

PRIMO WATER CORP /CN/

FORM 10-Q (Quarterly Report)

Filed 05/07/04 for the Period Ending 04/03/04

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	12/02

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended April 3, 2004

Commission File Number 000-19914

COTT CORPORATION

(Exact name of registrant as specified in its charter)

CANADA

(State or other jurisdiction of
incorporation or organization)

None

(I.R.S. Employer Identification
Number)

207 Queen's Quay West, Suite 340, Toronto, Ontario M5J 1A7

(Address of principal executive offices) (Postal Code)

(416) 203-3898

(Registrant's telephone number, including area code)

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 is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [X] No []

There were 70,573,915 shares of common stock outstanding as of April 30, 2004.

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

 Consolidated Statements of Income for the three months ended
 April 3, 2004 and March 29, 2003..... Page 3

 Consolidated Balance Sheets as of April 3, 2004 and
 January 3, 2004..... Page 4

 Consolidated Statements of Shareowners' Equity as of
 April 3, 2004 and March 29, 2003..... Page 5

 Consolidated Statements of Cash Flows for the three months
 ended April 3, 2004 and March 29, 2003..... Page 6

 Notes to the Consolidated Financial Statements Page 7

Item 2. Management's Discussion and Analysis of Financial
 Condition and Results of Operations Page 17

Item 3. Quantitative and Qualitative Disclosures about Market Risk Page 21

Item 4. Controls and Procedures Page 21

PART II - OTHER INFORMATION

Item 1. Legal Proceedings Page 22

Item 6. Financial Statement Schedules, Exhibits and Reports
 on Form 8-K Page 22

Signatures Page 24

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

COTT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

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

Unaudited

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003
SALES	\$ 370.9	\$ 295.3
Cost of sales	300.5	238.9
GROSS PROFIT	70.4	56.4
Selling, general and administrative expenses	38.7	31.6
OPERATING INCOME	31.7	24.8
Other expense, net	0.3	0.5
Interest expense, net	6.6	7.7
Minority interest	1.0	0.6
INCOME BEFORE INCOME TAXES AND EQUITY LOSS	23.8	16.0
Income taxes - note 3	(8.3)	(5.4)
Equity loss	(0.1)	(0.1)
NET INCOME - note 4	\$ 15.4	\$ 10.5
PER SHARE DATA - note 5		
INCOME PER COMMON SHARE - BASIC		
Basic	\$ 0.22	\$ 0.15
Diluted	\$ 0.21	\$ 0.15

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

COTT CORPORATION
CONSOLIDATED BALANCE SHEETS

(in millions of U.S. dollars)

	APRIL 3, 2004	JANUARY 3, 2004
	----- Unaudited	----- Audited
ASSETS		
CURRENT ASSETS		
Cash	\$ 9.0	\$ 18.4
Accounts receivable	169.2	148.8
Inventories - note 6	119.9	94.4
Prepaid and other expenses	6.5	5.5
	-----	-----
	304.6	267.1
PROPERTY, PLANT AND EQUIPMENT - note 8	328.8	314.3
GOODWILL - note 9	81.2	81.6
INTANGIBLES AND OTHER ASSETS - note 10	244.6	245.8
	-----	-----
	\$ 959.2	\$ 908.8
	=====	=====
LIABILITIES		
CURRENT LIABILITIES		
Short-term borrowings	\$ 80.3	\$ 78.1
Current maturities of long-term debt	1.5	3.3
Accounts payable and accrued liabilities	173.0	140.5
	-----	-----
	254.8	221.9
LONG-TERM DEBT	275.6	275.7
DEFERRED INCOME TAXES	40.6	40.5
	-----	-----
	571.0	538.1
	-----	-----
MINORITY INTEREST	25.4	25.6
SHAREOWNERS' EQUITY		
CAPITAL STOCK		
Common shares - 70,488,131 shares issued	270.9	267.9
RETAINED EARNINGS	98.7	83.3
ACCUMULATED OTHER COMPREHENSIVE LOSS	(6.8)	(6.1)
	-----	-----
	362.8	345.1
	-----	-----
	\$ 959.2	\$ 908.8
	=====	=====

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

COTT CORPORATION
CONSOLIDATED STATEMENTS OF SHAREOWNERS' EQUITY

(in millions of U.S. dollars)

Unaudited

	NUMBER OF COMMON SHARES (in thousands)	COMMON SHARES	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL EQUITY
Balance at December 28, 2002	68,559	\$ 248.1	\$ 5.9	\$ (35.8)	\$ 218.2
Options exercised - note 12	135	1.1	-	-	1.1
Comprehensive income - note 4					
Currency translation adjustment	-	-	-	5.3	5.3
Net income	-	-	10.5	-	10.5
Balance at March 29, 2003	68,694	\$ 249.2	\$ 16.4	\$ (30.5)	\$ 235.1
Balance at January 3, 2004	70,259	\$ 267.9	\$ 83.3	\$ (6.1)	\$ 345.1
Options exercised, including tax benefit of \$0.8 million - note 12	229	3.0	-	-	3.0
Comprehensive income - note 4					
Currency translation adjustment	-	-	-	(0.7)	(0.7)
Net income	-	-	15.4	-	15.4
Balance at April 3, 2004	70,488	\$ 270.9	\$ 98.7	\$ (6.8)	\$ 362.8

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

COTT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of U.S. dollars)

Unaudited

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003
	-----	-----
OPERATING ACTIVITIES		
Net income	\$ 15.4	\$ 10.5
Depreciation and amortization	15.0	12.1
Amortization of financing fees	0.2	0.9
Deferred income taxes	(0.3)	2.1
Minority interest	1.0	0.6
Equity loss	0.1	0.1
Other non-cash items	0.3	0.3
Net change in non-cash working capital - note 11	(12.7)	(1.7)
	-----	-----
Cash provided by operating activities	19.0	24.9
	-----	-----
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(11.3)	(10.1)
Acquisitions and equity investments	(17.7)	(0.3)
Other	(0.2)	-
	-----	-----
Cash used in investing activities	(29.2)	(10.4)
	-----	-----
FINANCING ACTIVITIES		
Payments of long-term debt	(2.2)	(38.0)
Short-term borrowings	2.1	21.7
Distributions to subsidiary minority shareowner	(1.2)	(1.2)
Issue of common shares	2.2	1.1
Other financing activities	(0.1)	-
	-----	-----
Cash provided by (used in) financing activities	0.8	(16.4)
	-----	-----
NET DECREASE IN CASH	(9.4)	(1.9)
	-----	-----
CASH, BEGINNING OF PERIOD	18.4	3.3
	-----	-----
CASH, END OF PERIOD	\$ 9.0	\$ 1.4
	=====	=====

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The interim consolidated financial statements have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") for interim financial information. 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, the financial statements reflect all adjustments that are necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

These financial statements should be read in conjunction with the most recent annual consolidated financial statements. The accounting policies used in these interim consolidated financial statements are consistent with those used in the annual consolidated financial statements.

Material recognition, measurement, and presentation differences between U.S. GAAP and Canadian GAAP are disclosed in note 16.

NOTE 2 - BUSINESS SEASONALITY

Cott's net income for the first quarter ending April 3, 2004 is not necessarily indicative of the results that may be expected for the full year due to business seasonality. Operating results are impacted by business seasonality, which leads to higher sales in the second and third quarters versus the first and fourth quarters of the year. Conversely, fixed costs such as depreciation, amortization and interest, are not impacted by seasonal trends.

NOTE 3 - INCOME TAXES

The following table reconciles income taxes calculated at the basic Canadian corporate rates with the income tax provision:

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003

	(in millions of U.S. dollars)	
Income tax provision based on Canadian statutory rates	\$ (8.3)	\$ (5.8)
Foreign tax rate differential	0.2	0.8
Non-deductible and other items	(0.2)	(0.4)
	-----	-----
	\$ (8.3)	\$ (5.4)
	=====	=====

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - COMPREHENSIVE INCOME

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003
	(in millions of U.S. dollars)	
Net income	\$ 15.4	\$ 10.5
Foreign currency translation	(0.7)	5.3
	\$ 14.7	\$ 15.8
	=====	=====

NOTE 5 - INCOME PER 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 share is calculated using the weighted average number of common shares outstanding adjusted to include the effect that would occur if in-the-money stock options were exercised.

The following table reconciles the basic weighted average number of shares outstanding to the diluted weighted average number of shares outstanding:

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003
	(in thousands)	
Weighted average number of shares outstanding - basic	70,389	68,637
Dilutive effect of stock options	1,454	1,921
Adjusted weighted average number of shares outstanding - diluted	71,843	70,558
	=====	=====

At March 29, 2003, options to purchase 1,088,500 shares of common stock at a weighted average exercise price of \$30.77 per share were outstanding, but 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 stock.

As of April 3, 2004, Cott had 70,488,131 common shares and 3,742,604 common share options outstanding. Of the common share options outstanding, 1,812,726 options were exercisable as of April 3, 2004.

NOTE 6 - INVENTORIES

	APRIL 3, 2004	JANUARY 3, 2004
	(in millions of U.S. dollars)	
Raw materials	\$ 43.2	\$ 37.7
Finished goods	65.5	46.8
Other	11.2	9.9
	\$ 119.9	\$ 94.4
	=====	=====

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - DERIVATIVE FINANCIAL INSTRUMENTS

On March 29, 2004, Cott entered into a \$15.6 million cash flow hedge to mitigate exposure to declines in the value of the British pound below \$1.80 attributable to certain forecasted U.S. dollar raw material purchases of the U.K. and Europe business segment. The hedge consists of monthly foreign exchange options to buy U.S. dollars at \$1.80 per British pound and the term of the hedge is to December 29, 2004. Cott paid \$0.5 million for the foreign exchange options, which is included in prepaid and other expenses. Changes in the fair value of the cash flow hedge instrument are recognized in accumulated other comprehensive income. Amounts recognized in accumulated other comprehensive income and prepaid and other expenses are recorded in earnings in the same periods in which the forecasted purchases or payments affect earnings. At April 3, 2004, the carrying value of the hedge was the same as its fair value.

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

	APRIL 3, 2004	JANUARY 3, 2004
	-----	-----
	(in millions of U.S. dollars)	
Cost	\$ 578.1	\$ 552.7
Accumulated depreciation	(249.3)	(238.4)
	-----	-----
	\$ 328.8	\$ 314.3
	=====	=====

NOTE 9 - GOODWILL

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003
	-----	-----
	(in millions of U.S. dollars)	
Balance at beginning of period	\$ 81.6	\$ 77.0
Acquisitions	-	0.7
Foreign exchange	(0.4)	1.2
	-----	-----
Balance at end of period	\$ 81.2	\$ 78.9
	=====	=====

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - INTANGIBLES AND OTHER ASSETS

	APRIL 3, 2004			JANUARY 3, 2004		
	COST	ACCUMULATED AMORTIZATION	NET	COST	ACCUMULATED AMORTIZATION	NET
	(in millions of U.S. dollars)			(in millions of U.S. dollars)		
INTANGIBLES						
Not subject to amortization						
Rights	\$ 80.4	\$ -	\$ 80.4	\$ 80.4	\$ -	\$ 80.4
Subject to amortization						
Customer relationships	159.5	23.4	136.1	157.9	20.8	137.1
Trademarks	26.6	5.9	20.7	25.8	5.5	20.3
Other	3.5	0.4	3.1	3.6	0.3	3.3
	189.6	29.7	159.9	187.3	26.6	160.7
	270.0	29.7	240.3	267.7	26.6	241.1
OTHER ASSETS						
Financing costs	5.6	4.1	1.5	5.6	3.9	1.7
Other	3.9	1.1	2.8	3.9	0.9	3.0
	9.5	5.2	4.3	9.5	4.8	4.7
	\$ 279.5	\$ 34.9	\$ 244.6	\$ 277.2	\$ 31.4	\$ 245.8

Amortization expense of intangible assets was \$3.1 million for the period ended April 3, 2004 (\$2.3 million - March 29, 2003). The amortization expense for intangible assets is estimated at about \$12.6 million per year for the next five years.

NOTE 11 - NET CHANGE IN NON-CASH WORKING CAPITAL

The changes in non-cash working capital components, net of effects of unrealized foreign exchange gains and losses, are as follows:

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003
	(in millions of U.S. dollars)	
Decrease (increase) in accounts receivable	\$ (19.1)	\$ 4.3
Decrease (increase) in inventories	(24.4)	(8.5)
Decrease (increase) in prepaid expenses	(1.0)	(0.4)
Increase (decrease) in accounts payable and accrued liabilities	31.8	2.9
	\$ (12.7)	\$ (1.7)

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - STOCK OPTION PLANS

Pursuant to the SFAS No. 123, Accounting for Stock-Based Compensation, Cott has elected to account for its employee stock option plan under APB opinion No. 25, Accounting for Stock Issued to Employees. Under this method of accounting, compensation expense is measured as the excess, if any, of the market value of Cott common stock at the award date over the amount the employee must pay for the stock (exercise price). Cott's policy is to award stock options with an exercise price equal to the closing price of Cott's common stock on the Toronto Stock Exchange on the last trading day immediately before the date of award, and accordingly, no compensation expense has been recognized for stock options issued under these plans. Had compensation expense for the plans been determined based on the fair value at the grant date consistent with SFAS No. 123, Cott's net income and income per common share would have been as follows:

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003
	(in millions of U.S. dollars, except per share amounts)	
NET INCOME		
As reported	\$ 15.4	\$ 10.5
Compensation expense	(1.8)	(1.5)
Pro forma	\$ 13.6	9.0
	=====	=====
NET INCOME PER SHARE - BASIC		
As reported	\$ 0.22	\$ 0.15
Pro forma	\$ 0.19	\$ 0.13
NET INCOME PER SHARE - DILUTED		
As reported	\$ 0.21	\$ 0.15
Pro forma	\$ 0.19	\$ 0.13

The pro forma compensation expense has been tax effected to the extent it relates to stock options granted in jurisdictions where the related benefits are deductible for income tax purposes.

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

	APRIL 3, 2004	MARCH 29, 2003
Risk-free interest rate	3.4% - 3.5%	4.0%
Average expected life (years)	4	4
Expected volatility	45.0%	45.0%
Expected dividend yield	-	-

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 - ACQUISITIONS

Effective March 17, 2004, Cott acquired certain of the assets of The Cardinal Companies of Elizabethtown, LLC located in Kentucky.

This acquisition has been accounted for using the purchase method. The results of operations have been included in Cott's consolidated statements of income from the effective date of purchase. The total purchase price for the acquisition was \$17.7 million, including estimated acquisition costs of \$0.3 million. The acquisition was funded from cash flow from operations and short-term borrowings and the purchase price was allocated primarily to machinery and equipment, with smaller amounts to customer relationships, trademarks and working capital. This purchase price and the allocation will be completed in the second quarter of 2004.

NOTE 14 - CONTINGENCIES

Cott is 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 Cott's financial position or results from operations.

NOTE 15 - SEGMENT REPORTING

Cott produces, packages and distributes retailer brand and branded bottled and canned beverages to regional and national grocery, mass-merchandise and wholesale chains in the United States, Canada, the United Kingdom & Europe and International. The International segment includes the 2002 Mexican acquisitions and the Royal Crown International business. The concentrate assets, sales and related expenses have been included in the Corporate & Other segment.

BUSINESS SEGMENTS

FOR THE THREE MONTHS ENDED APRIL 3, 2004	UNITED STATES	CANADA	UNITED KINGDOM & EUROPE	INTERNATIONAL	CORPORATE & OTHER	TOTAL
			(in millions of U.S. dollars)			
External sales	\$ 273.1	\$ 39.8	\$ 42.7	\$ 14.7	\$ 0.6	\$ 370.9
Intersegment sales	-	5.7	-	-	(5.7)	-
Depreciation and amortization	9.8	2.1	2.0	0.7	0.4	15.0
Operating income (loss)	31.1	0.4	1.6	2.7	(4.1)	31.7
Property, plant and equipment	184.1	56.8	68.5	9.3	10.1	328.8
Goodwill	49.9	21.6	-	4.6	5.1	81.2
Intangibles and other assets	162.6	(1.3)	-	1.0	82.3	244.6
Total assets	574.8	127.3	134.0	74.4	48.7	959.2
Additions to property, plant and equipment	6.7	1.0	1.2	0.5	1.9	11.3

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15 - SEGMENT REPORTING (continued)

FOR THE THREE MONTHS ENDED MARCH 29, 2003	UNITED STATES	CANADA	UNITED KINGDOM & EUROPE	INTERNATIONAL	CORPORATE & OTHER	TOTAL
(in millions of U.S. dollars)						
External sales	\$ 226.6	\$ 31.8	\$ 29.5	\$ 7.2	\$ 0.2	\$ 295.3
Intersegment sales	-	11.0	-	-	(11.0)	-
Depreciation and amortization	8.2	1.8	1.7	0.1	0.3	12.1
Operating income (loss)	25.5	0.8	(0.3)	1.3	(2.5)	24.8
Property, plant and equipment (as of January 3, 2004)	169.3	59.1	67.8	9.5	8.6	314.3
Goodwill (as of January 3, 2004)	49.9	22.0	-	4.6	5.1	81.6
Intangibles and other assets (as of January 3, 2004)	163.2	(1.0)	-	1.0	82.6	245.8
Total assets (as of January 3, 2004)	514.9	130.3	126.7	77.6	59.3	908.8
Additions to property, plant and equipment	2.6	0.6	0.7	4.1	2.1	10.1

Intersegment sales and total assets under the Corporate & Other caption include the elimination of intersegment sales, receivables and investments.

For the quarter ended April 3, 2004, sales to one major customer accounted for 41% (March 29, 2003 - 43%) of Cott's total sales.

Revenues by geographic area are as follows:

	For the three months ended	
	APRIL 3, 2004	MARCH 29, 2003
United States	\$ 279.5	\$ 230.7
Canada	39.8	31.8
United Kingdom	41.0	28.0
Other countries	10.6	4.8
	-----	-----
	\$ 370.9	\$ 295.3
	=====	=====

Revenues are attributed to countries based on the location of the plant.

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15 - SEGMENT REPORTING (continued)

Property, plant and equipment, goodwill, and intangibles and other assets by geographic area are as follows:

	APRIL 3, 2004	JANUARY 3, 2004
	(in millions of U.S. dollars)	
United States	\$ 496.4	\$ 481.4
Canada	79.4	81.9
United Kingdom	68.5	67.8
Other countries	10.3	10.6
	-----	-----
	\$ 654.6	\$ 641.7
	=====	=====

NOTE 16 - DIFFERENCES BETWEEN UNITED STATES AND CANADIAN ACCOUNTING PRINCIPLES AND PRACTICES

These consolidated financial statements have been prepared in accordance with U.S. GAAP which differ in certain respects from those principles and practices that Cott would have followed had its consolidated financial statements been prepared in accordance with Canadian GAAP.

(a) Under U.S. GAAP, Cott has elected not to record compensation expense for options issued to employees with an exercise price equal to the market value of the options. Under Canadian GAAP, effective January 1, 2004, stock options issued to employees subsequent to January 1, 2002 are recognized in net income based on their fair value. As a result, compensation expense of \$1.6 million, \$1.2 million net of tax of \$0.4 million, was recorded in the first quarter of 2004 and \$5.6 million was charged to opening retained earnings as at January 3, 2004, as this policy was adopted on a prospective basis with no restatement of comparative figures. Contributed surplus of \$6.5 million was recorded to reflect the charge for unexercised options and share capital of \$0.3 million was recorded to reflect the options exercised.

(b) Under U.S. GAAP, costs of start-up activities and organization costs are expensed as incurred. Under Canadian GAAP these costs, if they meet certain criteria, can be capitalized and amortized over the future benefit period.

(c) Under U.S. GAAP, the adoption of the U.S. dollar in 1998 as the presentation and measurement currency was implemented retroactively, such that prior period financial statements are translated under the current rate method using the foreign exchange rates in effect on those dates. Under Canadian GAAP, a change in presentation and measurement currency is implemented by translating all prior year financial statement amounts at the foreign exchange rate on January 31, 1998. As a result, there is a difference in the share capital, deficit and cumulative translation adjustment amounts under Canadian GAAP as compared to U.S. GAAP.

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 - DIFFERENCES BETWEEN UNITED STATES AND CANADIAN ACCOUNTING PRINCIPLES AND PRACTICES (continued)

Under Canadian GAAP, these differences would have been reported in the consolidated statements of income, consolidated balance sheets, consolidated statements of shareowners' equity and consolidated statements of cash flow as follows:

	APRIL 3, 2004		JANUARY 3, 2004	
	U.S. GAAP	CANADIAN GAAP	U.S. GAAP	CANADIAN GAAP
CONSOLIDATED BALANCE SHEETS	(in millions of U.S. dollars)		(in millions of U.S. dollars)	
Property, plant & equipment	\$ 328.8	\$ 329.5	\$ 314.3	\$ 315.1
Goodwill	81.2	81.7	81.6	82.1
Total assets	959.2	960.4	908.8	910.1
Deferred income taxes	40.6	41.2	40.5	41.1
Total liabilities	596.4	597.0	563.7	564.3
Capital stock	270.9	241.9	267.9	238.6
Contributed Surplus	-	6.5	-	-
Retained earnings	98.7	79.4	83.3	70.9
Cumulative translation adjustment	(6.8)	35.6	(6.1)	36.3
Total shareowners' equity	362.8	363.4	345.1	345.8

INCOME RECONCILIATION FOR THE
THREE MONTHS ENDED

	APRIL 3,	MARCH 29,
	2004	2003
CONSOLIDATED STATEMENTS OF INCOME	(in millions of U.S. dollars)	
Net income under U.S. GAAP	\$ 15.4	\$ 10.5
Cost of sales (b)	(0.1)	(0.1)
Stock compensation expense (a)	(1.6)	-
Recovery of income taxes (a),(b)	0.4	-
Net income under Canadian GAAP	\$ 14.1	\$ 10.4
Basic income per common share, Canadian GAAP	\$ 0.20	\$ 0.15
Diluted income per common share, Canadian GAAP	\$ 0.20	\$ 0.15

COTT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 16 - DIFFERENCES BETWEEN UNITED STATES AND CANADIAN ACCOUNTING PRINCIPLES
AND PRACTICES (continued)**

	APRIL 3, 2004		JANUARY 3, 2004	
	U.S. GAAP	CANADIAN GAAP	U.S. GAAP	CANADIAN GAAP
CONSOLIDATED STATEMENTS OF CASH FLOW	(in millions of U.S. dollars)		(in millions of U.S. dollars)	
OPERATING ACTIVITIES				
Net income	\$ 15.4	\$ 14.1	\$ 10.5	\$ 10.4
Depreciation & amortization	15.0	15.1	12.1	12.2
Deferred income taxes	(0.3)	(0.7)	2.1	2.1
Other non cash items	0.3	1.9	0.3	0.3
Cash provided by operating activities	19.0	19.0	24.9	24.9

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

Cott Corporation is the leading supplier of premium quality retailer brand carbonated soft drinks in the United States, Canada and the United Kingdom.

RESULTS OF OPERATIONS

Cott reported net income of \$15.4 million or \$0.21 per diluted share for the first quarter ended April 3, 2004, up 47% as compared with \$10.5 million, or \$0.15 per diluted share, for the first quarter of 2003.

SALES -Sales in the first quarter of 2004 were \$370.9 million, an increase of 26% from \$295.3 million in the first quarter of 2003. Excluding the impact of the December 2003 acquisition of North Carolina's Quality Beverage Brands, L.L.C. ("QBB"), which added \$12.1 million to sales for the first quarter of 2004, and the impact of foreign exchange rates, sales increased 18%. Case volume was 193.0 million equivalent cases in the first quarter of 2004, an increase of 15% compared to the first quarter of 2003, excluding the impact of acquisitions, which contributed 6.6 million cases to sales volume and concentrate sales volume of 70.5 million cases. The sale of concentrates is a high volume but low dollar component of Cott's overall sales.

In the U.S., sales were \$273.1 million in the first quarter of 2004, an increase of 21% from the first quarter of 2003. The QBB acquisition occurred in December 2003 and added \$12.1 million to sales for the first quarter of 2004. Excluding this acquisition, sales were up 15%. The growth was driven by increased volume of carbonated soft drink sales with existing customers.

In Canada, sales were \$39.8 million in the first quarter of 2004, an increase of 25% from \$31.8 million in the first quarter of 2003. Excluding the impact of foreign exchange rates, sales in Canada increased 9% in the first quarter of 2004. This increase primarily reflects continued success with existing supermarket customers while non-carbonated soft drink products into the food service channel contributed about one third of the improvement.

In the U.K. and Europe, sales were \$42.7 million in the first quarter of 2004, an increase of 45% from \$29.5 million in the first quarter of 2003. Excluding the impact of the strengthened U.K. pound, sales increased 26% in the first quarter of 2004. New business acquired in the second quarter of 2003 accounted for approximately two thirds of the increase in the first quarter of 2004 with the remaining increase coming from business with existing customers.

The International segment includes the Mexican operations, the Royal Crown International division and the business in Asia. Sales by this segment were \$14.7 million in the first quarter of 2004, an increase of 104% when compared with sales of \$7.2 million in the first quarter of 2003. This increase was primarily from Mexico where sales in the first quarter were \$9.0 million, an increase of \$5.7 million when compared to sales in the first quarter of 2003.

GROSS PROFIT - Gross profit was 19.0% of sales for the first quarter of 2004 compared with 19.1% in the first quarter of 2003. The favorable impact of improved productivity and larger economies of scale, particularly in the U.K., being offset by higher freight and warehousing costs in the U.S.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES ("SG&A") - SG&A was \$38.7 million in the first quarter of 2004, an increase of \$7.1 million from \$31.6 million in the first quarter of 2003. In the first quarter of 2004, Cott recorded a \$2.3 million provision against an export receivable in Canada, which was included

in SG&A. Foreign exchange rate impacts in the U.K. and Canadian business segments accounted for \$1.4 million of the increase. The remaining increase was primarily in the U.S. and resulted from the needs of Cott's growing business there. As a percentage of sales, SG&A declined to 10.4% in the first quarter of 2004 from 10.7% in the first quarter of 2003.

INTEREST EXPENSE - Net interest expense was \$6.6 million in the first quarter of 2004, down from \$7.7 million in the first quarter of 2003. This decrease was primarily due to repayment of our term bank loan in the third quarter of 2003.

INCOME TAXES - Cott recorded an income tax provision of \$8.3 million in the first quarter of 2004 reflecting an effective tax rate of 34.9%. This compares with \$5.4 million, or an effective rate of 33.8%, in the first quarter of 2003. The increase in the effective tax rate in the first quarter of 2004 was primarily due to increased taxable income in the U.S.

FINANCIAL CONDITION - Cash provided by operating activities in the first quarter of 2004 was \$7.7 million, after capital expenditures of \$11.3 million, as compared to the first quarter of 2003 in which cash provided by operating activities was \$14.8 million, after capital expenditures of \$10.1 million. Cash from operations decreased due to a decrease in the net change in non-cash working capital of \$11.0 million related to volume growth in the U.S.

Cash and cash equivalents decreased \$9.4 million in the first quarter to \$9.0 million as of April 3, 2004.

INVESTING ACTIVITIES - In March 2004, Cott acquired certain of the assets of The Cardinal Companies of Elizabethtown, LLC in Kentucky ("Cardinal"), including a bottling facility. The acquisition is expected to add approximately \$12 million a year in carbonated soft drink sales and additional manufacturing capacity to support Cott's growing demand for retailer branded beverages.

The total purchase price for the acquisition was \$17.7 million, including estimated acquisition costs of \$0.3 million. The acquisition was funded from cash flow from operations and short-term borrowings.

CAPITAL EXPENDITURES - Capital expenditures were \$11.3 million in the first quarter of 2004 as compared with \$10.1 million in the first quarter of 2003. Major expenditures in the first quarter of 2004 included \$7.5 million on manufacturing equipment, primarily in the U.S., to meet the needs of Cott's growing business and \$1.8 million on information technology improvements.

CAPITAL RESOURCES AND LONG-TERM DEBT - Cott's sources of capital include operating cash flows, short term borrowings under current credit facilities, issuance of public and private debt and issuance of equity securities. Management believes Cott has adequate financial resources to meet its ongoing cash requirements for operations and capital expenditures, as well as its other financial obligations based on its operating cash flows and currently available credit.

Cott's current credit facilities provide maximum credit of \$147.4 million. At April 3, 2004, approximately \$50.5 million of the committed revolving credit facility in the U.S. and Canada and \$22.6 million of the demand revolving credit facility in the U.K. were available. The weighted average interest rate on outstanding borrowings under the credit facilities was 2.92% as of April 3, 2004.

As of April 3, 2004, Cott's long-term debt totaled \$277.1 million as compared with \$279.0 million at the end of 2003. At the end of the first quarter of 2004, debt consisted of \$269.2 million in 8% senior subordinated notes with a face value of \$275 million and \$7.9 million of other debt.

CANADIAN GAAP - Under Canadian GAAP, in the first quarter of 2004, Cott reported net income of \$14.1 million and total assets of \$960.4 million compared to net income and total assets under U.S. GAAP of \$15.4 million and \$959.2 million, respectively, in the first quarter of 2004.

The main U.S./Canadian GAAP difference in the first quarter of 2004 was the accounting of stock options. Under Canadian GAAP, effective January 1, 2004, stock options issued to employees subsequent to January 1, 2002 are recognized in net income based on their fair value. As a result, compensation expense of \$1.6 million, \$1.2 million after tax of \$0.4 million, was recorded in the first quarter of 2004 and \$5.6 million was charged to opening retained earnings as this policy was adopted on a prospective basis. Under U.S. GAAP, Cott has elected not to record compensation expense for options issued to employees with an exercise price equal to the market value of the options.

There were no material U.S./Canadian GAAP differences for the first quarter of 2003.

OUTLOOK - Cott's ongoing focus is to increase sales, market share and profitability for Cott and its customers. While the carbonated soft drink industry continues to experience slow growth, the retailer brand segment is experiencing significant positive growth, especially in the U.S. However, as there is intense price competition from heavily promoted global and regional brands in the beverage industry, Cott's major opportunity for growth depends on management's execution of its strategies and on retailers' continued commitment to their retailer brand soft drink programs.

In 2004, Cott intends to continue to strive to expand the business through growing sales with existing customers, the pursuit of new customers and channels and through new acquisitions and alliances. Cott is not able to accurately predict the success or timing of such efforts. As of the date of this report, sales are expected to grow between 12% and 15% for 2004 and earnings per diluted share are expected to be between \$1.23 and \$1.27 for the year. The majority of this growth is expected to be through existing businesses. Along with sales growth from major customers, management also believes there are significant opportunities for growth in the U.S. market as retailer brand penetration is not currently as high as in other markets. The Canadian division intends to focus on innovation and entry into new channels, such as convenience stores and gas and food service. Cott believes that the U.K. business has stabilized and continued efforts are expected to further improve earnings. Cott also believes that significant growth opportunities exist in Mexico. Mexico has a population of approximately 100 million and it is second only to the United States in per-capita consumption of soft drinks.

RISKS AND UNCERTAINTIES - Risks and uncertainties include national brand pricing strategies, commitment of major customers to retailer brand programs, stability of procurement costs for items such as sweetener, packaging materials and other ingredients, the successful integration of new acquisitions, the ability to protect intellectual property and fluctuations in interest rates and foreign currencies versus the U.S. dollar.

Sales to Cott's top customer (Wal-Mart Stores, Inc.) in the first quarter of 2004 and 2003 accounted for 41% and 43%, respectively, of Cott's total sales. Sales to the top ten customers in the first quarter of 2004 and 2003 accounted for 70% and 73%, respectively, of Cott's total sales. The loss of any significant customer, or customers which in the aggregate represent a significant portion of Cott's sales, could have a material adverse effect on the Company's operating results and cash flows.

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 Cott's future results. These statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995 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 Cott's

business strategy, goals and expectations concerning its market position, future operations, margins, profitability, liquidity and capital resources. Generally, words such as "anticipate", "believe", "continue", "could", "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.

Although Cott believes the assumptions underlying these forward-looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could be incorrect. Cott's operations involve risks and uncertainties, many of which are outside of its 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 Cott's 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:

- o loss of key customers, particularly Wal-Mart, and the commitment of retailer brand beverage customers to their own retailer brand beverage programs;
- o increases in competitor consolidations and other market-place competition, particularly among branded beverage products;
- o Cott's ability to identify acquisition and alliance candidates and to integrate into its operations the businesses and product lines that are acquired or allied with;
- o Cott's ability to secure additional production capacity either through acquisitions, or third party manufacturing arrangements;
- o fluctuations in the cost and availability of beverage ingredients and packaging supplies, and Cott's ability to maintain favorable arrangements and relationships with its suppliers;
- o unseasonably cold or wet weather, which could reduce demand for Cott's beverages;
- o Cott's ability to protect the intellectual property inherent in new and existing products;
- o adverse rulings, judgments or settlements in Cott's existing litigation, and the possibility that additional litigation will be brought against Cott;
- o product recalls or changes in or increased enforcement of the laws and regulations that affect Cott's business;
- o currency fluctuations that adversely affect the exchange between the U.S. dollar on one hand and the pound sterling, the Canadian dollar and other currencies on the other;
- o changes in interest rates;
- o changes in tax laws and interpretations of tax laws;
- o changes in consumer tastes and preferences and market demand for new and existing products;
- o interruption in transportation systems, labor strikes, work stoppages and other interruptions or difficulties in the employment of labor or transportation in Cott's markets; and
- o changes in general economic and business conditions.

Many of these factors are described in greater detail in Cott's other filings with the U.S. Securities and Exchange Commission. Cott undertakes no obligation to update any information contained in this report

or to publicly release the results of any revisions to forward-looking statements to reflect events or circumstances that Cott may become aware of after the date of this report. Undue reliance should not be placed on forward-looking statements.

All future written and oral forward-looking statements attributable to Cott or persons acting on Cott's behalf are expressly qualified in their entirety by the foregoing.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to Item 7A: Quantitative and Qualitative Disclosures about Market Risk described in Cott's Annual Report on Form 10-K for the fiscal year ended January 3, 2004.

On March 29, 2004, Cott entered into a \$15.6 million cash flow hedge to mitigate exposure to declines in the value of the British pound below \$1.80. The purpose of this hedge is to moderate the impact that adverse changes in the British pound/U.S. dollar exchange rate could have on projected U.S. dollar denominated raw material purchases of the U.K. and Europe business segment. The hedge consists of monthly foreign exchange options to buy U.S. dollars at \$1.80 per British pound and the term of the hedge is to December 29, 2004. The cost of the foreign exchange options purchased by Cott to implement the hedge, which is included in prepaid and other expenses, was \$0.5 million. The instrument is a cash flow hedge under SFAS No. 133; accordingly changes in the fair value of the instrument are recognized in accumulated other comprehensive income. Amounts recognized in accumulated other comprehensive income and prepaid and other expenses are recorded in earnings in the same periods the forecasted purchases or payments affect earnings. At April 3, 2004 the carrying value of the hedge was the same as its fair value. See "Note 7 Derivative Financial Instruments."

Cott's sales outside the U.S. are concentrated principally in the U.K. and Canada. Cott believes that its foreign currency exchange rate risk has been immaterial given the historic stability of the U.S. dollar exchange rates with respect to the foreign currencies to which Cott has its principal exposure. However, there can be no assurance that these exchange rates will remain stable or that Cott's exposure to foreign currency exchange rate risk will not increase in the future.

ITEM 4. CONTROLS AND PROCEDURES

Cott's Management, including Cott's Chief Executive Officer and Chief Financial Officer, have concluded that its disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective, based on their evaluation of these controls and procedures as of the end of the period covered by this report. There have been no significant changes in Cott's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In August 1999, Cott was named as a defendant in an action styled North American Container, Inc. v. Plastipak Packaging Inc., et al., filed in the United States District Court for the Northern District of Texas, Dallas Division. The plaintiff, North American Container, Inc., has sued over forty defendants, alleging, among other things, that Cott has infringed on their United States patent relating to plastic containers. The complaint subsequently was amended to include a Reissue Patent based on the original patent in suit. Cott believes, based on the current facts and circumstances of the case, that North American Container's likelihood of success is remote. In addition, Cott is entitled to indemnification for more than 95% of any damages incurred by it in connection with this suit and Cott believes that the party obligated to provide such indemnification has the resources necessary to satisfy such indemnification obligation should damages be awarded against Cott. For these reasons, management believes that the probability that the outcome of this litigation will have a material adverse effect on Cott is remote.

The Defendants were successful in the district court on two Motions for Summary Judgment. The district court's decisions on these motions is consistent with Cott's previous determination that the plaintiff's likelihood of success was remote. Plaintiff has filed a Notice of Appeal. Given the judgment of the district court Cott does not believe that the plaintiff will ultimately be successful on appeal in this suit.

Reference is made to the legal proceedings described in Cott's Form 10-K for the fiscal year ended January 3, 2004.

ITEM 6. FINANCIAL STATEMENT SCHEDULES, EXHIBITS AND REPORTS ON FORM 8-K

1. Financial Statement Schedules

Schedule III - Consolidating Financial Statements

2.	Exhibits	
	Number	Description
	-----	-----
	3.1	Articles of Incorporation of Cott (incorporated by reference to Exhibit 3.1 to Cott's Form 10-K dated March 31, 2000).
	3.2	By-laws of Cott (incorporated by reference to Exhibit 3.2 to Cott's Form 10-K dated March 8, 2002).
	31.1	Certification of the chairman and chief executive officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended April 3, 2004.
	31.2	Certification of the executive vice-president and chief financial officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended April 3, 2004.
	32.1	Certification of the chairman and chief executive officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended April 3, 2004.

Number -----	Description -----
32.2	Certification of the executive vice-president and chief financial officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended April 3, 2004.

In accordance with SEC Release No. 33-8238, Exhibits 32.1 and 32.2 are to be treated as "accompanying" this report rather than "filed" as part of the report.

3. Reports on Form 8-K

Cott filed a Current Report on Form 8-K, dated January 29, 2004, furnishing a press release that announced its financial results for the year ended January 3, 2004.

Cott filed a Current Report on Form 8-K, dated April 20, 2004, furnishing a press release that announced its financial results for the quarter ended April 3, 2004.

Cott filed a Current Report on Form 8-K, dated March 18, 2004, announcing the appointment of John K. Sheppard as chief executive officer, effective September 1, 2004.

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 6, 2004

/s/ Raymond P. Silcock

*Raymond P. Silcock
Executive Vice President &
Chief Financial Officer
(On behalf of the Company)*

Date: May 6, 2004

/s/ Tina Dell'Aquila

*Tina Dell'Aquila
Vice President, Controller and
Assistant Secretary
(Principal accounting officer)*

SCHEDULE III - CONSOLIDATING FINANCIAL STATEMENTS

Cott Beverages Inc., a wholly owned subsidiary of Cott, has entered into financing arrangements that are guaranteed by Cott and certain other wholly owned subsidiaries of Cott (the "Guarantor Subsidiaries"). Such guarantees are full, unconditional and joint and several.

The following supplemental financial information sets forth on an unconsolidated basis, balance sheets, statements of income and cash flows for Cott Corporation, Cott Beverages Inc., Guarantor Subsidiaries and Cott's other subsidiaries (the "Non-guarantor Subsidiaries"). The supplemental financial information reflects the investments of Cott and Cott Beverages Inc. in their respective subsidiaries using the equity method of accounting.

COTT CORPORATION CONSOLIDATING STATEMENTS OF INCOME

(in millions of U.S. dollars, unaudited)

FOR THE THREE MONTHS ENDED APRIL 3, 2004

	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
SALES	\$ 45.5	\$ 254.0	\$ 10.7	\$ 68.7	\$ (8.0)	\$ 370.9
Cost of sales	37.2	202.6	9.3	59.4	(8.0)	300.5
GROSS PROFIT	8.3	51.4	1.4	9.3	-	70.4
Selling, general and administrative expenses	13.7	18.7	0.9	5.4	-	38.7
OPERATING INCOME (LOSS)	(5.4)	32.7	0.5	3.9	-	31.7
Other expense (income), net	0.3	0.1	(0.2)	0.1	-	0.3
Interest expense (income), net	-	7.9	(1.4)	0.1	-	6.6
Minority interest	-	-	-	1.0	-	1.0
INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY INCOME (LOSS)	(5.7)	24.7	2.1	2.7	-	23.8
Income taxes	1.8	(9.5)	-	(0.6)	-	(8.3)
Equity income (loss)	19.3	1.7	16.3	-	(37.4)	(0.1)
NET INCOME	\$ 15.4	\$ 16.9	\$ 18.4	\$ 2.1	\$ (37.4)	\$ 15.4

COTT CORPORATION
CONSOLIDATING BALANCE SHEETS

(in millions of U.S. dollars, unaudited)

	AS OF APRIL 3, 2004					
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
ASSETS						
Current assets						
Cash	\$ -	\$ (1.9)	\$ -	\$ 10.9	\$ -	\$ 9.0
Accounts receivable	39.2	102.7	13.4	36.5	(22.6)	169.2
Inventories	20.9	68.4	5.1	25.5	-	119.9
Prepaid and other expenses	1.6	1.5	0.7	2.7	-	6.5
	61.7	170.7	19.2	75.6	(22.6)	304.6
Property, plant and equipment	54.4	171.2	20.5	82.7	-	328.8
Goodwill	20.8	46.1	13.5	0.8	-	81.2
Intangibles and other assets	1.5	182.4	12.3	48.4	-	244.6
Due from affiliates	55.0	4.8	94.3	275.0	(429.1)	-
Investments in subsidiaries	277.7	75.6	21.1	-	(374.4)	-
	\$ 471.1	\$ 650.8	\$ 180.9	\$ 482.5	\$ (826.1)	\$ 959.2
LIABILITIES						
CURRENT LIABILITIES						
Short-term borrowings	\$ 1.2	\$ 73.0	\$ 1.2	\$ 4.9	\$ -	\$ 80.3
Current maturities of long-term debt	-	1.2	-	0.3	-	1.5
Accounts payable and accrued liabilities	33.8	97.3	9.3	55.2	(22.6)	173.0
	35.0	171.5	10.5	60.4	(22.6)	254.8
Long-term debt	-	275.6	-	-	-	275.6
Due to affiliates	65.5	97.5	210.5	55.6	(429.1)	-
Deferred income taxes	7.8	27.8	-	5.0	-	40.6
	108.3	572.4	221.0	121.0	(451.7)	571.0
Minority interest	-	-	-	25.4	-	25.4
SHAREOWNERS' EQUITY						
Capital stock						
Common shares	270.9	275.8	142.7	451.4	(869.9)	270.9
Retained earnings (deficit)	98.7	(197.4)	(182.8)	(93.2)	473.4	98.7
Accumulated other comprehensive loss	(6.8)	-	-	(22.1)	22.1	(6.8)
	362.8	78.4	(40.1)	336.1	(374.4)	362.8
	\$ 471.1	\$ 650.8	\$ 180.9	\$ 482.5	\$ (826.1)	\$ 959.2

COTT CORPORATION
CONSOLIDATING STATEMENTS OF CASH FLOWS

(in millions of U.S. dollars, unaudited)

FOR THE THREE MONTHS ENDED APRIL 3, 2004

	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
OPERATING ACTIVITIES						
Net income	\$ 15.4	\$ 16.9	\$ 18.4	\$ 2.1	\$ (37.4)	\$ 15.4
Depreciation and amortization	2.2	7.5	1.5	3.8	-	15.0
Amortization of financing fees	-	0.2	-	-	-	0.2
Deferred income taxes	(1.9)	1.0	-	0.6	-	(0.3)
Minority interest	-	-	-	1.0	-	1.0
Equity income (loss), net of distributions	(19.3)	(0.5)	(16.3)	-	36.2	0.1
Other non-cash items	0.3	(0.2)	-	0.2	-	0.3
Net change in non-cash working capital	(10.2)	(7.9)	(2.0)	7.4	-	(12.7)
Cash provided by (used in) operating activities	(13.5)	17.0	1.6	15.1	(1.2)	19.0
INVESTING ACTIVITIES						
Additions to property, plant and equipment	(1.5)	(7.5)	(0.4)	(1.9)	-	(11.3)
Acquisitions and equity investments	-	(17.7)	-	-	-	(17.7)
Advances to affiliates	3.5	-	(6.5)	-	3.0	-
Investment in subsidiary	(5.0)	-	-	-	5.0	-
Other	(0.2)	-	-	-	-	(0.2)
Cash used in investing activities	(3.2)	(25.2)	(6.9)	(1.9)	8.0	(29.2)
FINANCING ACTIVITIES						
Payments of long-term debt	-	(0.3)	-	(1.9)	-	(2.2)
Short-term borrowings	1.2	0.7	0.3	(0.1)	-	2.1
Advances from affiliates	-	6.5	-	(3.5)	(3.0)	-
Distributions to subsidiary minority shareowner	-	-	-	(1.2)	-	(1.2)
Issue of common shares	2.2	-	5.0	-	(5.0)	2.2
Dividends paid	-	-	-	(1.2)	1.2	-
Other	-	-	(0.1)	-	-	(0.1)
Cash provided by (used in) financing activities	3.4	6.9	5.2	(7.9)	(6.8)	0.8
Effect of exchange rate changes on cash	(0.1)	-	-	0.1	-	-
NET INCREASE (DECREASE) IN CASH	(13.4)	(1.3)	(0.1)	5.4	-	(9.4)
CASH, BEGINNING OF PERIOD	13.4	(0.6)	0.1	5.5	-	18.4
CASH, END OF PERIOD	\$ -	\$ (1.9)	\$ -	\$ 10.9	\$ -	\$ 9.0

COTT CORPORATION
CONSOLIDATING STATEMENTS OF INCOME

(in millions of U.S. dollars, unaudited)

	FOR THE THREE MONTHS ENDED MARCH 29, 2003						
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED	
SALES	\$ 42.8	\$ 208.7	\$ 9.9	\$ 46.5	\$ (12.6)	\$ 295.3	
Cost of sales	37.2	164.6	9.0	40.7	(12.6)	238.9	
GROSS PROFIT	5.6	44.1	0.9	5.8	-	56.4	
Selling, general and administrative expenses	5.0	20.0	1.1	5.5	-	31.6	
OPERATING INCOME (LOSS)	0.6	24.1	(0.2)	0.3	-	24.8	
Other expense (income), net	0.5	0.1	-	(0.1)	-	0.5	
Interest expense (income), net	-	8.8	(1.1)	-	-	7.7	
Minority interest	-	-	-	0.6	-	0.6	
INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY INCOME (LOSS)	0.1	15.2	0.9	(0.2)	-	16.0	
Income taxes	(0.1)	(5.3)	-	-	-	(5.4)	
Equity income (loss)	10.5	0.4	10.5	-	(21.5)	(0.1)	
NET INCOME (LOSS)	\$ 10.5	\$ 10.3	\$ 11.4	\$ (0.2)	\$ (21.5)	\$ 10.5	

COTT CORPORATION
CONSOLIDATING BALANCE SHEETS

(in millions of U.S. dollars)

AS OF JANUARY 3, 2004

	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
ASSETS						
Current assets						
Cash	\$ 13.4	\$ (0.6)	\$ 0.1	\$ 5.5	\$ -	\$ 18.4
Accounts receivable	46.6	89.2	11.6	41.5	(40.1)	148.8
Inventories	16.3	54.1	4.3	19.7	-	94.4
Prepaid expenses	1.9	1.2	0.8	1.6	-	5.5
	78.2	143.9	16.8	68.3	(40.1)	267.1
Property, plant and equipment	56.1	154.7	21.2	82.3	-	314.3
Goodwill	21.2	46.1	13.5	0.8	-	81.6
Intangibles and other assets	2.2	181.4	12.6	49.6	-	245.8
Due from affiliates	57.5	4.8	87.9	275.4	(425.6)	-
Investments in subsidiaries	252.2	76.0	4.8	-	(333.0)	-
	\$ 467.4	\$ 606.9	\$ 156.8	\$ 476.4	\$ (798.7)	\$ 908.8
LIABILITIES						
Current liabilities						
Short-term borrowings	\$ -	\$ 72.2	\$ 1.0	\$ 4.9	\$ -	\$ 78.1
Current maturities of long-term debt	-	1.1	-	2.2	-	3.3
Accounts payable and accrued liabilities	47.0	80.9	6.4	46.3	(40.1)	140.5
	47.0	154.2	7.4	53.4	(40.1)	221.9
Long-term debt	-	275.7	-	-	-	275.7
Due to affiliates	65.9	91.1	210.5	58.1	(425.6)	-
Deferred income taxes	9.4	24.4	2.4	4.3	-	40.5
	122.3	545.4	220.3	115.8	(465.7)	538.1
Minority interest	-	-	-	25.6	-	25.6
SHAREOWNERS' EQUITY						
Capital stock						
Common shares	267.9	275.8	137.7	451.4	(864.9)	267.9
Retained earnings (deficit)	83.3	(214.3)	(201.2)	(94.1)	509.6	83.3
Accumulated other comprehensive loss	(6.1)	-	-	(22.3)	22.3	(6.1)
	345.1	61.5	(63.5)	335.0	(333.0)	345.1
	\$ 467.4	\$ 606.9	\$ 156.8	\$ 476.4	\$ (798.7)	\$ 908.8

COTT CORPORATION
CONSOLIDATING STATEMENTS OF CASH FLOWS

(in millions of U.S. dollars, unaudited)

FOR THE THREE MONTHS ENDED MARCH 29, 2003

	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
OPERATING ACTIVITIES						
Net income (loss)	\$ 10.5	\$ 10.3	\$ 11.4	\$ (0.2)	\$ (21.5)	\$ 10.5
Depreciation and amortization	1.8	5.9	1.5	2.9	-	12.1
Amortization of financing fees	-	0.9	-	-	-	0.9
Deferred income taxes	-	2.1	-	-	-	2.1
Minority interest	-	-	-	0.6	-	0.6
Equity income (loss), net of distributions	(10.5)	0.8	(10.5)	-	20.3	0.1
Other non-cash items	0.3	(0.2)	-	0.2	-	0.3
Net change in non-cash working capital from continuing operations	(3.8)	5.1	(1.4)	(1.6)	-	(1.7)
Cash provided by (used in) operating activities	(1.7)	24.9	1.0	1.9	(1.2)	24.9
INVESTING ACTIVITIES						
Additions to property, plant and equipment	(2.8)	(2.3)	(0.3)	(4.7)	-	(10.1)
Acquisitions and equity investments	-	-	-	(0.3)	-	(0.3)
Advances to affiliates	1.9	(0.1)	(1.1)	(5.0)	4.3	-
Investment in subsidiary	(3.0)	-	-	-	3.0	-
Cash used in investing activities	(3.9)	(2.4)	(1.4)	(10.0)	7.3	(10.4)
FINANCING ACTIVITIES						
Payments of long-term debt	-	(37.9)	-	(0.1)	-	(38.0)
Short-term borrowings	4.5	9.3	0.7	7.2	-	21.7
Advances from affiliates	-	6.1	-	(1.8)	(4.3)	-
Distributions to subsidiary minority shareowner	-	-	-	(1.2)	-	(1.2)
Issue of common shares	1.1	-	-	3.0	(3.0)	1.1
Dividends paid	-	-	-	(1.2)	1.2	-
Cash provided by (used in) financing activities	5.6	(22.5)	0.7	5.9	(6.1)	(16.4)
Effect of exchange rate changes on cash	-	-	-	-	-	-
NET INCREASE (DECREASE) IN CASH	-	-	0.3	(2.2)	-	(1.9)
CASH, BEGINNING OF PERIOD	-	-	0.1	3.2	-	3.3
CASH, END OF PERIOD	\$ -	\$ -	\$ 0.4	\$ 1.0	\$ -	\$ 1.4

EXHIBIT 31.1

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

I, Frank E. Weise III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cott Corporation;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects, the financial condition, results of operations and cash flows of Cott Corporation as of, and for, the periods presented in this quarterly report;
4. Cott Corporation'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)) for Cott Corporation 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 Cott Corporation, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) evaluated the effectiveness of Cott Corporation's disclosure controls and procedures and presented in this quarterly 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
 - (c) disclosed in this quarterly report any change in Cott Corporation's internal control over financial reporting that occurred during Cott Corporation's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, Cott Corporation's internal control over financial reporting; and
5. Cott Corporation's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Cott Corporation's auditors and the audit committee of Cott Corporation's board of directors (or persons performing the equivalent function):
 - (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 Cott Corporation'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 Cott Corporation's internal control over financial reporting.

May 6, 2004

*/s/ Frank E. Weise III
Frank E. Weise III
Chairman and Chief Executive Officer*

EXHIBIT 31.2

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

I, Raymond P. Silcock, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cott Corporation;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects, the financial condition, results of operations and cash flows of Cott Corporation as of, and for, the periods presented in this quarterly report;
4. Cott Corporation'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)) for Cott Corporation 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 Cott Corporation, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) evaluated the effectiveness of Cott Corporation's disclosure controls and procedures and presented in this quarterly 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
 - (c) disclosed in this quarterly report any change in Cott Corporation's internal control over financial reporting that occurred during Cott Corporation's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, Cott Corporation's internal control over financial reporting; and
5. Cott Corporation's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Cott Corporation's auditors and the audit committee of Cott Corporation's board of directors (or persons performing the equivalent function):
 - (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 Cott Corporation'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 Cott Corporation's internal control over financial reporting.

May 6, 2004

*/s/ Raymond P. Silcock
Raymond P. Silcock
Executive Vice-President and Chief
Financial Officer*

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

The undersigned, Frank E. Weise III, Chairman and 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, 2004 (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 6th day of May, 2004.

/s/ Frank E. Weise III

*Frank E. Weise III
Chairman and Chief Executive Officer
May 6, 2004*

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

The undersigned, Raymond P. Silcock, Executive Vice-President and 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, 2004 (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 6th day of May, 2004.

/s/ Raymond P. Silcock

*Raymond P. Silcock
Executive Vice-President and Chief Financial Officer
May 6, 2004*