of (i) all Intellectual Property owned by the Loan Parties which is the subject of a registration or application in any intellectual property registry which has been acquired, filed or issued since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date), and (ii) any material licenses of Intellectual Property to which any Loan Party has become a party to or otherwise bound by (whether as licensor or licensee) since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date);] ⁵

9. Schedule V sets forth (i) a calculation of (x) EBITDA for the period of four fiscal quarters of the Company and its Subsidiaries most recently ended, and (y) consolidated total assets of the Company and its Subsidiaries as at the last day of such four fiscal quarter period and (ii) calculations demonstrating compliance with the limitations set forth in Section 5.13(a)(iii) of the Agreement;

10. Schedule VI sets forth a list of all commercial tort claims (as defined in the UCC) in excess of \$1,000,000 acquired by the Loan Parties since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date); and

11. Schedule VII sets forth a list of all letters of credit (other than those that are supporting obligations (within the meaning of the UCC) for other Collateral that is subject to a perfected security interest in favor of the Administrative Agent) in excess of \$1,000,000 as to which any Loan Party is the beneficiary and acquired by the Loan Parties since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date).

12. Schedule VIII sets forth any change in any Loan Party's mailing address, corporate offices or warehouses or locations at which Collateral is held or stored, or the location of its records concerning the Collateral as set forth in the Security Agreement, since the delivery of the last Compliance Certificate (of if no Compliance Certificate has been previously delivered, since the Effective Date).

⁴ Schedule II is only required for the first and third quarters of each fiscal year of the Company.

⁵ Schedule IV is only required for the fourth quarter of each fiscal year of the Company.

[Enclosed with this Compliance Certificate is a certificate of good standing for the U.S. Borrower from the appropriate governmental officer in its jurisdiction of incorporation (or if such certificate of good standing is not enclosed with this Compliance Certificate, then an order has been placed by the U.S. Borrower to obtain the same prior to the date hereof).]⁶

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the (i) nature of the condition or event, the period during which it has existed and the action which the Borrowers have taken, are taking, or propose to take with respect to each such condition or event or (ii) the change in GAAP or the application thereof and the effect of such change on the attached financial statements:

The foregoing certifications, together with the computations set forth in Schedule I and Schedule V hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this ___ day of _____, ____.

COTT CORPORATION CORPORATION COTT,
as Borrower Representative

By: _____
Name: _____
Title: _____

⁶ The certificate of good standing is only required for the first and third quarters of each fiscal year of the Company.

Calculations of Fixed Charged Coverage Ratio as of _____, _____

Exhibit C-4

[Customer List]

Exhibit C-5

Intercompany Loans

Exhibit C-6

[Intellectual Property]

Exhibit C-7

Unrestricted and Excluded Subsidiaries

Exhibit C-8

Commercial Tort Claims

Exhibit C-9

Letters of Credit

Exhibit C-10

Change of Mailing Address and Location

Exhibit C-11

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this “ Agreement ”), dated as of _____, 20 __, is entered into between , _____ a _____ (the “ New Subsidiary ”) and JPMORGAN CHASE BANK, N.A., in its capacity as administrative agent (the “ Administrative Agent ”) under that certain Credit Agreement, dated as of March __, 2008, among Cott Corporation, a Canadian corporation (the “Company”), Cott Beverages Inc., a Georgia corporation (the “U.S. Borrower”), and Cott Beverages Limited, a company organized under the laws of England and Wales (the “UK Borrower”) (the UK Borrower, together with the Company and the U.S. Borrower, the “Borrowers”), the other Loan Parties party thereto, the Lenders party thereto, the Administrative Agent and the other parties thereto (as the same may be amended, modified, extended or restated from time to time, the “ Credit Agreement ”). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Administrative Agent, for the benefit of the Lenders, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will be deemed to be a Loan Party under the Credit Agreement and a “Loan Guarantor” for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party and a Loan Guarantor thereunder as if it had executed the Credit Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement, including without limitation (a) all of the representations and warranties of the Loan Parties set forth in Article III of the Credit Agreement, (b) all of the covenants set forth in Articles V and VI of the Credit Agreement and (c) all of the guaranty obligations set forth in Article X of the Credit Agreement. Without limiting the generality of the foregoing terms of this paragraph 1, the New Subsidiary, subject to the limitations set forth in Section 10.10 of the Credit Agreement, hereby guarantees, jointly and severally with the other Loan Guarantors, to the Administrative Agent and the Lenders, as provided in Article X of the Credit Agreement, the prompt payment and performance of the Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms thereof and agrees that if any of the Guaranteed Obligations are not paid or performed in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the New Subsidiary will, jointly and severally together with the other Loan Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

2. If required, the New Subsidiary is, simultaneously with the execution of this Agreement, executing and delivering such Collateral Documents (and such other documents and instruments) as requested by the Administrative Agent in accordance with the Credit Agreement.

3. The address of the New Subsidiary for purposes of Section 9.01 of the Credit Agreement is as follows:

4. The New Subsidiary hereby waives acceptance by the Administrative Agent and the Lenders of the guaranty by the New Subsidiary upon the execution of this Agreement by the New Subsidiary.

5. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

6. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By: _____
Name: _____
Title: _____

Acknowledged and accepted:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: _____
Name: _____
Title: _____

Exhibit D-2

BORROWING REQUEST

NOTICE OF BORROWING/ LETTER OF CREDIT REQUEST

To: [**JPMORGAN CHASE BANK, N.A.**
as Disbursement Agent
1300 East Ninth Street, Floor 13
Cleveland, OH 44114-1573
Attention: Michael McCullough]

[**JPMORGAN CHASE BANK, N.A., TORONTO BRANCH**
as Disbursement Agent
200 Bay Street, Suite 1800
Royal Bank Plaza, South Tower
Toronto, Ontario M5J 2J2
Attention: Barry Walsh]

[**JPMORGAN CHASE BANK, N.A., LONDON BRANCH**
as Disbursement Agent
c/o JPMorgan Europe Limited
125 London Wall
London, EC2Y 5AG
Attention: Loan and Agency Group Ching Loh]

[Date]

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of [_____], 2008 (as amended, supplemented, replaced or otherwise modified from time to time, the “Credit Agreement”), among Cott Corporation, a corporation organized under the laws of Canada (the “Company”), Cott Beverages Inc., a Georgia corporation (the “U.S. Borrower”), Cott Beverages Limited, a company organized under the laws of England and Wales (the “UK Borrower”), and together with the Company and the U.S. Borrower, each a “Borrower” and collectively, the “Borrowers”), the other subsidiaries of the Company party thereto, the lenders party thereto (collectively, the “Lenders”), JPMorgan Chase Bank, N.A., London Branch, as UK Security Trustee (the “UK Security Trustee”), JPMorgan Chase Bank, N.A., as Administrative Agent (the “Administrative Agent”; together with the UK Security Trustee, the “Agents”) and the other parties thereto. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement.

Pursuant to Section 2.03 of the Credit Agreement, the [**Company hereby requests**] [**U.S. Borrower hereby requests**] [**UK Borrower hereby requests**] [**Borrower Representative hereby gives you notice that the [U.S. Borrower] [UK Borrower] requests**] a Revolving Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Revolving Borrowing is requested to be made:

Exhibit E-1

-
- (A) Date of Revolving Borrowing
(which is a Business Day) _____
 - (B) Principal amount of Revolving Borrowing
 - (1) Amount of ABR Loans _____
 - (2) Amount of Canadian Prime Loans _____
 - (3) Amount of Eurodollar Loans _____
 - (4) Amount of CDOR Loans _____
 - (C) For a Eurodollar or CDOR Borrowing, the
Interest Period to be applicable) ⁷ _____
 - (D) Currency of Revolving Borrowing ⁸ _____
 - (E) Funds are requested to be disbursed to the
following account(s) ⁹ _____

Upon acceptance of any or all of the Loans made in response to this request, each Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Section 4.02 of the Credit Agreement have been satisfied and that no notice pursuant to subsections 6 or 8 of Section 443.055 of the Revised Statutes of Missouri has been given.

[Signature Page Follows]

⁷ Shall be subject to the definition of "Interest Period" in the Credit Agreement.

⁸ Specify dollars for Borrowings by the U.S. Borrower, dollars or Canadian Dollars for Borrowings by the Company and dollars, Euros or Sterling for Borrowings by the UK Borrower.

⁹ Specify the location and number of the account or accounts to which funds are to be disbursed, which shall comply with the requirements of the Credit Agreement.

Pursuant to Section 2.06 of the Credit Agreement, the **[Company hereby requests] [U.S. Borrower hereby requests] [UK Borrower hereby requests] [Borrower Representative hereby gives you notice that the [U.S. Borrower] [UK Borrower] requests] the [issuance of a Letter of Credit as described below][the amendment, renewal or extension of the Letter of Credit identified below]** under the Credit Agreement:

- (A) Date of issuance, renewal or extension of the Letter of Credit (which is a Business Day) _____
- (B) Expiration Date (in accordance with Section 2.06(c) of the Credit Agreement) _____
- (C) Amount _____
- (D) Currency of the Letter of Credit _____
- (E) Beneficiary of the Letter of Credit _____

Upon issuance, amendment, renewal or extension of any Letter of Credit made in response to this request, each Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Section 4.02 of the Credit Agreement have been satisfied and that no notice pursuant to subsections 6 or 8 of Section 443.055 of the Revised Statutes of Missouri has been given.

[Signature Page Follows]

Exhibit E-3

[COTT CORPORATION CORPORATION COTT,
as Borrower Representative

By: _____
Name:
Title:]

[COTT CORPORATION CORPORATION COTT, as
Company

By: _____
Name:
Title:]

[COTT BEVERAGES INC., as U.S. Borrower

By: _____
Name:
Title:]

[COTT BEVERAGES LIMITED, as UK Borrower

By: _____
Name:
Title:]

Exhibit E-4

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 12, 2010

/s/ Jerry Fowden

Jerry Fowden
Chief Executive Officer

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

I, Neal Cravens, 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 12, 2010

/s/ Neal Cravens

Neal Cravens
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 April 3, 2010 (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 12th day of May, 2010.

/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, Neal Cravens, 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 April 3, 2010 (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 12th day of May, 2010.

/s/ Neal Cravens

Neal Cravens

Chief Financial Officer