PRIMO WATER CORP /CN/

FORM 10-Q
(Quarterly Report)

Filed 05/07/12 for the Period Ending 03/31/12

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: March 31, 2012

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

For the transition period from to

Commission File Number: 001-31410

COTT CORPORATION
(Exact name of registrant as specified in its charter)

CANADA (State or Other Jurisdiction of Incorporation or Organization)	**98-0154711** (IRS Employer Identification No.)
6525 VISCOUNT ROAD **MISSISSAUGA, ONTARIO** **5519 WEST IDLEWILD AVE** **TAMPA, FLORIDA** (Address of principal executive offices)	**L4V 1H6** **33634** (Zip Code)

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

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

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

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

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

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

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

Class	Outstanding at May 2, 2012
Common Stock, no par value per share	95,101,230 shares

Table of Contents

Table of Contents

PART I – F INANCIAL INFORMATION

Item 1. Financ ial Statements

Cott Corporation
Consolidated St atements of Operations

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

	For the Three Months Ended	
	March 31, 2012	April 2, 2011
Revenue, net	**$ 523.8**	$ 534.1
Cost of sales	**460.4**	464.5
Gross profit	**63.4**	69.6
Selling, general and administrative expenses	**41.8**	45.1
Loss on disposal of property, plant & equipment	**0.6**	—
Operating income	**21.0**	24.5
Other (income) expense, net	**(0.2)**	0.8
Interest expense, net	**14.0**	14.4
Income before income taxes	**7.2**	9.3
Income tax expense	**0.4**	1.6
Net income	**$ 6.8**	$ 7.7
Less: Net income attributable to non-controlling interests	**0.9**	0.9
Net income attributed to Cott Corporation	**$ 5.9**	$ 6.8
Net income per common share attributed to Cott Corporation		
Basic	**$ 0.06**	$ 0.07
Diluted	**$ 0.06**	$ 0.07
Weighted average outstanding shares (thousands) attributed to Cott Corporation		
Basic	**94,427**	94,076
Diluted	**95,702**	95,328

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

Table of Contents

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

	For the Three Months Ended	
	March 31, 2012	**April 2, 2011**
Net income	**$ 6.8**	$ 7.7
Other comprehensive income (loss):		
Currency translation adjustment	**8.2**	9.5
Pension benefit plan, net of tax [1]	**(0.5)**	0.2
Unrealized (loss) gain on derivative instruments, net of tax [2]	**(0.3)**	0.2
Total other comprehensive income	**7.4**	9.9
Comprehensive income	**$ 14.2**	$ 17.6
Less: Comprehensive income attributable to non-controlling interests	**0.8**	0.9
Comprehensive income attributed to Cott Corporation	**$ 13.4**	$ 16.7

1 Net of the effect of nil and $0.1 million tax benefit for the three months ended March 31, 2012 and April 2, 2011.
2 Net of the effect of a $0.1 million tax benefit and $0.1 million tax expense for the three months ended March 31, 2012 and April 2, 2011.

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

Table of Contents

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

	March 31, 2012	December 31, 2011
ASSETS		
Current assets		
Cash & cash equivalents	**$ 31.6**	$ 100.9
Accounts receivable, net of allowance of $5.9 ($5.7 as of December 31, 2011)	**234.6**	210.8
Income taxes recoverable	**9.4**	9.9
Inventories	**228.5**	210.0
Prepaid expenses and other assets	**21.1**	19.3
Total current assets	**525.2**	550.9
Property, plant & equipment	**490.6**	482.2
Goodwill	**130.3**	129.6
Intangibles and other assets	**335.8**	341.1
Deferred income taxes	**5.0**	4.1
Other tax receivable	**1.1**	1.0
Total assets	**$ 1,488.0**	$ 1,508.9
LIABILITIES AND EQUITY		
Current liabilities		
Current maturities of long-term debt	**$ 2.5**	$ 3.4
Accounts payable and accrued liabilities	**245.5**	281.1
Total current liabilities	**248.0**	284.5
Long-term debt	**602.3**	602.1
Deferred income taxes	**35.1**	34.1
Other long-term liabilities	**20.5**	20.0
Total liabilities	**905.9**	940.7
Equity		
Capital stock, no par - 95,101,230 (December 31, 2011 - 95,101,230) shares issued	**395.9**	395.9
Treasury stock	**(2.1)**	(2.1)
Additional paid-in-capital	**43.4**	42.6
Retained earnings	**150.0**	144.1
Accumulated other comprehensive loss	**(17.2)**	(24.7)
Total Cott Corporation equity	**570.0**	555.8
Non-controlling interests	**12.1**	12.4
Total equity	**582.1**	568.2
Total liabilities and equity	**$ 1,488.0**	$ 1,508.9

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

Table of Contents

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

	For the Three Months Ended	
	March 31, 2012	April 2, 2011
Operating Activities		
Net income	**$ 6.8**	$ 7.7
Depreciation & amortization	**23.8**	23.6
Amortization of financing fees	**1.2**	0.9
Share-based compensation expense	**0.8**	1.1
Increase in deferred income taxes	**—**	0.9
Loss on disposal of property, plant & equipment	**0.6**	—
Other non-cash items	**(0.4)**	0.2
Change in operating assets and liabilities, net of acquisition:		
Accounts receivable	**(20.5)**	(29.4)
Inventories	**(16.5)**	(6.1)
Prepaid expenses and other assets	**(1.8)**	0.3
Other assets	**1.0**	(0.1)
Accounts payable and accrued liabilities	**(38.4)**	(21.9)
Income taxes recoverable	**0.3**	(2.8)
Net cash used in operating activities	**(43.1)**	(25.6)
Investing Activities		
Acquisition	**(5.0)**	—
Additions to property, plant & equipment	**(17.7)**	(12.5)
Additions to intangibles and other assets	**(2.7)**	—
Proceeds from sale of property, plant & equipment	**—**	0.1
Net cash used in investing activities	**(25.4)**	(12.4)
Financing Activities		
Payments of long-term debt	**(1.2)**	(1.3)
Borrowings under ABL	**7.0**	99.8
Payments under ABL	**(7.0)**	(72.5)
Distributions to non-controlling interests	**(1.1)**	(1.6)
Net cash (used in) provided by financing activities	**(2.3)**	24.4
Effect of exchange rate changes on cash	**1.5**	1.2
Net decrease in cash & cash equivalents	**(69.3)**	(12.4)
Cash & cash equivalents, beginning of period	**100.9**	48.2
Cash & cash equivalents, end of period	**$ 31.6**	$ 35.8
Supplemental Disclosures of Cash Flow information:		
Cash paid for interest	**$ 16.0**	$ 17.7
Cash paid for income taxes, net	**$ 0.2**	$ 3.4

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

Cott Corporation
Consolidated Statements of Equ ity
(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	Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total Equity
Balance at January 1, 2011	**94,750**	**1,051**	**$ 395.6**	**$ (3.2)**	**$ 40.8**	**$ 106.5**	**$ (17.5)**	**$ 13.0**	**$535.2**
Treasury shares issued - PSU Plan	—	(181)	—	0.5	(0.5)	—	—	—	—
Treasury shares issued - EISPP	—	(196)	—	0.6	(0.6)	—	—	—	—
Share-based compensation	—	—	—	—	1.1	—	—	—	1.1
Distributions to non-controlling interests	—	—	—	—	—	—	—	(1.6)	(1.6)
Comprehensive income									
Currency translation adjustment	—	—	—	—	—	—	9.5	—	9.5
Pension benefit plan, net of tax	—	—	—	—	—	—	0.2	—	0.2
Unrealized gain on derivative instruments, net of tax	—	—	—	—	—	—	0.2	—	0.2
Net income	—	—	—	—	—	6.8	—	0.9	7.7
Balance at April 2, 2011	**94,750**	**674**	**$ 395.6**	**$ (2.1)**	**$ 40.8**	**$ 113.3**	**$ (7.6)**	**$ 12.3**	**$552.3**
Balance at December 31, 2011	**95,101**	**674**	**$ 395.9**	**$ (2.1)**	**$ 42.6**	**$ 144.1**	**$ (24.7)**	**$ 12.4**	**$568.2**
Share-based compensation	—	—	—	—	0.8	—	—	—	0.8
Distributions to non-controlling interests	—	—	—	—	—	—	—	(1.1)	(1.1)
Comprehensive income									
Currency translation adjustment	—	—	—	—	—	—	8.3	(0.1)	8.2
Pension benefit plan, net of tax	—	—	—	—	—	—	(0.5)	—	(0.5)
Unrealized loss on derivative instruments, net of tax	—	—	—	—	—	—	(0.3)	—	(0.3)
Net income	—	—	—	—	—	5.9	—	0.9	6.8
Balance at March 31, 2012	**95,101**	**674**	**$ 395.9**	**$ (2.1)**	**$ 43.4**	**$ 150.0**	**$ (17.2)**	**$ 12.1**	**$582.1**

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

Cott Corporation
Notes to the Consolidated Financial Statements
Unaudited

Note 1 – Business and Recent Accounting Pronouncements

Description of Business

Cott Corporation, together with its consolidated subsidiaries ("Cott," "the Company," "our Company," "Cott Corporation," "we," "us," or "our"), is one of the world's largest beverage companies focusing on private-label products and contract manufacturing. Our product lines include carbonated soft drinks ("CSDs"), clear, still and sparkling flavored waters, energy-related drinks, juice, 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 December 31, 2011. 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.

During the first quarter of 2012, we recorded out-of-period adjustments which increased income before income taxes by approximately $1.0 million, which related to 2011 and were associated with accounts payable and accrued liabilities. We evaluated the total out-of-period adjustments in relation to the current period, which is when the adjustments were recorded, as well as the period in which they originated and concluded that these adjustments are not material to either the consolidated quarterly or annual financial statements for all impacted periods.

Recent Accounting Pronouncements

ASU 2011-05— Comprehensive Income: Presentation of Comprehensive Income

In June 2011, the Financial Accounting Standards Board ("FASB") amended its guidance on the presentation of comprehensive income in financial statements to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items that are recorded in other comprehensive income. The new accounting guidance requires entities to report components of comprehensive income in either (i) a continuous statement of comprehensive income or (ii) two separate but consecutive statements. The provisions of this new guidance are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. We have adopted this guidance and presented the components of comprehensive income in two separate but consecutive statements. This standard impacts the presentation and does not have a financial impact on our consolidated financial statements.

ASU 2011-08— Intangibles-Goodwill and Other: Testing Goodwill for Impairment

In September 2011, the FASB amended its guidance in regards to testing goodwill for impairment to address concern raised about the cost and complexity of performing the first step of the two-step goodwill impairment test required under Accounting Standards Codification ("ASC") Topic 350 – "Intangibles-Goodwill and Other". The objective of this update is to simplify how entities, both public and nonpublic, test goodwill for impairment. The amendments in the update permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. The amendments are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We have adopted this guidance and are currently evaluating the impact on our consolidated financial statements.

Note 2 – Acquisitions

On August 17, 2010, we completed the acquisition of substantially all of the assets and liabilities of Cliffstar Corporation ("Cliffstar") and its affiliated companies for approximately $503.0 million in cash, $14.0 million in deferred consideration to be paid over three years, of which $4.7 million was paid during the third quarter of 2011, and contingent consideration of up to $55.0 million (the "Cliffstar Acquisition"). The first $15.0 million of the contingent consideration was based upon the achievement of milestones in certain expansion projects in 2010, which were achieved in 2010. The remainder of the contingent consideration was based on the achievement of certain performance measures during the fiscal year ended January 1, 2011.

We were notified on May 9, 2011 by the seller of Cliffstar of certain objections to the performance measures used to calculate the contingent consideration, and the seller asserted a claim for amounts in excess of the amounts accrued as contingent consideration at July 2, 2011. During the third and fourth quarters of 2011, Cott made interim payments to the seller equal to $21.0 million and $8.6 million, respectively. The payment of $21.0 million was net of a $4.7 million refund due to Cott as a result of the final determination of working capital, and the payment of $8.6 million included $0.9 million in settlement of certain of the seller's objections to the calculation of the contingent consideration. The seller's remaining objections to the calculation of the contingent consideration are subject to an ongoing binding arbitration process under the terms of the asset purchase agreement. The seller is seeking up to $12.1 million in additional contingent consideration. The final resolution of these matters may result in amounts payable to the seller that vary materially from our current estimated fair value. We are currently unable to predict the ultimate outcome of this action. Any changes in the fair value of contingent consideration will be recorded in our Consolidated Statements of Operations.

During the first quarter of 2012, our United Kingdom ("U.K.") reporting segment acquired a beverage and wholesale business based in Scotland for $5.0 million. The identified assets, which included inventory, property, plant and equipment, and intangibles, were recorded at their estimated fair values per preliminary valuations and may change based on final valuations. The acquisition did not have a material impact on our financial statements.

Note 3 – Share-Based Compensation

The table below summarizes the share-based compensation expense for the three months ended March 31, 2012 and April 2, 2011. This share-based compensation expense was recorded in selling, general, and administrative expenses in our Consolidated Statements of Operations. As used below: (i) "Performance-based RSUs" mean restricted share units with performance-based vesting granted under the Company's 2010 Equity Incentive Plan (the "2010 Equity Incentive Plan"), (ii) "Time-based RSUs" mean restricted share units with time-based vesting granted under the 2010 Equity Incentive Plan, and (iii) "Stock options" mean non-qualified stock options granted under the 2010 Equity Incentive Plan and the Restated 1986 Common Share Option Plan (the "1986 Option Plan").

	For the Three Months Ended	
(in millions of U.S. dollars)	**March 31, 2012**	**April 2, 2011**
Stock options	**$ 0.1**	$ —
Performance-based RSUs	**—**	0.5
Time-based RSUs	**0.7**	0.6
Total	**$ 0.8**	**$ 1.1**

As of March 31, 2012, the unrecognized share-based compensation expense and years we expect to recognize as future compensation expense were as follows:

(in millions of U.S. dollars)	Unrecognized share-based compensation expense as of March 31, 2012	Weighted average years expected to recognize compensation
Stock options	$ 1.5	2.8
Performance-based RSUs	2.1	2.8
Time-based RSUs	5.8	1.8
Total	$ 9.4	

Stock option activity for the three months ended March 31, 2012 was as follows:

	Shares *(in thousands)*	Weighted average exercise price *(Canadian $)*
Balance at December 31, 2011	284	$ 20.47
Awarded	385	6.58
Exercised	—	—
Forfeited or expired	(25)	29.95
Outstanding at March 31, 2012	644	10.24
Exercisable at March 31, 2012	259	$ 19.56

During the three months ended March 31, 2012 Performance-based RSU and Time-based RSU activity was as follows:

(in thousands of shares)	Number of Performance-based RSUs	Number of Time-based RSUs
Balance at December 31, 2011	2,319	1,548
Awarded	331	442
Forfeited	(49)	(29)
Outstanding at March 31, 2012	2,601	1,961

Stock options awarded during the three months ended March 31, 2012 were granted under the 2010 Equity Incentive Plan. Stock options outstanding at December 31, 2011 were granted under the1986 Option Plan. The board terminated the 1986 Option Plan, effective as of February 23, 2011. In connection with the termination of the 1986 Option Plan, outstanding options will continue in accordance with the terms of the 1986 Option Plan until exercised, forfeited or terminated, as applicable. No further awards will be granted under the 1986 Option Plan.

Average Canadian to U.S. Dollar Exchange Rate for the Three Months Ended March 31, 2012

The weighted average exercise prices for options in Note 3 are disclosed in Canadian dollars. The table below represents the average Canadian dollar to U.S. dollar exchange rate for the three months ended March 31, 2012:

	For the Three Months Ended March 31, 2012
Average exchange rate	$ **1.001**

Note 4 – Income Taxes

Income tax expense was $0.4 million on pretax income of $7.2 million for the three months ended March 31, 2012, as compared to an income tax expense of $1.6 million on pretax income of $9.3 million for the three months ended April 2, 2011. The first quarter's income tax expense was reduced by an adjustment of $0.9 million related to an audit settlement. During the second quarter of 2011, we completed a reorganization of our legal entity structure and refinanced intercompany debt. As a result of these activities, our annual effective tax rate is expected to be lower than our statutory rate for the current year.

Note 5 – Net Income Per Common Share

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

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

	For the Three Months Ended	
(in thousands of shares)	March 31, 2012	April 2, 2011
Weighted average number of shares outstanding - basic	**94,427**	94,076
Dilutive effect of stock options	**30**	196
Dilutive effect of Performance-based RSUs	**114**	430
Dilutive effect of Time-based RSUs	**1,131**	626
Adjusted weighted average number of shares outstanding - diluted	**95,702**	**95,328**

We excluded 183,500 (April 2, 2011 – 354,000) stock options from the computation of diluted net income per share because the options' exercise price was greater than the average market price of the common shares. Shares purchased on the open market and held by independent trusts are categorized as treasury shares under applicable accounting rules. We excluded 674,397 (April 2, 2011 – 674,397) treasury shares held in various trusts in the calculation of basic and diluted earnings per share.

[Table of Contents](#)

Note 6 – Segment Reporting

We produce, package and distribute private-label CSDs, clear, still and sparkling flavored waters, energy-related drinks, juice, juice-based products, bottled water and ready-to-drink teas to regional and national grocery, mass-merchandise and wholesale chains and customers in the dollar convenience and drug channels through five reporting segments – North America (which includes our U.S. operating segment and our Canada operating segment), U.K. (which includes our United Kingdom reporting unit and our Continental European reporting unit), Mexico, Royal Crown International ("RCI") and All Other.

(in millions of U.S. dollars)	North America	United Kingdom	Mexico	RCI	All Other	Total
For the Three Months Ended March 31, 2012						
External revenue [1]	**$ 408.1**	**$ 99.2**	**$ 9.1**	**$ 7.4**	**$ —**	**$ 523.8**
Depreciation and amortization	**20.1**	**3.3**	**0.4**	**—**	**—**	**23.8**
Operating income (loss)	**17.3**	**3.2**	**(1.3)**	**1.8**	**—**	**21.0**
Additions to property, plant & equipment	**12.6**	**5.0**	**0.1**	**—**	**—**	**17.7**
As of March 31, 2012						
Property, plant & equipment	**$ 382.5**	**$ 98.4**	**$ 9.7**	**$ —**	**$ —**	**$ 490.6**
Goodwill	**125.8**	**—**	**—**	**4.5**	**—**	**130.3**
Intangibles and other assets	**321.2**	**14.2**	**0.4**	**—**	**—**	**335.8**
Total assets [2]	**1,209.5**	**235.0**	**29.5**	**13.3**	**0.7**	**1,488.0**

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

2 Excludes intersegment receivables, investments and notes receivable.

(in millions of U.S. dollars)	North America	United Kingdom	Mexico	RCI	All Other	Total
For the Three Months Ended April 2, 2011						
External revenue [1]	$ 428.8	$ 86.3	$ 11.4	$ 7.6	$ —	$ 534.1
Depreciation and amortization	19.7	3.4	0.5	—	—	23.6
Operating income (loss)	20.8	3.0	(1.5)	2.2	—	24.5
Additions to property, plant & equipment	10.2	2.3	—	—	—	12.5
As of December 31, 2011						
Property, plant & equipment	$ 383.1	$ 89.8	$ 9.3	$ —	$ —	$ 482.2
Goodwill	125.1	—	—	4.5	—	129.6
Intangibles and other assets	326.1	14.6	0.4	—	—	341.1
Total assets [2]	1,231.3	237.0	28.4	11.3	0.9	1,508.9

1 Intersegment revenue between North America and the other reporting segments was $4.2 million for the three months ended April 2, 2011.

2 Excludes intersegment receivables, investments and notes receivable.

For the three months ended March 31, 2012, sales to Walmart accounted for 31.6% (April 2, 2011 – 33.0%) of our total revenues, 36.0% of our North America reporting segment revenues (April 2, 2011 – 36.7%), 16.8% of our U.K. reporting segment revenues (April 2, 2011 – 15.4%), and 24.4% of our Mexico reporting segment revenues (April 2, 2011 – 52.0%).

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

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

(in millions of U.S. dollars)	For the Three Months Ended March 31, 2012	April 2, 2011
United States	**$ 366.2**	$ 388.7
Canada	**53.8**	52.1
United Kingdom	**99.2**	86.3
Mexico	**9.1**	11.4
RCI	**7.4**	7.6
Elimination [1]	**(11.9)**	(12.0)
	$ 523.8	**$ 534.1**

1 Represents intersegment revenue among our operating segments, of which $4.1 million represents intersegment revenue between the North America reporting segment and our other operating segments for the three months ended March 31, 2012, and $4.2 million represents intersegment revenue between the North America reporting segment and our other operating segments for the three months ended April 2, 2011.

Revenues by product were as follows:

For the Three Months Ended March 31, 2012 (in millions of U.S. dollars)	North America	United Kingdom	Mexico	RCI	Total
Revenue					
Carbonated soft drinks	**$ 163.8**	**$ 33.7**	**$ 5.6**	**$ —**	**$ 203.1**
Juice	**133.9**	**3.1**	**0.1**	**—**	**137.1**
Concentrate	**2.9**	**0.8**	**—**	**7.4**	**11.1**
All other products	**107.5**	**61.6**	**3.4**	**—**	**172.5**
Total	**$ 408.1**	**$ 99.2**	**$ 9.1**	**$ 7.4**	**$ 523.8**

For the Three Months Ended April 2, 2011 (in millions of U.S. dollars)	North America	United Kingdom	Mexico	RCI	Total
Revenue					
Carbonated soft drinks	$ 156.3	$ 42.4	$ 9.3	$ —	$ 208.0
Juice	160.0	2.2	0.8	—	163.0
Concentrate	2.3	0.2	—	7.6	10.1
All other products	110.2	41.5	1.3	—	153.0
Total	**$ 428.8**	**$ 86.3**	**$ 11.4**	**$ 7.6**	**$ 534.1**

Property, plant and equipment by operating segment as of March 31, 2012 and December 31, 2011 was as follows:

(in millions of U.S. dollars)	March 31, 2012	December 31, 2011
United States	**$ 334.8**	$ 336.2
Canada	**47.7**	46.9
United Kingdom	**98.4**	89.8
Mexico	**9.7**	9.3
	$ 490.6	**$ 482.2**

Note 7 – Inventories

The following table summarizes inventories as of March 31, 2012 and December 31, 2011:

(in millions of U.S. dollars)	March 31, 2012	December 31, 2011
Raw materials	**$ 87.5**	$ 87.3
Finished goods	**120.5**	102.3
Other	**20.5**	20.4
	$ 228.5	**$ 210.0**

Table of Contents

Note 8 – Intangibles and Other Assets

The following table summarizes intangibles and other assets as of March 31, 2012:

(in millions of U.S. dollars)	March 31, 2012 Cost	Accumulated Amortization	Net
Intangibles			
Not subject to amortization			
Rights	$ 45.4	$ —	$ 45.4
Subject to amortization			
Customer relationships	$ 367.0	$ 124.3	$ 242.7
Trademarks	28.1	22.1	6.0
Information technology	68.9	55.3	13.6
Other	11.5	6.5	5.0
	475.5	208.2	267.3
	520.9	208.2	312.7
Other Assets			
Financing costs	$ 23.2	$ 8.5	$ 14.7
Deposits	7.2	—	7.2
Other	1.4	0.2	1.2
	31.8	8.7	23.1
Total Intangibles & Other Assets	$ 552.7	$ 216.9	$ 335.8

Amortization expense of intangible and other assets was $9.0 million for the three months ended March 31, 2012 and $8.9 million for the three months ended April 2, 2011.

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

(in millions of U.S. dollars)	
Remainder of 2012	$ 24.2
2013	30.0
2014	28.1
2015	25.9
2016	22.6
Thereafter	136.5
	$267.3

Our only intangible asset with an indefinite life relates to the 2001 acquisition of intellectual property from Royal Crown Company, Inc. including the right to manufacture our concentrates, with all related inventions, processes, technologies, technical and manufacturing information, know-how and the use of the Royal Crown brand outside of North America and Mexico (the “Rights”). The Rights are not subject to amortization.

Note 9 – Debt

Our total debt as of March 31, 2012 and December 31, 2011 was as follows:

(in millions of U.S. dollars)	**March 31, 2012**	**December 31, 2011**
8.375% senior notes due in 2017 [1]	**$ 215.0**	$ 215.0
8.125% senior notes due in 2018	**375.0**	375.0
GE obligation	**11.4**	12.4
Other capital leases	**4.3**	4.1
Other debt	**1.5**	1.5
Total debt	**607.2**	608.0
Less: Current debt		
GE obligation - current maturities	**1.7**	2.6
Other capital leases - current maturities	**0.6**	0.6
Other debt - current maturities	**0.2**	0.2
Total current debt	**2.5**	3.4
Long-term debt before discount	**604.7**	604.6
Less discount on 8.375% notes	**(2.4)**	(2.5)
Total long-term debt	**$ 602.3**	**$ 602.1**

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

Debt

Asset Based Lending Facility

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

As of March 31, 2012, we had no outstanding borrowings under the ABL facility. The commitment fee was 0.5% per annum of the unused commitment, which was $263.9 million as of March 31, 2012.

8.125% Senior Notes due in 2018

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

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

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

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

Note 10 – Commitments and Contingencies

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

We are currently involved in legal matters related to various contract disputes. We intend to vigorously defend against all claims in these lawsuits; however, we are presently unable to predict the ultimate outcome of these actions.

As of December 31, 2011, our accrued liability for litigation contingencies with a probable likelihood of loss was $2.9 million related to a single contingency. We settled this legal matter for an amount not materially different than our accrued liability.

On August 17, 2010, we completed the Cliffstar Acquisition. The first $15.0 million of the maximum of $55.0 million of contingent consideration was based upon the achievement of milestones in certain expansion projects in 2010, which were achieved in 2010. The remainder of the contingent consideration was based on the achievement of certain performance measures during the fiscal year ended January 1, 2011.

We were notified on May 9, 2011 by the seller of Cliffstar of certain objections to the performance measures used to calculate the contingent consideration, and the seller asserted a claim for amounts in excess of the amounts accrued as contingent consideration at July 2, 2011. The seller's remaining objections to the calculation of the contingent consideration are subject to an ongoing binding arbitration process under the terms of the asset purchase agreement. The seller is seeking up to $12.1 million in additional contingent consideration. The final resolution of these matters may result in amounts payable to the seller that vary materially from our current estimated fair value. We are currently unable to predict the ultimate outcome of this action. Any changes in the fair value of contingent consideration will be recorded in our Consolidated Statements of Operations.

We had $11.1 million in standby letters of credit outstanding as of March 31, 2012 (April 2, 2011 – $9.1 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 future liabilities under the Amended and Restated Performance Share Unit Plan (the "PSU Plan") and the Restated Executive Incentive Share Purchase Plan (the "Restated EISPP"). As of March 31, 2012, 0.7 million shares were held in trust, and accounted for as treasury shares under applicable accounting rules. Treasury shares are reported at cost.

Subsequent to the adoption of the 2010 Equity Incentive Plan on May 4, 2010, the Human Resources and Compensation Committee of the Board of Directors determined that certain of Cott's long-term incentive plans were no longer needed and terminated the PSU Plan and the Restated EISPP effective February 23, 2011. No further awards will be granted under such plans, as future awards will be made under the Company's 2010 Equity Incentive Plan. On May 1, 2012, our Board of Directors authorized the repurchase of up to $35 million of our common shares in the open market or through privately negotiated transactions over a 12-month period through either a 10b5-1 automatic trading plan or at management's discretion. The timing and actual number of shares purchased will depend on a variety of factors such as price, corporate and regulatory requirements, and prevailing market conditions. We may terminate or limit the share repurchase program at any time without prior notice.

Note 12 – Hedging Transactions and Derivative Financial Instruments

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

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

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

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

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

We estimate the fair values of our derivatives based on quoted market prices or pricing models using current market rates (refer to Note 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. We do not view the fair values of our derivatives in isolation, but rather in relation to the fair values or cash flows of the underlying hedged transactions. All of our derivatives are 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. We mitigate pre-settlement risk by being permitted to net settle for transactions with the same counterparty.

Cash Flow Hedging Strategy

We use cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in foreign currency exchange rates. The changes in the fair values of derivatives designated as cash flow hedges are recorded in AOCI and are reclassified into the line item in the Consolidated Statements of Operations in which the hedged items are recorded in the same period the hedged items affect earnings. The changes in fair values of hedges that are determined to be ineffective are immediately reclassified from AOCI into earnings. We did not discontinue any cash flow hedging relationships during the three months ended March 31, 2012. The maximum length of time over which we hedge our exposure to future cash flows is typically one year.

We maintain a foreign currency cash flow hedging program to reduce the risk that our procurement activities will be adversely affected by changes in foreign currency exchange rates. We enter into forward contracts to hedge certain portions of forecasted cash flows denominated in foreign currencies. 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 our foreign currency cash flow hedging program as of March 31, 2012 was approximately $15.2 million.

The fair value of the Company’s derivative instrument liabilities was $0.3 million as of March 31, 2012.

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 March 31, 2012.

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.

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

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

	March 31, 2012				
(in millions of U.S. dollars)	Level 1	Level 2	Level 3	Netting Adjustment	Fair Value Measurements
Liabilities					
Derivatives	**$ —**	**$ 0.3**	**$ —**	**$ —**	**$ 0.3**
Total Liabilities	**$ —**	**$ 0.3**	**$ —**	**$ —**	**$ 0.3**

Fair Value of Financial Instruments

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 March 31, 2012 and December 31, 2011 were as follows:

	March 31, 2012		December 31, 2011	
(in millions of U.S. dollars)	Carrying Value	Fair Value	Carrying Value	Fair Value
8.375% senior notes due in 2017 [1]	**$ 215.0**	**$ 232.5**	$ 215.0	231.4
8.125% senior notes due in 2018 [1]	**375.0**	**405.9**	375.0	404.5
Total	**$ 590.0**	**$ 638.4**	**$ 590.0**	**$ 635.9**

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

Fair value of contingent consideration

We were notified on May 9, 2011 by the seller of Cliffstar of certain objections to the performance measures used to calculate the contingent consideration, and the seller asserted a claim for amounts in excess of the amounts accrued as contingent consideration at July 2, 2011. During the third and fourth quarters of 2011, Cott made interim payments to the seller equal to $21.0 million and $8.6 million, respectively. The payment of $21.0 million was net of a $4.7 million refund due to Cott as a result of the final determination of working capital, and the payment of $8.6 million included $0.9 million in settlement of certain of the seller's objections to the calculation of the contingent consideration. The seller's remaining objections to the calculation of the contingent consideration are subject to an ongoing binding arbitration process under the terms of the asset purchase agreement. The seller is seeking up to $12.1 million in additional contingent consideration. The final resolution of these matters may result in amounts payable to the seller that vary materially from our current estimated fair value. We are currently unable to predict the ultimate outcome of this action. Any changes in the fair value of contingent consideration will be recorded in our Consolidated Statements of Operations.

Note 14 – Guarantor Subsidiaries

The 2017 Notes and 2018 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"). The guarantees of the Guarantor Subsidiaries are subject to release in limited circumstances only upon the occurrence of certain customary conditions.

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

The following supplemental financial information sets forth on an unconsolidated basis, our Balance Sheets, Statements of Operations and Cash Flows for Cott Corporation, Cott Beverages Inc., Guarantor Subsidiaries and our other subsidiaries (the “Non-guarantor Subsidiaries”). The supplemental financial information reflects our investments and those of Cott Beverages Inc. in their respective subsidiaries using the equity method of accounting.

Table of Contents

Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended March 31, 2012					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 43.7	$ 208.1	$ 240.5	$ 39.7	$ (8.2)	$ 523.8
Cost of sales	37.7	176.2	218.2	36.5	(8.2)	460.4
Gross profit	6.0	31.9	22.3	3.2	—	63.4
Selling, general and administrative expenses	8.7	15.6	15.0	2.5	—	41.8
Loss on disposal of property, plant & equipment	—	0.4	0.2	—	—	0.6
Operating (loss) income	(2.7)	15.9	7.1	0.7	—	21.0
Other (income) expense, net	(0.1)	0.1	—	(0.2)	—	(0.2)
Intercompany interest (income) expense, net	—	(2.3)	2.3	—	—	—
Interest expense, net	0.1	13.7	0.2	—	—	14.0
(Loss) income before income tax (benefit) expense and equity income	(2.7)	4.4	4.6	0.9	—	7.2
Income tax (benefit) expense	(0.5)	0.7	0.1	0.1	—	0.4
Equity income	8.1	1.0	5.1	—	(14.2)	—
Net income	$ 5.9	$ 4.7	$ 9.6	$ 0.8	$ (14.2)	$ 6.8
Less: Net income attributable to non-controlling interests	—	—	—	0.9	—	0.9
Net income (loss) attributed to Cott Corporation	$ 5.9	$ 4.7	$ 9.6	$ (0.1)	$ (14.2)	$ 5.9
Total other comprehensive income (loss)	7.4	17.2	(477.9)	50.0	410.7	7.4
Comprehensive income (loss) attributed to Cott Corporation	$ 13.4	$ 21.9	$ (468.3)	$ 49.9	$ 396.5	$ 13.4

[Table of Contents](#)

Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended April 2, 2011					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 41.9	$ 215.0	$ 252.6	$ 33.1	$ (8.5)	$ 534.1
Cost of sales	34.9	186.0	223.4	28.7	(8.5)	464.5
Gross profit	7.0	29.0	29.2	4.4	—	69.6
Selling, general and administrative expenses	8.2	18.6	14.8	3.5	—	45.1
Operating (loss) income	(1.2)	10.4	14.4	0.9	—	24.5
Other expense, net	0.4	0.4	—	—	—	0.8
Intercompany interest (income) expense, net	(1.7)	—	1.7	—	—	—
Interest expense, net	—	13.8	0.5	0.1	—	14.4
Income (loss) before income tax expense (benefit) and equity income (loss)	0.1	(3.8)	12.2	0.8	—	9.3
Income tax expense (benefit)	1.1	1.3	(0.9)	0.1	—	1.6
Equity income (loss)	7.8	1.3	(3.8)	—	(5.3)	—
Net income (loss)	$ 6.8	$ (3.8)	$ 9.3	$ 0.7	$ (5.3)	$ 7.7
Less: Net income attributable to non-controlling interests	—	—	—	0.9	—	0.9
Net income (loss) attributed to Cott Corporation	$ 6.8	$ (3.8)	$ 9.3	$ (0.2)	$ (5.3)	$ 6.8
Total other comprehensive income	9.3	19.2	104.5	31.2	(154.3)	9.9
Comprehensive income attributed to Cott Corporation	$ 16.1	$ 15.4	$ 113.8	$ 31.0	$ (159.6)	$ 16.7

Consolidating Balance Sheets

(in millions of U.S. dollars)
Unaudited

	As of March 31, 2012					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ 9.0	$ 1.7	$ 13.7	$ 7.2	$ —	$ 31.6
Accounts receivable, net of allowance	22.8	97.9	150.0	14.6	(50.7)	234.6
Income taxes recoverable	—	8.6	0.8	—	—	9.4
Inventories	19.8	71.9	126.9	9.9	—	228.5
Prepaid expenses and other assets	1.6	14.2	5.2	0.1	—	21.1
Total current assets	**53.2**	**194.3**	**296.6**	**31.8**	**(50.7)**	**525.2**
Property, plant & equipment	49.1	180.1	251.1	10.3	—	490.6
Goodwill	27.6	4.5	98.2	—	—	130.3
Intangibles and other assets	0.9	105.6	211.8	17.5	—	335.8
Deferred income taxes	4.9	—	—	0.1	—	5.0
Other tax receivable	0.5	—	0.6	—	—	1.1
Due from affiliates	33.0	171.8	78.0	41.9	(324.7)	—
Investments in subsidiaries	468.1	385.9	(443.4)	233.9	(644.5)	—
Total assets	$ 637.3	$1,042.2	$ 492.9	$ 335.5	$(1,019.9)	$ 1,488.0
LIABILITIES AND EQUITY						
Current liabilities						
Current maturities of long-term debt	$ —	$ 2.0	$ 0.1	$ 0.4	$ —	$ 2.5
Accounts payable and accrued liabilities	23.6	105.7	149.8	17.1	(50.7)	245.5
Total current liabilities	**23.6**	**107.7**	**149.9**	**17.5**	**(50.7)**	**248.0**
Long-term debt	0.1	599.1	1.2	1.9	—	602.3
Deferred income taxes	—	27.1	7.0	1.0	—	35.1
Other long-term liabilities	0.2	3.9	16.4	—	—	20.5
Due to affiliates	43.4	76.5	174.4	30.4	(324.7)	—
Total liabilities	**67.3**	**814.3**	**348.9**	**50.8**	**(375.4)**	**905.9**
Equity						
Capital stock, no par	395.9	574.9	895.3	175.0	(1,645.2)	395.9
Treasury stock	(2.1)	—	—	—	—	(2.1)
Additional paid-in-capital	43.4	—	—	—	—	43.4
Retained earnings (deficit)	150.0	(355.0)	(366.9)	(44.7)	766.6	150.0
Accumulated other comprehensive (loss) income	(17.2)	8.0	(384.4)	142.3	234.1	(17.2)
Total Cott Corporation equity	570.0	227.9	144.0	272.6	(644.5)	570.0
Non-controlling interests	—	—	—	12.1	—	12.1
Total equity	**570.0**	**227.9**	**144.0**	**284.7**	**(644.5)**	**582.1**
Total liabilities and equity	**$ 637.3**	**$1,042.2**	**$ 492.9**	**$ 335.5**	**$(1,019.9)**	**$ 1,488.0**

Consolidating Balance Sheets

(in millions of U.S. dollars)

	As of December 31, 2011					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ 13.7	$ 20.7	$ 58.9	$ 7.6	$ —	$ 100.9
Accounts receivable, net of allowance	22.4	97.2	136.3	14.6	(59.7)	210.8
Income taxes recoverable	—	8.8	0.8	0.3	—	9.9
Inventories	18.1	60.2	124.2	7.5	—	210.0
Prepaid expenses and other assets	1.8	13.8	3.6	0.1	—	19.3
Total current assets	**56.0**	**200.7**	**323.8**	**30.1**	**(59.7)**	**550.9**
Property, plant & equipment	48.0	179.3	245.1	9.8	—	482.2
Goodwill	26.9	4.5	98.2	—	—	129.6
Intangibles and other assets	0.9	105.3	216.5	18.4	—	341.1
Deferred income taxes	4.1	—	—	—	—	4.1
Other tax receivable	0.5	—	0.5	—	—	1.0
Due from affiliates	30.3	166.4	79.1	41.9	(317.7)	—
Investments in subsidiaries	459.8	365.5	572.3	225.3	(1,622.9)	—
Total assets	**$ 626.5**	**$1,021.7**	**$ 1,535.5**	**$ 325.5**	**$(2,000.3)**	**$ 1,508.9**
LIABILITIES AND EQUITY						
Current liabilities						
Current maturities of long-term debt	$ —	$ 2.9	$ 0.1	$ 0.4	$ —	$ 3.4
Accounts payable and accrued liabilities	27.1	117.1	181.2	15.4	(59.7)	281.1
Total current liabilities	**27.1**	**120.0**	**181.3**	**15.8**	**(59.7)**	**284.5**
Long-term debt	0.2	599.0	1.2	1.7	—	602.1
Deferred income taxes	—	26.8	6.8	0.5	—	34.1
Other long-term liabilities	0.2	3.5	16.3	—	—	20.0
Due to affiliates	43.2	77.8	168.9	27.8	(317.7)	—
Total liabilities	**70.7**	**827.1**	**374.5**	**45.8**	**(377.4)**	**940.7**
Equity						
Capital stock, no par	395.9	569.3	1,396.5	218.2	(2,184.0)	395.9
Treasury stock	(2.1)	—	—	—	—	(2.1)
Additional paid-in-capital	42.6	—	—	—	—	42.6
Retained earnings (deficit)	144.1	(365.5)	(329.0)	(43.2)	737.7	144.1
Accumulated other comprehensive (loss) income	(24.7)	(9.2)	93.5	92.3	(176.6)	(24.7)
Total Cott Corporation equity	555.8	194.6	1,161.0	267.3	(1,622.9)	555.8
Non-controlling interests	—	—	—	12.4	—	12.4
Total equity	**555.8**	**194.6**	**1,161.0**	**279.7**	**(1,622.9)**	**568.2**
Total liabilities and equity	**$ 626.5**	**$1,021.7**	**$ 1,535.5**	**$ 325.5**	**$(2,000.3)**	**$ 1,508.9**

Table of Contents

Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

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

Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended April 2, 2011					
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating activities						
Net income (loss)	$ 6.8	$ (3.8)	$ 9.3	$ 0.7	$ (5.3)	$ 7.7
Depreciation & amortization	1.6	8.6	11.9	1.5	—	23.6
Amortization of financing fees	0.1	0.7	0.1	—	—	0.9
Share-based compensation expense	0.1	0.7	0.3	—	—	1.1
Increase (decrease) in deferred income taxes	0.3	1.1	(0.5)	—	—	0.9
Equity (loss) income, net of distributions	(7.8)	(1.3)	3.8	—	5.3	—
Intercompany transactions	4.6	1.6	—	—	(6.2)	—
Other non-cash items	0.4	(0.2)	—	—	—	0.2
Net change in operating assets and liabilities	(32.3)	(45.2)	4.8	6.5	6.2	(60.0)
Net cash (used in) provided by operating activities	(26.2)	(37.8)	29.7	8.7	—	(25.6)
Investing activities						
Additions to property, plant & equipment	(0.7)	(8.0)	(3.8)	—	—	(12.5)
Proceeds from sale of property, plant & equipment	—	—	0.1	—	—	0.1
Advances to affiliates	19.8	—	(12.4)	(6.0)	(1.4)	—
Net cash provided by (used in) investing activities	19.1	(8.0)	(16.1)	(6.0)	(1.4)	(12.4)
Financing activities						
Payments of long-term debt	—	(1.3)	—	—	—	(1.3)
Borrowings under ABL	—	99.8	—	—	—	99.8
Payments under ABL	—	(72.5)	—	—	—	(72.5)
Advances from affiliates	6.0	12.4	(19.8)	—	1.4	—
Distributions to non-controlling interests	—	—	—	(1.6)	—	(1.6)
Net cash provided by (used in) financing activities	6.0	38.4	(19.8)	(1.6)	1.4	24.4
Effect of exchange rate changes on cash	0.3	—	0.8	0.1	—	1.2
Net (decrease) increase in cash & cash equivalents	**(0.8)**	**(7.4)**	**(5.4)**	**1.2**	**—**	**(12.4)**
Cash & cash equivalents, beginning of period	**7.8**	**9.1**	**26.0**	**5.3**	**—**	**48.2**
Cash & cash equivalents, end of period	**$ 7.0**	**$ 1.7**	**$ 20.6**	**$ 6.5**	**$ —**	**$ 35.8**

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to further the reader's understanding of the consolidated financial condition and results of operations of our Company. It should be read in conjunction with the financial statements included in this quarterly report on Form 10-Q and our annual report on Form 10-K for the year ended December 31, 2011 (the "2011 Annual Report"). These historical financial statements may not be indicative of our future performance. This discussion contains a number of forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risks referred to under "Risk Factors" in Item 1A in our 2011 Annual Report.

Overview

We are one of the world's largest beverage companies focusing on private-label and contract manufacturing. 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.

The beverage market is subject to some seasonal variations. Our beverage sales are generally higher during the warmer months and also can be influenced by the timing of holidays and weather fluctuations. This seasonality also causes our working capital needs to fluctuate, with inventory being higher in the first half of the year to meet the peak summer demand and accounts receivable declining in the fall as customers pay their higher-than-average outstanding balances from the summer deliveries.

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

Ingredient and packaging costs represent a significant portion of our cost of sales. These costs are subject to global and regional commodity price trends. Our largest commodities are aluminum for cans and ends, resin for polyethylene terephthalate bottles, preforms and caps, corn for high fructose corn syrup ("HFCS"), fruit and fruit concentrates. We attempt to manage our exposure to fluctuations in ingredient and packaging costs of our products by implementing price increases 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 forecasted aluminum and fruit requirements for the remainder of 2012, as well as a portion of our aluminum and fruit requirements for 2013. We have entered into fixed price commitments for all of our HFCS requirements for 2012.

On August 17, 2010, we completed the acquisition of substantially all of the assets and liabilities of Cliffstar Corporation ("Cliffstar") and its affiliated companies for approximately $503.0 million in cash, $14.0 million in deferred consideration to be paid over three years, of which $4.7 million was paid during the third quarter of 2011, and contingent consideration of up to $55.0 million (the "Cliffstar Acquisition"). The first $15.0 million of the contingent consideration was based upon the achievement of milestones in certain expansion projects in 2010, which were achieved in 2010. The remainder of the contingent consideration was based on the achievement of certain performance measures during the fiscal year ended January 1, 2011. The seller of Cliffstar notified us of certain objections to the performance measures used to calculate the contingent consideration and such objections to the calculation of the contingent consideration are subject to an ongoing binding arbitration process under the terms of the asset purchase agreement. The seller is seeking up to $12.1 million in additional contingent consideration. The final resolution of these matters may result in amounts payable to the seller that vary materially from our current estimated fair value of payments previously made to the seller amounting to $34.3 million. We are currently unable to predict the ultimate outcome of this action.

We supply Walmart and its affiliated companies, under annual non-exclusive supply agreements, with a variety of products in the United States, Canada, U.K. and Mexico, including carbonated soft drinks ("CSDs"), clear, still and sparkling flavored waters, juice, juice-based products, bottled water, energy drinks and ready-to-drink teas. During the first three months of 2012, we supplied Walmart with all of its private label CSDs in the United States. In the event Walmart were to utilize additional suppliers to fulfill a portion of its requirements for such products, our operating results could be materially adversely affected. Sales to Walmart for the three months ended March 31, 2012 and April 2, 2011 accounted for 31.6% and 33.0% of total revenue.

Summary financial results

Our net income for the three months ended March 31, 2012 (the “first quarter”) was $5.9 million or $0.06 per diluted share, compared with net income of $6.8 million or $0.07 per diluted share for the three months ended April 2, 2011.

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

- our revenue decreased 1.9% from the comparable prior year period due primarily to a decline in North America volume resulting from the exit of certain case pack water business and the continuing decline in the U.S. shelf stable juice market. Absent foreign exchange impact, revenue decreased 1.3% from the comparable prior year period;
- our gross profit as a percentage of revenue declined to 12.1% for the first quarter from 13.0% in the comparable prior year period;
- our filled beverage 8-ounce equivalents (“beverage case volume”) decreased 6.8% during the first quarter due primarily to the loss of certain customers resulting from the strategic implementation of price increases;
- our selling, general and administrative (“SG&A”) expenses for the first quarter decreased to $41.8 million from $45.1 million in the comparable prior year period due primarily to a reduction of information technology costs and professional fees, offset in part by an increase in certain employee-related costs;
- other income was $0.2 million in the first quarter compared to other expense of $0.8 million in the comparable prior year period due primarily to foreign exchange gains primarily related to intercompany transactions; and
- our income tax expense was $0.4 million compared to $1.6 million in the comparable prior year period, due primarily to a favorable audit settlement of $0.9 million.
- our Adjusted Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) for the first quarter increased 2.9% to $46.1 million from $44.8 million in the comparable prior year period.

The following items of significance impacted our financial results for the first quarter of 2011:

- the Cliffstar Acquisition contributed $166.3 million to revenue in the first quarter of 2011;
- our revenue increased 47.2% from the comparable prior year period. Absent foreign exchange impact, revenue increased 45.8% in the first quarter, due to the Cliffstar Acquisition. Excluding the impact of the Cliffstar Acquisition and the impact of foreign exchange, revenue was flat;
- our gross profit as a percentage of revenue declined to 13.0% for the first quarter compared to 15.8% for the comparable prior year period due primarily to higher commodity and freight costs;
- our beverage case volume increased 22.5% due primarily to the Cliffstar Acquisition which contributed a 30.1% increase in the North America operating segment;
- our SG&A expenses increased to $45.1 million from $32.4 million in the comparable prior year period, due primarily to the Cliffstar Acquisition, information technology costs, certain employee related costs and professional fees;
- our interest expense increased to $14.4 million from $6.2 million in the comparable prior year period due primarily to the issuance of $375.0 million of senior notes that are due on September 1, 2018 (the “2018 Notes”);
- the decrease in other expense of $1.0 million was due primarily to the write-off of financing fees of $1.4 million in the comparable prior year period; and
- our income tax expense decreased $2.8 million in the first quarter from the comparable prior year period, due primarily to lower pre-tax income.

Non-GAAP Measures

In this report, we supplement our reporting of financial measures determined in accordance with U.S. generally accepted accounting principles (“GAAP”) by utilizing certain non-GAAP financial measures. We exclude the impact of foreign exchange from GAAP revenues to separate the impact of currency exchange rate changes from Cott’s results of operations, and, in some cases, by excluding the impact of the Cliffstar Acquisition. Cott excludes these items to better understand trends in the business and the impact of the Cliffstar Acquisition.

We also utilize EBITDA, which is GAAP earnings before interest expense, provision for income taxes, depreciation and amortization (“EBITDA”). We consider EBITDA to be an indicator of operating performance because we use it to measure our ability to service debt, fund capital expenditures, and expand our business. We also use EBITDA, as do analysts, lenders, investors and others, to evaluate companies because it excludes certain items that can vary widely across different industries or among companies within the same industry. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We also utilize Adjusted EBITDA as an indicator of operating performance. Our Adjusted EBITDA reflects inventory step-up (step-down) adjustments and integration costs related to the Cliffstar Acquisition. Adjusted EBITDA excludes these items to make period-over-period comparisons of our ongoing core operations before material charges.

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

The following table summarizes our Consolidated Statements of Operations as a percentage of revenue for the three months ended March 31, 2012 and April 2, 2011:

	For the Three Months Ended			
	March 31, 2012		April 2, 2011	
(in millions of U.S. dollars)	$	%	$	%
Revenue	**523.8**	**100.0**	534.1	100.0
Cost of sales	**460.4**	**87.9**	464.5	87.0
Gross profit	**63.4**	**12.1**	69.6	13.0
Selling, general, and administrative expenses	**41.8**	**8.0**	45.1	8.4
Loss on disposal of property, plant & equipment	**0.6**	**0.1**	—	—
Restructuring	**—**	**—**	—	—
Operating income	**21.0**	**4.0**	24.5	4.6
Other (income) expense, net	**(0.2)**	**—**	0.8	0.1
Interest expense, net	**14.0**	**2.7**	14.4	2.8
Income before income taxes	**7.2**	**1.3**	9.3	1.7
Income tax expense	**0.4**	**0.1**	1.6	0.3
Net income	**6.8**	**1.2**	7.7	1.4
Less: Net income attributable to non-controlling interests	**0.9**	**0.2**	0.9	0.1
Net income attributed to Cott Corporation	**5.9**	**1.0**	6.8	1.3
Depreciation & amortization	**23.8**	**4.5**	23.6	4.4

The following table summarizes our revenue and operating income (loss) by reporting segment for the three months ended March 31, 2012 and April 2, 2011:

	For the Three Months Ended	
(in millions of U.S. Dollars)	March 31, 2012	April 2, 2011
Revenue		
North America	**$ 408.1**	$ 428.8
United Kingdom	**99.2**	86.3
Mexico	**9.1**	11.4
RCI	**7.4**	7.6
Total	**$ 523.8**	$ 534.1
Operating income (loss)		
North America	**$ 17.3**	$ 20.8
United Kingdom	**3.2**	3.0
Mexico	**(1.3)**	(1.5)
RCI	**1.8**	2.2
Total	**$ 21.0**	$ 24.5

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

The following table summarizes our beverage case volume by reporting segment for the three months ended March 31, 2012 and April 2, 2011:

(in millions of cases)	For the Three Months Ended March 31, 2012	April 2, 2011
Volume - 8 oz equivalent cases - Total Beverage (including concentrate)		
North America	**179.6**	195.1
United Kingdom	**44.9**	43.5
Mexico	**5.9**	8.4
RCI	**71.0**	82.5
Total	**301.4**	**329.5**
Volume-8 oz equivalent cases - Filled Beverage		
North America	**156.4**	170.6
United Kingdom	**40.9**	39.1
Mexico	**5.9**	8.4
RCI	**—**	—
Total	**203.2**	**218.1**

The following tables summarize revenue and volume by product for the three months ended March 31, 2012 and April 2, 2011:

(in millions of U.S. dollars)	For the Three Months Ended March 31, 2012 North America	United Kingdom	Mexico	RCI	Total
Revenue					
Carbonated soft drinks	**$163.8**	**$ 33.7**	**$ 5.6**	**$ —**	**$203.1**
Juice	**133.9**	**3.1**	**0.1**	**—**	**137.1**
Concentrate	**2.9**	**0.8**	**—**	**7.4**	**11.1**
All other products	**107.5**	**61.6**	**3.4**	**—**	**172.5**
Total	**$408.1**	**$ 99.2**	**$ 9.1**	**$ 7.4**	**$523.8**

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

[Table of Contents](#)

(in millions of U.S. dollars)	For the Three Months Ended April 2, 2011 North America	United Kingdom	Mexico	RCI	Total
Revenue					
Carbonated soft drinks	$156.3	$ 42.4	$ 9.3	$ —	$208.0
Juice	160.0	2.2	0.8	—	163.0
Concentrate	2.3	0.2	—	7.6	10.1
All other products	110.2	41.5	1.3	—	153.0
Total	**$428.8**	**$ 86.3**	**$11.4**	**$ 7.6**	**$534.1**

(in millions of physical cases)	For the Three Months Ended April 2, 2011 North America	United Kingdom	Mexico	RCI	Total
Volume - 8 oz equivalent cases - Total Beverage (including concentrate)					
Carbonated soft drinks	78.7	24.3	6.6	—	109.6
Juice	37.4	0.6	0.6	—	38.6
Concentrate	24.6	4.5	—	82.5	111.6
All other products	54.4	14.1	1.2	—	69.7
Total	**195.1**	**43.5**	**8.4**	**82.5**	**329.5**

Results of operations

The following tables summarize the change in revenue by reporting segment for the three months ended March 31, 2012 and April 2, 2011:

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

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

(in millions of U.S. dollars)	For the Three Months Ended April 2, 2011				
	Cott	North America	United Kingdom	Mexico	RCI
Change in revenue	$ 171.2	$ 165.6	$ 6.6	$ (0.4)	$(0.6)
Impact of foreign exchange [1]	(5.0)	(1.9)	(2.5)	(0.6)	—
Change excluding foreign exchange	$ 166.2	$ 163.7	$ 4.1	$ (1.0)	$(0.6)
Percentage change in revenue	47.2%	62.9%	8.3%	-3.4%	-7.3%
Percentage change in revenue excluding foreign exchange	45.8%	62.2%	5.1%	-8.5%	-7.3%
Impact of Cliffstar Acquisition	(166.3)	(166.3)	—	—	—
Change excluding foreign exchange and Cliffstar Acquisition	$ (0.1)	$ (2.6)	$ 4.1	$ (1.0)	$(0.6)
Percentage change in revenue excluding foreign exchange and Cliffstar Acquisition	0.0%	-1.0%	5.1%	-8.5%	-7.3%

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

The following table summarizes our EBITDA and Adjusted EBITDA for the three months ended March 31, 2012 and April 2, 2011.

(in millions of U.S. dollars)	For the Three Months Ended March 31, 2012	April 2, 2011
Net income attributed to Cott Corporation	**$ 5.9**	$ 6.8
Interest expense, net	**14.0**	14.4
Income tax expense	**0.4**	1.6
Depreciation & amortization	**23.8**	23.6
Net income attributable to non-controlling interests	**0.9**	0.9
EBITDA	**$ 45.0**	$ 47.3
Acquisition adjustments		
Inventory step-up (step-down)	**0.1**	(3.2)
Integration costs	**1.0**	0.7
Adjusted EBITDA	**$ 46.1**	$ 44.8

Revenue – Revenue decreased $10.3 million or 1.9% in the first quarter from the comparable prior year period. Excluding the impact of foreign exchange, revenue decreased 1.3% in the first quarter from the comparable prior year period.

North America revenue decreased $20.7 million or 4.8% in the first quarter from the comparable prior year period due primarily to a 8.3% decrease in beverage case volume in the first quarter from the comparable prior year period. Net selling price per beverage case (which is net revenue divided by beverage case volume) increased 4.0% in the first quarter from the comparable prior year period. The increase was due primarily to price increases implemented during the second quarter of 2011.

U.K. revenue increased $12.9 million or 14.9% in the first quarter from the comparable prior year period due primarily to continued improvement in product mix and growth in the wholesale channel. Net selling price per beverage case increased 10.0% in the first quarter from the comparable prior year period, due primarily to price increases implemented to mitigate rising commodity costs and improved product mix. Absent foreign exchange impact, U.K. revenue increased 16.9% in the first quarter.

Mexico revenue decreased $2.3 million or 20.2% in the first quarter from the comparable prior year period due primarily to the loss of a customer, offset in part by a 13.2% increase in net selling price per beverage case in the first quarter. Absent foreign exchange impact, Mexico revenue decreased 13.2% in the first quarter.

RCI revenue declined 2.6% in the first quarter from the comparable prior year period. Concentrate volume declined 13.9% from the comparable prior year period due primarily to the timing of shipments and declining sales in the Middle East. RCI primarily sells concentrate.

Cost of Sales – Cost of sales represented 87.9% of revenue in the first quarter, compared to 87.0% in the comparable prior year period. The increase in cost of sales as a percentage of revenue was due primarily to higher commodity costs. Variable costs represented 75.8% of total sales in the first quarter and 75.9% in 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 as a percentage of revenue decreased to 12.1% in the first quarter from 13.0% in the comparable prior year period due primarily to higher commodity costs.

Selling, General and Administrative Expenses – SG&A decreased $3.3 million or 7.3% in the first quarter from the comparable prior year period. The decrease was due primarily to a reduction to information technology costs and professional fees, offset in part by an increase of certain employee-related costs. As a percentage of revenue, SG&A decreased to 8.0% in the first quarter from 8.4% in the comparable prior year period.

Operating Income – Operating income was $21.0 million in the first quarter compared to $24.5 million in the comparable prior year period. The decrease was due primarily to lower gross profit, offset in part by lower SG&A costs.

Other (Income) Expense – Other income was $0.2 million in the first quarter compared to other expense of $0.8 million in the comparable prior year period. This increase was due primarily to foreign exchange gains primarily related to intercompany transactions.

Income Taxes – We recorded income tax expense of $0.4 million in the first quarter compared to $1.6 million in the comparable prior year period. The decrease was due primarily to an audit settlement of $0.9 million. The reorganization of our legal entity structure and refinancing of intercompany debt during the second quarter of 2011 is expected to result in a reduction of Cott’s effective tax rate versus the statutory rate for the current year.

Liquidity and Financial Condition

The following table summarizes our cash flows for the three months ended March 31, 2012 and April 2, 2011, as reported in our Consolidated Statements of Cash Flows in the accompanying Consolidated Financial Statements:

	For the Three Months Ended	
(in millions of U.S. dollars)	**March 31, 2012**	**April 2, 2011**
Net cash used in operating activities	**$ (43.1)**	$ (25.6)
Net cash used in investing activities	**(25.4)**	(12.4)
Net cash (used in) provided by financing activities	**(2.3)**	24.4
Effect of exchange rate changes on cash	**1.5**	1.2
Net decrease in cash & cash equivalents	**(69.3)**	(12.4)
Cash & cash equivalents, beginning of period	**100.9**	48.2
Cash & cash equivalents, end of period	**$ 31.6**	**$ 35.8**

Financial and Capital Resources and Liquidity

As of March 31, 2012, we had total debt of $607.2 million and $31.6 million of cash and cash equivalents compared to $648.2 million of debt and $35.8 million of cash and cash equivalents as of April 2, 2011.

We believe that our level of resources, which includes cash on hand, available borrowings under our asset-based lending credit facility (the “ABL facility”) and funds provided by operations, will be adequate to meet our expenses, capital expenditures, and debt service obligations for the next twelve months. 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, the 8.375% senior notes that are due on November 15, 2017 (the “2017 Notes”), or the 2018 Notes were to become currently due, either at maturity or as a result of a breach, we may be required to take actions such as amending our ABL facility or the indentures governing our 2017 Notes and 2018 Notes, refinancing all or part of our existing debt, selling assets, incurring additional indebtedness or raising equity. For periods extending beyond twelve months, we believe that our ability to generate cash to meet our expenses and debt service obligations and to otherwise reduce our debt as anticipated will depend primarily on our ability to retain a substantial amount of volume from our key customers and maintain the profitability of our business. If we do not generate sufficient cash from operations or have excess debt availability to meet our expenses and debt service obligations or if the ABL facility, the 2017 Notes or the 2018 Notes were to become currently due, either at maturity or as a result of a breach, we may be required to take actions such as amending our ABL facility, the indenture governing the 2017 Notes, or the indenture governing the 2018 Notes, refinancing all or part of our existing debt, selling assets, incurring additional indebtedness or raising equity. If we need to seek additional financing, there is no assurance that this additional financing will be available.

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

As of March 31, 2012, our total availability under the ABL facility was $275.0 million, which was based on our borrowing base (accounts receivables, inventory, and fixed assets) as of April 15, 2012 (the March month-end under the terms of the credit agreement governing our ABL facility), and we had no ABL borrowings outstanding and $11.1 million in outstanding letters of credit. As a result, our excess availability under the ABL facility was $263.9 million. Each month’s borrowing base is not effective until submitted to the lenders, which usually occurs on the fifteenth day of the following month.

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

Operating activities

Cash used in operating activities was $43.1 million during the first quarter compared to $25.6 million in the comparable prior year period. The $17.5 million increase was due primarily to timing of accounts payable and higher commodity costs in inventory, offset in part by the timing of accounts receivable receipts.

Investing activities

Cash used in investing activities was $25.4 million during the first quarter compared to $12.4 million in the comparable prior year period. The $13.0 million increase was due primarily to increased capital expenditures, and the acquisition of a beverage and wholesale business by our U.K. reporting segment.

Financing activities

Cash used in financing activities was $2.3 million during the first quarter compared to cash provided of $24.4 million in the comparable prior year period. The change was due primarily to ABL borrowings in the prior year period.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as defined under Item 303(a)(4) of Regulation S-K as of March 31, 2012.

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 December 31, 2011.

Debt

Asset Based Lending Facility

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

As of March 31, 2012, we had no outstanding borrowings under the ABL facility. The commitment fee was 0.5% per annum of the unused commitment, which was $263.9 million as of March 31, 2012.

8.125% Senior Notes due in 2018

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

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

8.375% Senior Notes due in 2017

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

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

Credit Ratings and Covenant Compliance

Credit Ratings

We have no material changes to the disclosure on this matter made in our Annual Report on Form 10-K for the year ended December 31, 2011.

Covenant Compliance

8.125% Senior Notes due in 2018

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

8.375% Senior Notes due in 2017

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

ABL Facility

Under the credit agreement governing the 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 the greater of (a) $30.0 million and (b) the lesser of (i) 12.5% of the amount of the aggregate borrowing base or (ii) $37.5 million. Although the covenant was not triggered as of March 31, 2012, our fixed charge coverage ratio as calculated under this covenant 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 facility. The credit agreement governing the ABL facility requires us to maintain aggregate availability of at least $15.0 million. We were in compliance with all of the applicable covenants under the ABL facility on March 31, 2012.

Common Share Repurchase Program

On May 1, 2012, our Board of Directors authorized the repurchase of up to $35 million of our common shares in the open market or through privately negotiated transactions over a 12-month period through either a 10b5-1 automatic trading plan or at management's discretion. The timing and actual number of shares purchased will depend on a variety of factors such as price, corporate and regulatory requirements, and prevailing market conditions. We may terminate or limit the share repurchase program at any time without prior notice.

Capital Structure

Since December 31, 2011, equity has increased by $14.2 million. The increase was the result of net income of $5.9 million, $0.8 million of share-based compensation expense, and other comprehensive income of $7.5 million.

Dividend Payments

There are certain restrictions on the payment of dividends under our ABL facility and under the indentures governing the 2017 Notes and 2018 Notes. No dividends payments were made during the first three months of 2012 or in 2011 and we do not expect to pay dividends in the forseeable future.

Critical Accounting Policies and Estimates

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

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

We have no material changes to our Critical Accounting Policies and Estimates disclosure as filed in our Annual Report on Form 10-K for the year ended December 31, 2011.

Forward-looking Statements

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

The forward-looking statements are not guarantees of future performance or events and, by their nature, are based on certain estimates and assumptions regarding interest and foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities and effective income tax rates, which are subject to inherent risks and uncertainties. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in forward-looking statements may include, but are not limited to, assumptions regarding management's current plans and estimates, our ability to remain a low cost supplier, and effective management of commodity costs. Although we believe the assumptions underlying these forward-looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could prove to be incorrect. Our operations involve risks and uncertainties, many of which are outside of our control, and any one or any combination of these risks and uncertainties could also affect whether the forward-looking statements ultimately prove to be correct. These risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011, and those described from time to time in our future reports filed with the Securities and Exchange Commission and Canadian securities regulatory authorities.

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

- our ability to compete successfully in the highly competitive beverage category;
- changes in consumer tastes and preferences for existing products and our ability to develop and timely launch new products that appeal to such changing consumer tastes and preferences;
- loss of or a reduction in sales to any significant customer, particularly Walmart;
- fluctuations in commodity prices and our ability to pass on increased costs to our customers, and the impact of those increased prices on our volumes;
- our ability to manage our operations successfully;
- currency fluctuations that adversely affect the exchange between the U.S. dollar and the British pound sterling, the Euro, the Canadian dollar, the Mexican peso and other currencies;
- our ability to maintain favorable arrangements and relationships with our suppliers;
- our ability to realize the expected benefits of the Cliffstar Acquisition because of integration difficulties and other challenges;
- risks associated with the asset purchase agreement entered into in connection with the Cliffstar Acquisition;
- the substantial indebtedness we incurred and our ability to meet our obligations;
- our ability to maintain compliance with the covenants and conditions under our debt agreements;
- fluctuations in interest rates;
- credit rating changes;
- the impact of global financial events on our financial results;

- our ability to fully realize the expected cost savings and/or operating efficiencies from our restructuring activities;
- any disruption to production at our beverage concentrates or other manufacturing facilities;
- our ability to protect our intellectual property;
- compliance with product health and safety standards;
- liability for injury or illness caused by the consumption of contaminated products;
- liability and damage to our reputation as a result of litigation or legal proceedings;
- changes in the legal and regulatory environment in which we operate;
- the impact of proposed taxes on soda and other sugary drinks;
- enforcement of compliance with the Ontario Environmental Protection Act;
- unseasonably cold or wet weather, which could reduce demand for our beverages;
- the impact of national, regional and global events, including those of a political, economic, business and competitive nature;
- our ability to recruit, retain, and integrate new management and a new management structure;
- our exposure to intangible asset risk;
- our ability to renew our collective bargaining agreements on satisfactory terms;
- disruptions in our information systems;
- volatility of our stock price; or
- our ability to maintain compliance with the listing requirements of the New York Stock Exchange.

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We do not trade market risk sensitive instruments.

Currency Exchange Rate Risk

Our North America and U.K. reporting segments purchase a portion of their inventory for our Canadian and European operations, respectively, through transactions denominated and settled in U.S. dollars and Euros, respectively, currencies different from the functional currency of those operations. These inventory purchases are subject to exposure from movements in exchange rates. We use foreign exchange forward contracts to hedge operational exposures resulting from changes in these foreign currency exchange rates. The intent of the foreign exchange contracts is to provide predictability in our overall cost structure. These foreign exchange contracts, carried at fair value, have maturities of less than one year. As of March 31, 2012, we had outstanding foreign exchange forward contracts with notional amounts of $15.2 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 ABL facility is vulnerable to fluctuations in the U.S. short-term base rate and the LIBOR rate. At current debt levels as of March 31, 2012, a 100 basis point increase in the current per annum interest rate for our ABL facility (excluding the $11.1 million outstanding letters of credit) would result in less than $0.1 million of additional interest expense during the next year. This change would not be material to our cash flows or our results of operations. The weighted-average interest rate of our debt outstanding at March 31, 2012 was 8.2%.

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 December 31, 2011.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of December 31, 2011. Based upon this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2012, the Company's disclosure controls and procedures are functioning effectively to ensure that information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In addition, our management carried out an evaluation, as required by Rule 13a-15(d) of the Exchange Act, with the participation of our Chief Executive Officer and our Chief Financial Officer, of changes in our internal control over financial reporting. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that there have been no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are 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 December 31, 2011.

Item 1A. Risk Factors

There has been no material change in our risk factors since December 31, 2011. Please refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 for a detailed description of our risk factors.

Item 6. Exhibits

Number	Description
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 Jay Wells dated January 14, 2012 (filed herewith).
10.2	Amendment No. 1 to Credit Agreement, dated as of April 19, 2012, by and among Cott Corporation, Cott Beverages Inc., Cliffstar LLC, and Cott Beverages Limited, as Borrowers, the other Loan Parties party thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative 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 May 7, 2012 (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 May 7, 2012 (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 May 7, 2012 (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 May 7, 2012 (furnished herewith).
101	The following financial statements from Cott Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed on May 7, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, (vi) Notes to the Consolidated Financial Statements (furnished herewith).

Table of Contents

SIGNATURES

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

	COTT CORPORATION (Registrant)
Date: May 7, 2012	*/s/ Jay Wells* Jay Wells Chief Financial Officer (On behalf of the Company)
Date: May 7, 2012	*/s/ Gregory Leiter* Gregory Leiter Senior Vice President, Chief Accounting Officer and Assistant Secretary (Principal Accounting Officer)

Exhibit Index

Number	Description
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 Jay Wells dated January 14, 2012 (filed herewith).
10.2	Amendment No. 1 to Credit Agreement, dated as of April 19, 2012, by and among Cott Corporation, Cott Beverages Inc., Cliffstar LLC, and Cott Beverages Limited, as Borrowers, the other Loan Parties party thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative 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 May 7, 2012 (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 May 7, 2012 (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 May 7, 2012 (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 May 7, 2012 (furnished herewith).
101	The following financial statements from Cott Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed on May 7, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, (vi) Notes to the Consolidated Financial Statements (furnished herewith).

Exhibit 10.1

January 14, 2012

Earl Jay Wells
1223 Sprucelea Drive
Oakville, Ontario L65-2E7
CANADA

Dear Jay:

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 Chief Financial Officer 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; where lawfully permitted in any jurisdiction in which you perform any employment responsibilities on behalf of the Company, 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 Chief Financial Officer, effective as of March 20, 2012, or an earlier date mutually acceptable to both parties (the " **Employment Date** ").

1.2 Responsibilities .

(a) As the Company's Chief Financial Officer, 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 Chief Financial Officer.

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 US $350,000 per year (" **Annual Base Salary** "), paid on a semi-monthly basis, pro-rated for any partial periods based on the actual number of days in the applicable period. Your performance will be evaluated at least annually, and any increase to the level of your Annual Base Salary will be determined as part of the regular annual review process. You will receive an annual car allowance in the amount of US $13,500 annually and a cell phone allowance in the amount of US $2,025 annually.

2.2 Bonus . You will be eligible to participate in the Company's annual bonus plan and may earn a bonus based upon the achievement of specified performance goals. The amount of your target bonus is 75% of your Annual Base Salary. The bonus year is the Company's fiscal year and any payments made to you for bonus year 2012 will be pro-rated based on your Employment Date and a 366-day year. Currently the maximum potential payout permitted under the bonus plan is two (2) times the applicable target bonus for achievement of performance goals significantly in excess of the target goals, as established by the Human Resources and Compensation Committee of the Company's Board of Directors. Please note that the bonus plan is entirely discretionary and the Company reserves in its absolute discretion the right to terminate or amend it or any other bonus plan that may be established.

2.3 One-time LTI Grant . You will be entitled to receive a one-time long term incentive ("LTI") award equivalent to US $437,500 when the 2012 annual awards are made to other senior executives of the Company. The LTI award, including the vesting terms, will be governed by the 2010 Equity Incentive Plan and your award agreement. Your LTI award will be split as follows: 25% Restricted Share Units with time-based vesting; 37.5% Stock Options; and 37.5% Restricted Share Units with performance-based vesting.

2.4 Signing Bonuses. Subject to Section 4 below, you will be awarded two signing bonuses in the amounts and on the dates listed below:

Employment Date – US $60,000

On the first-year anniversary of the Employment Date – US $65,000

3. Benefits.

3.1 Benefit Program . Effective as of the Employment Date, you will be eligible to participate in the Company's benefit programs generally available to other senior executives of the Company. Our benefit programs include health, disability and life insurance benefits. Employee contributions are required for our benefit program. You will also be eligible to be reimbursed or the company will pay directly for the costs of an annual medical examination in an amount not to exceed US $1,500 per year.

3.2 401(k) Plan . In addition, on the first day of the first fiscal quarter following your completion of six (6) months of employment, you will be eligible to participate in the Company's 401(k) Savings and Retirement Plan.

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

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

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

3.6 Relocation. You will be provided with a relocation allowance of up to US $250,000, which must be used for costs incurred during your relocation from Canada to the Tampa, FL area. Payments will be made against US $250,000 at the time receipts are presented to the Company for reimbursement. As a condition of continued employment with the Company, you will be expected to complete your relocation to Tampa, FL within the six-month period following the Employment Date. You and the Company will use reasonable best efforts to minimize any tax impact to you resulting from the payments or reimbursements by the Company to you for relocation expenses.

4. Repayment. In view of the amounts being provided you in accordance with Section 2.4 and Section 3.6, you will be required to repay the Company based on the following schedule, if you are terminated for Cause (as defined in Exhi b it A) or voluntarily resign your position, as follows:

Relocation Allowance – Full repayment if such termination or resignation occurs prior to the one-year anniversary of the Employment Date; for a termination or resignation following 12 months and up to 36 months from the anniversary of the Employment Date, the repayment amount will be reduced on a pro-rata basis for each full month worked from the Employment Date;

Signing Bonuses – Full repayment of the US $60,000 signing bonus if such termination or resignation occurs prior to the one year anniversary of the Employment Date; for a termination or resignation following 12 months and up to 24 months from the anniversary of the Employment Date, the repayment amount will be reduced on a pro-rata basis for each full month worked from the Employment Date. Full repayment of the US $65,000 signing bonus if such termination or resignation occurs prior to the second-year anniversary of the Employment Date; for a termination or resignation following 24 months and up to 36 months from the anniversary of the Employment Date, the repayment amount will be reduced on a pro-rata basis for each full month worked from 12 months following the Employment Date to 36 months following the Employment Date.

Repayment of any amounts due pursuant this section 4 shall be made to the company the 90th day after the date of resignation or termination.

5. Pre-employment Processing . Prior to employment the Company requires successful completion of its pre-employment processing. This includes a background investigation of your qualifications and references. To comply with the Immigration Reform and Control Act of 1986, the Company must verify your identity and authorization to work in the United States. The back of the enclosed INS Form I-9 contains a list of documents that provide such verification. Please bring with you on your first day either one original document from List A or one original document from List B and one original document from List C . If you have any difficulty producing the required documents, please call the Human Resources department of the Company immediately. Upon acceptance of this offer, you acknowledge and agree that Company has the right to disclose confidential information regarding you, this Offer Letter or your employment to any third party or publicly as determined by the Company to be required by law.

6. Termination; Payments and Entitlements Upon a Termination .

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

6.2 Involuntary Termination . Subject to Sections 6.3 , 10.9, and 12.11, 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 equal to nine months of your then Annual Base Salary (the " **Severance Amount** ") . The Severance Amount will be paid in a lump sum, less all applicable withholding taxes, within thirty (30) days after the Involuntary Termination, except in the case of an Involuntary Termination that is part of a group termination program, in which case the payment shall be made within sixty (60) days. The Severance Amount will not be considered as compensation for purposes of determining benefits under any other qualified or non-qualified plans of the Company. For greater certainty, the Severance Amount is intended to be in lieu of any benefits continuation or payment in respect of loss of such benefits and you specifically agree that the Severance Amount represents a greater right or benefit than that required under the *Employment Standards Act* , *2000* (Ontario) or pursuant to such other employment/labor standard applicable to your employment with the Company. To the extent that any benefits are required by statute to be continued following the termination of your employment, then the Company's sole obligation will be to do so for such minimum duration as may be required by the *Employment Standards Act*, *2000* (Ontario), or by such employment/labor standards legislation as is applicable to your employment with 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 6.2(a) and 6.2(b), the Company shall have no further liability hereunder.

6.3 Release Required . Except as may be required by the minimum provisions required under the *Employment Standards Act , 2000* (Ontario) or pursuant to such other employment/labor standard applicable to your employment with the Company, you will not be entitled to receive the payment set forth in Section 6.2(a) and, if applicable, Section 9, unless you execute, at least seven days before the date payment is due to be made, and do not revoke, a release in the form of Exhibit B in favor of the Company and related parties relating to all claims or liabilities of any kind relating to your employment with the Company and the Involuntary Termination of such employment.

7. 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.

8. 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.

9. 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.

10. Restrictive Covenants .

10.1 Confidentiality .

(a) You acknowledge that in the course of carrying out, performing and fulfilling your obligations to the Company hereunder, you will have access to and will be entrusted with information that would reasonably be considered confidential to the Company or its Affiliates, the disclosure of which to competitors of the Company or its Affiliates or to the general public, will be highly detrimental to the best interests of the Company or its Affiliates. Such information includes, without limitation, trade secrets, know-how, marketing plans and techniques, cost figures, client lists, software, and information relating to employees, suppliers, customers and persons in contractual relationship with the Company. Except as may be required in the course of carrying out your duties hereunder, you covenant and agree that you will not disclose, for the duration of your employment or at any time thereafter, any such information to any person, other than to the directors, officers, employees or agents of the Company that have a need to know such information, nor shall you use or exploit, directly or indirectly, such information for any purpose other than for the purposes of the Company, nor will you disclose or use for any purpose, other than for those of the Company or its Affiliates, any other information which you may acquire during your employment with respect to the business and affairs of the Company or its Affiliates. Notwithstanding all of the foregoing, you shall be entitled to disclose such information if required pursuant to a subpoena or order issued by a court, arbitrator or governmental body, agency or official, provided that you shall first have:

(i) notified the Company;

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

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

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

10.2 **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.

10.3 **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.

10.4 **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 6,2(a) (regardless of the reason for such termination or whether the Severance Payment is made), either individually or in partnership, jointly or in conjunction with any person or persons, firm, association, syndicate, corporation or company, whether as agent, shareholder, employee, consultant, or in any manner whatsoever, directly or indirectly:

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

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

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

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

(c) If you are at any time in violation of any provision of this Section 10.4, then each time limitation set forth in this Section 10.4 shall be extended for a period of time equal to the period of time during which such violation or violations occur. If the Company seeks injunctive relief from any such violation, then the covenants set forth shall be extended for a period of time equal to the pendency of the proceeding in which relief is sought, including all appeals there from.

10.5 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.

10.6 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.

10.7 Injunctive Relief .

(a) You acknowledge and agree that in the event of a breach of the covenants, provisions and restrictions in this Section 10, 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 10 are reasonable in all of the circumstances and you acknowledge that the operation of restrictions contained in this Section 10 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.

10.8 Survival of Restrictions . Each and every provision of this Section 10 shall survive the termination of this Offer Letter or your employment (regardless of the reason for such termination).

10.9 Forfeiture . Notwithstanding the provisions of Section 6.2, if following any Involuntary Termination it shall be determined that the you have breached (either before or after such termination) any of the agreements in this Section 10, the Company shall have no obligation or liability or otherwise to make any further payment under Section 6.2 from and after the date of such breach, except for payments, if any, that cannot legally be forfeited.

11. Code Section 409A .

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

11.2 Release . Any requirement that you execute and not revoke a release to receive a payment hereunder shall apply to a payment described in Section 11.1 only if the Company provides the release to you on or before the date of your Involuntary Termination.

11.3 Payment Following Involuntary Termination . Notwithstanding any other provision herein to the contrary, any payment described in Section 11.1 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).

11.4 Reimbursements . The following shall apply to any reimbursement that is a payment described in Section 11.1: (a) with respect to any such reimbursement under Section 12.8, reimbursement shall not be made unless the expense is incurred during the period beginning on your effective hire date and ending on the sixth anniversary of your death; (b) the amount of expenses eligible for reimbursement during your taxable year shall not affect the expenses eligible for reimbursement in any other year; and (c) the timing of all such reimbursements shall be as provided herein, but not later than the last day of your taxable year following the taxable year in which the expense was incurred.

11.5 Offset . If you are subject to Section 409A of the Code, any offset under Section 12.11 shall apply to a payment described in Section 11.1 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.

11.6 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.

12. General Provisions .

12.1 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.

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

12.3 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.

12.4 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.

12.5 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.

12.6 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.

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

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

12.9 <u>Survivorship</u> . 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.

12.10 <u>Taxes</u> . 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.

12.11 <u>Set-Off</u> . Except as limited by Section 11.5, the Company may set off any amount or obligation which may be owing by you to the Company against any amount or obligation owing by the Company to you.

12.12 <u>Records</u> . 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.

12.13 <u>Counterparts</u> . 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.

12.14 <u>Consultation with Counsel</u> . 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.

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

Yours truly,

Jerry Fowden, CEO Cott Corporation

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

/s/ Jay Wells	January 15, 2012
Earl Jay Wells	Date

Exhibit A

Definitions

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

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

" **Cause** " shall mean your:

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

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

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

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

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

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

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

" **Good Reason** " shall mean any of the following:

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

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

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

<u>**Exhibit B**</u>

<u>**Form of Release**</u>

RELEASE AGREEMENT

In consideration of the mutual promises, payments and benefits provided for in the Offer Letter between COTT Corporation (the " **Corporation** ") and Earl Jay Wells (the " **Employee** ") dated January 12, 2012, 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 6.2 of the Offer Letter unless the Employee consents to the terms of this Release Agreement. The Employee further acknowledges that he/she is under no obligation to consent to the terms of this Release Agreement and that the Employee has entered into this agreement freely and voluntarily.

2. In consideration of the payment and benefits set forth in the Offer Letter and the Corporation's release set forth in paragraph 5, the Employee voluntarily, knowingly and willingly releases and forever discharges the Corporation and its Affiliates, together with its and their respective officers, directors, partners, shareholders, employees and agents, and each of its and their predecessors, successors and assigns (collectively, " **Releasees** "), from any and all charges, complaints, claims, promises, agreements, controversies, causes of action and demands of any nature whatsoever that the Employee or his/her executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have against the Releasees by reason of any matter, cause or thing whatsoever arising prior to the time of signing of this Release Agreement by the Employee. The release being provided by the Employee in this Release Agreement includes, but is not limited to, any rights or claims relating in any way to the Employee's employment relationship with the Corporation or any its Affiliates, or the termination thereof, or under any statute, including, but not limited to the *Employment Standards Act, 2000* , the *Human Rights Code* , the *Workplace Safety and Insurance Act* re-employment provisions, the *Occupational Health & Safety Act* , the *Pay Equity Act* , the *Labor Relations Act* , Title VII of the *Civil Rights Act of 1964* , the *Age Discrimination in Employment Act* , as amended by the *Older Workers' Benefit Protection Act* , the *Family and Medical Leave Act* , and the *Americans With Disabilities Act* , or pursuant to any other applicable law or legislation governing or related to his/her employment or other engagement with the Corporation. The Employee is aware of his rights under the *Human Rights Code* and represents, warrants, and hereby confirms that he is not asserting such rights, alleging that any such rights have been breached, or advancing a human rights claim or complaint. In no event shall this Release apply to the Employee's right, if any, to indemnification, under the Employee's employment agreement or otherwise, that is in effect on the date of this Release and, if applicable, to the Corporation's obligation to maintain in force reasonable director and officer insurance in respect of such indemnification obligations.

3. The Employee acknowledges and agrees that he/she shall not, directly or indirectly, seek or further be entitled to any personal recovery in any lawsuit or other claim against the Corporation or any other Releasee based on any event arising out of the matters released in paragraph 2.

4. Nothing herein shall be deemed to release: (i) any of the Employee's continuing rights under the Offer Letter; or (ii) any of the vested benefits that the Employee has accrued prior to the date this Release Agreement is executed by the Employee under the employee benefit plans and arrangements of the Corporation or any of its Affiliates; or (iii) any claims that may arise after the date this Release Agreement is executed.

5. In consideration of the Employee's release set forth in paragraph 2, the Corporation knowingly and willingly releases and forever discharges the Employee from any and all charges, complaints, claims, promises, agreements, controversies, causes of action and demands of any nature whatsoever that the Corporation now has or hereafter can, shall or may have against him/her by reason of any matter, cause or thing whatsoever arising prior to the time of signing of this Release Agreement by the Corporation, provided, however, that nothing herein is intended to release (i) any claim the Corporation may have against the Employee for any illegal conduct or arising out of any illegal conduct, (ii) any recovery of incentive compensation paid to the Employee pursuant to the Dodd-Frank Wall Street and Consumer Protection Act, the Sarbanes-Oxley Act of 2002, rules, regulations and listing standards promulgated thereunder, or Company policies implementing the same as may be in effect from time to time.

6. The Employee acknowledges that he has carefully read and fully understands all of the provisions and effects of the Offer Letter and this Release Agreement. The Employee also acknowledges that the Corporation, by this paragraph 6 and elsewhere, has advised him/her to consult with an attorney of his/her choice prior to signing this Release Agreement. The Employee represents that, to the extent he/she desires, he/she has had the opportunity to review this Release Agreement with an attorney of his/her choice.

7. The Employee acknowledges that he/she has been offered the opportunity to consider the terms of this Release Agreement for a period of at least forty-five (45) days, although he/she may sign it sooner should he/she desire. The Employee further shall have seven (7) additional days from the date of signing this Release Agreement to revoke his/her consent hereto by notifying, in writing, the General Counsel of the Corporation. This Release Agreement will not become effective until seven days after the date on which the Employee has signed it without revocation.

Dated:

____

Earl Jay Wells (Employee)

COTT CORPORATION

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

Exhibit 10.2

AMENDMENT NO. 1 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT, dated as of April 19, 2012 (this " Amendment "), by and among Cott Corporation Corporation Cott, a corporation organized under the laws of Canada, Cott Beverages Inc., a Georgia corporation, Cliffstar LLC, a Delaware limited liability company, 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, and JPMorgan Chase Bank, N.A., as Administrative Agent. Each capitalized term used herein and not defined herein shall have the meaning ascribed thereto in the Credit Agreement referred to below.

WITNESSETH

WHEREAS, the Borrowers, the other Loan Parties, the Lenders, the Administrative Agent, JPMorgan Chase Bank, N.A., London Branch, as UK Security Trustee, JPMorgan Chase Bank, N.A., as Administrative Collateral Agent, General Electric Capital Corporation, as Co-Collateral Agent, and the other parties party thereto, are parties to that certain Credit Agreement dated as of August 17, 2010 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the " Credit Agreement "); and

WHEREAS, the Borrowers have requested that the Administrative Agent and the Lenders agree to amend certain provisions of the Credit Agreement on the terms and subject to the conditions expressly set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Administrative Agent and the Lenders party hereto are willing to agree to amend certain provisions of the Credit Agreement on the terms and subject to the conditions expressly set forth herein.

1. Amendments to Credit Agreement . Effective as of the Amendment No. 1 Effective Date (as defined below), the Borrowers, the other Loan Parties, the Lenders, and the Administrative Agent each agree that the Credit Agreement shall be and hereby is amended as follows:

(a) Clause (c) of the definition of " Eligible Accounts " is hereby amended by inserting the phrase "(or, solely in the case of Accounts owing by Lidl UK Gmbh, 77 days)" immediately after the phrase "with respect to which the scheduled due date is more than 60 days".

(b) The definition of " Swap Agreement " is hereby amended by inserting the phrase "(i) the purchase of any commodity (including, without limitation, resin) used or consumed in the ordinary course of the Company's business, in each case by any Loan Party from any Lender or any Affiliate of a Lender, (A) in the case of Chase or any of its Affiliates, without any further action on the part of any Person and (B) in the case of any other Lender or any of its Affiliates, upon delivery to the Administrative Agent of a notice signed by the applicable Lender or its Affiliate and the Borrower Representative designating the obligations under such agreement as Secured Obligations entitled to the benefits of the Collateral Documents and (ii)" immediately after the phrase "means any agreement with respect to".

(c) Section 6.09(a)(iv) of the Credit Agreement is hereby amended by replacing the reference to "5,000,000" contained therein with a reference to "50,000,000".

2. Conditions to Effectiveness . This Amendment shall become effective as of the first date (the " Amendment No. 1 Effective Date ") on which each of the following conditions precedent have been satisfied:

(a) The Administrative Agent shall have received counterparts of this Amendment executed by each Borrower, each other Loan Party, the Administrative Agent and the Required Lenders.

(b) To the extent not previously delivered, the Administrative Agent shall have received a copy of the resolutions of each Loan Party authorizing this Amendment.

(c) The representations and warranties set forth in each of the Loan Documents and in Section 3 hereof shall be true and correct in all material respects on and as of the Amendment No. 1 Effective Date, except for any representation and warranty made as of an earlier date, which representation and warranty shall remain true and correct in all material respects as of such earlier date.

(d) At the time of and immediately after giving effect to this Amendment, no Default shall have occurred and be continuing.

(e) At the time of and immediately after giving effect to this Amendment, Aggregate Availability is not less than zero.

(f) The amendments contemplated by this Amendment are permitted pursuant to each of the 2009 Indenture and the 2010 Indenture.

(g) The Administrative Agent shall have received a certificate, dated the Amendment No. 1 Effective Date and signed by a duly authorized officer of each Borrower, certifying as to the items in clauses (c) through (f) above, which certificate shall be in form and substance reasonably satisfactory to the Administrative Agent.

(h) The payment by Borrowers of all expenses required to be paid or reimbursed by the Borrowers pursuant to the Credit Agreement or Section 5 hereof in connection with this Amendment.

3. Representations and Warranties of the Loan Parties . To induce the other parties hereto to enter into this Amendment, each Loan Party represents and warrants to each Lender and each Agent as of the date hereof as follows:

(a) Each Loan Party has the legal power and authority to execute and deliver this Amendment and the officers of each Loan Party executing this Amendment have been duly authorized to execute and deliver the same and bind such Loan Party with respect to the provisions hereof.

(b) This Amendment has been duly executed and delivered by each Loan Party that is a party hereto.

(c) This Amendment and the Credit Agreement as modified hereby (the " Amended Agreement ") each constitutes the legal, valid and binding obligations of each Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(d) The execution and delivery by each Loan Party of this Amendment, the performance by each Loan Party of its obligations under the Amended Agreement and under the other Loan Documents to which it is a party and the consummation of the transactions contemplated by the Amended Agreement and the other Loan Documents: (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (ii) will not violate any Requirement of Law applicable to any Loan

Party or any of its Subsidiaries, (iii) will not violate or result in a default under any indenture or other agreement governing Indebtedness or any other material agreement or other instrument binding upon any Loan Party or any of its Restricted Subsidiaries, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of its Restricted Subsidiaries and (iv) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Restricted Subsidiaries, except Liens created pursuant to the Loan Documents.

(e) Each Borrower and each other Loan Party hereby reaffirms all covenants, representations and warranties made by it in the Credit Agreement and the other Loan Documents and agrees and confirms that all such representations and warranties are true and correct in all material respects on and as of the date of this Amendment as though made on and as of such date, except for any representation and warranty made as of an earlier date, which representation and warranty remains true and correct in all material respects as of such earlier date.

(f) Each Borrower has caused to be conducted a thorough review of the terms of the Credit Agreement and the other Loan Documents and each Borrower's and its Subsidiaries' operations since the Effective Date and, as of the date hereof and after giving effect to the terms hereof, no Default has occurred and is continuing.

4. Reference to and Effect on the Credit Agreement .

(a) Upon the effectiveness of this Amendment pursuant to Section 2 above, on and after the date hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Credit Agreement as modified hereby.

(b) Except as specifically amended or modified by this Amendment, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect, and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent, any other Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

5. Costs and Expenses . Each Borrower agrees to pay all reasonable out-of-pocket expenses, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, incurred by any Agent and any of its Affiliates in connection with the preparation, arrangement, execution and enforcement of this Amendment and all other instruments, agreements and other documents executed in connection herewith. All costs and expenses in connection with this Amendment are due on or prior to the effective date of this Amendment.

6. Governing Law . THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, AND ANY DISPUTE BETWEEN ANY BORROWER AND ANY OTHER PARTY HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH, THIS AMENDMENT, THE CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY, OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING 5-1401 OF THE GENERAL OBLIGATION LAW OF THE STATE OF NEW YORK BUT OTHERWISE WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS).

7. Headings . Section headings in this Amendment are included herein for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

8. Counterparts . This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or by other electronic image scan transmission (including via e-mail) shall be effective as delivery of a manually executed counterpart of this Amendment. The Administrative Agent may also require that any such documents and signatures delivered by facsimile or by other electronic image scan transmission be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature delivered by facsimile or other electronic image scan transmission.

9. No Strict Construction . The parties hereto have participated jointly in the negotiation and drafting of this Amendment, the Credit Agreement and the other Loan Documents. In the event an ambiguity or question of intent or interpretation arises, this Amendment, the Credit Agreement and the other Loan Documents shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Amendment, the Credit Agreement or any of the other Loan Documents.

10. Amendment Constitutes Loan Document . This Amendment shall constitute a “Loan Document” for purposes of the Credit Agreement and the other Loan Documents.

11. Reaffirmation of Liens and Guarantees .

(a) Acknowledgment . Each Loan Guarantor hereby (i) acknowledges receipt of a copy this Amendment and (ii) consents to the amendment of the Credit Agreement effected hereby. Each Loan Guarantor acknowledges and agrees that any of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect (except to the extent expressly amended hereby) and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the Amendment.

(b) Reaffirmation of Liens . Each of the Loan Parties hereby ratifies, confirms and reaffirms the grant by it of the Liens and security interests in the Collateral in which it has rights pursuant to the terms of, and its obligations and agreements under, the Collateral Documents to which it is a party, and confirms that all such Collateral will continue to secure the payment and performance of all Secured Obligations and Secured Liabilities, as applicable, purported to be secured thereby (including any amount payable under the Credit Agreement as amended by this Amendment). Without limiting or qualifying the foregoing, each party acknowledges that the definition of “Secured Liabilities” in each Collateral Document, as applicable, includes the Secured Obligations (including any amount payable under the Credit Agreement as amended by this Amendment).

(c) Reaffirmation of Guarantees . Without limiting or qualifying the foregoing, each of the Loan Guarantors hereby ratifies, confirms and reaffirms its obligations and agreements under Article X of the Credit Agreement, Section 2.2 of the UK Security Agreement, and Section 2.2 of that certain Mortgage Over Shares, dated August 17, 2010, between Cott Beverages, Inc. and JPMorgan Chase Bank, N.A., London Branch, as security trustee.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

BORROWERS:

COTT CORPORATION CORPORATION COTT

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT BEVERAGES INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

CLIFFSTAR LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT BEVERAGES LIMITED

By /s/ Greg Leiter
Name: Greg Leiter
Title: Director

OTHER LOAN PARTIES:

156775 CANADA INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

967979 ONTARIO LIMITED

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

804340 ONTARIO LIMITED

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

2011438 ONTARIO LIMITED

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT RETAIL BRANDS LIMITED

By /s/ Greg Leiter
Name: Greg Leiter
Title: Director

COTT LIMITED

By /s/ Greg Leiter
Name: Greg Leiter
Title: Director

COTT EUROPE TRADING LIMITED

By /s/ Greg Leiter
Name: Greg Leiter
Title: Director

COTT PRIVATE LABEL LIMITED

By /s/ Greg Leiter
Name: Greg Leiter
Title: Director

COTT NELSON (HOLDINGS) LIMITED

By /s/ Greg Leiter
Name: Greg Leiter
Title: Director

COTT (NELSON) LIMITED

By /s/ Greg Leiter
Name: Greg Leiter
Title: Director

COTT USA FINANCE LLC

By /s/ Fiona Meadows
Name: Fiona Meadows
Title: Authorized Representative

Signature page to Amendment No. 1 to
Credit Agreement

COTT HOLDINGS INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

INTERIM BCB, LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT VENDING INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT INVESTMENT, L.L.C.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT USA CORP.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT U.S. HOLDINGS LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT U.S. ACQUISITION LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT ACQUISITION LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

STAR REAL PROPERTY LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

CAROLINE LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Treasurer

COTT UK ACQUISITION LIMITED

By: /s/ Jerry Hoyle
Name: Jerry Hoyle
Title: Director

COTT ACQUISITION LIMITED

By: /s/ Jerry Hoyle
Name: Jerry Hoyle
Title: Director

COTT LUXEMBOURG S.A.R.L.

By: /s/ Jerry Hoyle
Name: Jerry Hoyle
Title: Class A Manager

By: /s/ Luc Sunnen
Name: Luc Sunnen
Title: Class B Manager

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Lender

By /s/ David J. Waugh
Name: David J. Waugh
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as a Lender

By /s/ Agostino A. Marchetti
Name: Agostino A. Marchetti
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as a Lender

By /s/ Timothy I. Jacob
Name: Timothy I. Jacob
Title: Senior Vice President

GENERAL ELECTRIC CAPITAL CORPORATION,
as a Lender

By: /s/ Philip F. Carfora
Name: Philip F. Carfora
Title: Duly Authorized Signatory

Signature page to Amendment No. 1 to Credit Agreement

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Andrew A. Doherty
Name: Andrew A. Doherty
Title: Senior Vice President

Signature page to Amendment No. 1 to
Credit Agreement

BANK OF AMERICA, N.A., CANADA BRANCH,
as a Lender

By: /s/ Medina Sales de Andrade
Name: Medina Sales de Andrade
Title: Vice President

Signature page to Amendment No. 1 to
Credit Agreement

DEUTSCHE BANK AG, CANADA BRANCH,
as a Lender

By: /s/ David Gynn
Name: David Gynn
Title: Chief Financial Officer

By: /s/ Marcellus Leung
Name: Marcellus Leung
Title: Assistant Vice President

Signature page to Amendment No. 1 to
Credit Agreement

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Carin Keegan
Name: Carin Keegan
Title: Director

By: /s/ Erin Morrisey
Name: Erin Morrisey
Title: Director

WELLS FARGO CAPITAL FINANCE, LLC,
as a Lender

By: /s/ David Hill
Name: David Hill
Title: Vice President

Signature page to Amendment No. 1 to
Credit Agreement

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA,
as a Lender

By: /s/ Domenic Cosentino
Name: Domenic Cosentino
Title: Vice President

Signature page to Amendment No. 1 to Credit Agreement

WELLS FARGO BANK, N.A. (LONDON BRANCH),

By: /s/ David Hill
Name: David Hill
Title: Vice President

Signature page to Amendment No. 1 to Credit Agreement

Exhibit 31.1

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 7, 2012

/s/ Jerry Fowden
Jerry Fowden
Chief Executive Officer

Exhibit 31.2

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

I, Jay Wells, certify that:

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

May 7, 2012

/s/ Jay Wells
Jay Wells
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, Jerry Fowden, Chief Executive Officer of Cott Corporation (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (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 7th day of May, 2012.

/s/ Jerry Fowden
Jerry Fowden
Chief Executive Officer

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, Jay Wells, Chief Financial Officer of Cott Corporation (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (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 7 th day of May, 2012.

/s/ Jay Wells

Jay Wells

Chief Financial Officer