PRIMO WATER CORP /CN/

FORM 10-Q
(Quarterly Report)

Filed 08/13/02 for the Period Ending 06/29/02

Address	4221 W. BOY SCOUT BLVD. SUITE 400 TAMPA, FL, 33607
Telephone	813-313-1732
CIK	0000884713
Symbol	PRMW
SIC Code	2086 - Bottled and Canned Soft Drinks and Carbonated Waters
Industry	Non-Alcoholic Beverages
Sector	Consumer Non-Cyclicals
Fiscal Year	12/02

COTT CORP /CN/

FORM 10-Q
(Quarterly Report)

Filed 8/13/2002 For Period Ending 6/29/2002

Address	207 QUEENS QUAY W SUITE 340
	TORONTO ONTARIO CANA, 00000
Telephone	416-203-3898
CIK	0000884713
Industry	Beverages (Non-Alcoholic)
Sector	Consumer/Non-Cyclical
Fiscal Year	12/31

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 29, 2002

[ ] 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 000-19914

COTT CORPORATION

(Exact name of registrant as specified in its charter)

CANADA	None
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

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

(Address of principal executive offices) (Postal Code)

(416) 203-3898

(Registrant's telephone number, including area code)

not applicable

(Former name, former address and former fiscal year, if changed since last report)

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

There were 68,435,030 shares of common stock outstanding as of July 31, 2002.

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

PART II - OTHER INFORMATION

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

COTT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

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

	For the three months ended		For the six months ended	
	JUNE 29, 2002	JUNE 30, 2001	JUNE 29, 2002	JUNE 30, 2001
SALES	$ 329.5	$ 305.6	$ 579.5	$ 534.6
Cost of sales	262.4	251.0	466.3	443.9
GROSS PROFIT	67.1	54.6	113.2	90.7
Selling, general and administrative expenses	28.3	25.6	56.0	48.7
OPERATING INCOME	38.8	29.0	57.2	42.0
Other expense (income), net	(0.5)	0.4	(0.6)	(1.6)
Interest expense, net	8.0	7.0	17.3	13.7
Minority interest	0.5	-	1.0	-
INCOME BEFORE INCOME TAXES AND EQUITY LOSS	30.8	21.6	39.5	29.9
Income taxes - note 3	(11.4)	(7.1)	(12.5)	(10.3)
Equity loss	(0.2)	-	(0.2)	-
INCOME FROM CONTINUING OPERATIONS	19.2	14.5	26.8	19.6
Extraordinary item - note 4	-	-	(9.6)	-
Cumulative effect of change in accounting principle - note 5	-	-	(44.8)	-
NET INCOME (LOSS) - note 6	$ 19.2	$ 14.5	$ (27.6)	$ 19.6
PER SHARE DATA - note 7				
INCOME (LOSS) PER COMMON SHARE - BASIC				
Income from continuing operations	$ 0.31	$ 0.24	$ 0.44	$ 0.33
Extraordinary item	$ -	$ -	$ (0.16)	$ -
Cumulative effect of change in accounting principle	$ -	$ -	$ (0.72)	$ -
Net income (loss)	$ 0.31	$ 0.24	$ (0.44)	$ 0.33
INCOME (LOSS) PER COMMON SHARE - DILUTED				
Income from continuing operations	$ 0.27	$ 0.21	$ 0.38	$ 0.29
Extraordinary item	$ -	$ -	$ (0.16)	$ -
Cumulative effect of change in accounting principle	$ -	$ -	$ (0.72)	$ -
Net income (loss)	$ 0.27	$ 0.21	$ (0.44)	$ 0.29

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

COTT CORPORATION
CONSOLIDATED BALANCE SHEETS

(in millions of U.S. dollars)

	JUNE 29, 2002	DECEMBER 29, 2001
	Unaudited	Audited

ASSETS

CURRENT ASSETS

	JUNE 29, 2002	DECEMBER 29, 2001
Cash and cash equivalents	$ 10.5	$ 3.9
Cash in trust - note 4	-	297.3
Accounts receivable	147.0	122.0
Inventories - note 8	81.1	68.2
Prepaid expenses	4.2	3.4
	242.8	494.8
PROPERTY, PLANT AND EQUIPMENT - note 9	271.9	246.9
GOODWILL - note 5	78.5	114.1
INTANGIBLES AND OTHER ASSETS - note 10	214.1	209.6
	$ 807.3	$ 1,065.4

LIABILITIES

CURRENT LIABILITIES

	JUNE 29, 2002	DECEMBER 29, 2001
Short-term borrowings	$ 51.1	$ 34.2
Current maturities of long-term debt - note 4	8.8	281.8
Accounts payable and accrued liabilities	135.4	125.4
Other current liabilities	18.3	-
	213.6	441.4
LONG-TERM DEBT	354.4	359.5
OTHER LIABILITIES	30.8	41.0
	598.8	841.9
MINORITY INTEREST	27.8	28.1

SHAREOWNERS' EQUITY

CAPITAL STOCK

	JUNE 29, 2002	DECEMBER 29, 2001
Common shares - 68,431,460 shares issued	242.1	197.1
Second preferred shares, Series 1 - nil shares issued	-	40.0
RETAINED EARNINGS (DEFICIT)	(25.6)	2.0
ACCUMULATED OTHER COMPREHENSIVE INCOME	(35.8)	(43.7)
	180.7	195.4
	$ 807.3	$ 1,065.4

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

COTT CORPORATION
CONSOLIDATED STATEMENTS OF SHAREOWNERS' EQUITY

(in millions of U.S. dollars)
Unaudited

	NUMBER OF COMMON SHARES (in thousands)	COMMON SHARES	PREFERRED SHARES	RETAINED EARNINGS (DEFICIT)	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY
Balance at December 30, 2000	59,868	$ 189.1	$ 40.0	$ (37.9)	$ (32.7)	$ 158.5
Options exercised	258	1.5	-	-	-	1.5
Comprehensive income - note 6						
Currency translation adjustment	-	-	-	-	(8.6)	(8.6)
Net income	-	-	-	19.6	-	19.6
Balance at June 30, 2001	60,126	$ 190.6	$ 40.0	$ (18.3)	$ (41.3)	$ 171.0
Balance at December 29, 2001	61,320	$ 197.1	$ 40.0	$ 2.0	$ (43.7)	$ 195.4
Options exercised	825	5.0	-	-	-	5.0
Conversion of preferred shares into common shares	6,286	40.0	(40.0)	-	-	-
Comprehensive income - note 6						
Currency translation adjustment	-	-	-	-	7.9	7.9
Net loss	-	-	-	(27.6)	-	(27.6)
Balance at June 29, 2002	68,431	$ 242.1	$ -	$ (25.6)	$ (35.8)	$ 180.7

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

COTT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of U.S. dollars)
Unaudited

	For the six months ended	
	JUNE 29, 2002	JUNE 30, 2001
OPERATING ACTIVITIES		
Income from continuing operations	$ 26.8	$ 19.6
Depreciation and amortization	20.8	19.5
Amortization of financing fees	0.9	0.6
Deferred income taxes	3.8	9.0
Minority interest	1.0	-
Equity loss	0.2	-
Gain on disposal of investment	(1.3)	-
Other non-cash items	1.1	(1.2)
Net change in non-cash working capital from continuing operations - note 11	(27.6)	(16.7)
Cash provided by continuing operations	25.7	30.8
Cash cost of redemption of long-term debt - note 4	(10.6)	-
Cash provided by operating activities	15.1	30.8
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(18.6)	(16.3)
Acquisitions	(31.0)	-
Proceeds from disposal of businesses	-	1.2
Other	1.4	0.6
Cash used in investing activities	(48.2)	(14.5)
FINANCING ACTIVITIES		
Payments of long-term debt	(278.4)	(0.7)
Short-term borrowings	16.9	(15.0)
Decrease in cash in trust	297.3	-
Distributions to subsidiary minority shareowner	(1.7)	-
Issue of common shares	5.0	1.5
Cash provided by (used in) financing activities	39.1	(14.2)
Effect of exchange rate changes on cash and cash equivalents	0.6	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	6.6	2.1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3.9	7.2
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 10.5	$ 9.3

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

(in millions of U.S. dollars)
Unaudited

NOTE 1 - BASIS OF PRESENTATION

The interim consolidated financial statements have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP"). Accordingly, they do not include all information and notes presented in the annual consolidated financial statements in conformity with U.S. GAAP. In the opinion of management, the financial statements reflect all adjustments that are necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

Consolidated financial statements in accordance with Canadian GAAP, in U.S. dollars, are made available to all shareowners and filed with various Canadian regulatory authorities.

NOTE 2 - BUSINESS SEASONALITY

Cott's results from continuing operations for the three and six month periods ending June 29, 2002 are not necessarily indicative of the results that may be expected for the full year due to business seasonality. Operating results are significantly impacted by business seasonality, which arises from higher sales in the second and third quarters versus the first and fourth quarters of the year in contrast to fixed costs such as depreciation, amortization and interest, which are not significantly impacted by seasonal trends.

NOTE 3 - INCOME TAXES

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

	For the three months ended		For the six months ended	
	JUNE 29, 2002	JUNE 30, 2001	JUNE 29, 2002	JUNE 30, 2001
	(in millions of U.S. dollars)		(in millions of U.S. dollars)	
Income tax provision based on Canadian statutory rates	$ (11.8)	$ (8.9)	$ (15.1)	$ (12.3)
Foreign tax rate differential	0.2	0.3	(0.2)	0.8
Manufacturing and processing deduction	0.2	0.2	0.3	0.2
Decrease in valuation allowance	-	3.2	-	3.2
Adjustment for change in enacted rates	0.3	(1.5)	0.4	(1.5)
Realization of benefit on carry back of capital loss	-	-	1.8	-
Non-deductible items	(0.3)	(0.4)	0.3	(0.7)
	$ (11.4)	$ (7.1)	$ (12.5)	$ (10.3)

(in millions of U.S. dollars)
Unaudited

NOTE 4 - EXTRAORDINARY ITEM

On January 22, 2002, Cott redeemed the $276.4 million remaining balance of its senior unsecured notes maturing in 2005 and 2007 and paid the related accrued interest and early redemption penalties using the funds placed in an irrevocable trust for this purpose. A loss of $9.6 million, net of a deferred tax recovery of $4.5 million, was recorded on the early extinguishment of these senior notes. The loss is comprised of the early redemption penalty and the write off of the unamortized financing fees.

NOTE 5 - CHANGE IN ACCOUNTING PRINCIPLE

Effective December 30, 2001, Cott adopted SFAS No. 142, Goodwill and Other Intangible Assets, for goodwill and other intangibles acquired prior to June 30, 2001. Cott adopted SFAS No. 142 for goodwill and other intangible assets acquired subsequent to June 30, 2001 in 2001. Under this standard, goodwill and intangible assets with indefinite lives are no longer amortized but are subject to an annual impairment test. Other intangible assets continue to be amortized over their estimated useful lives and are also tested for impairment.

Cott completed a goodwill impairment test as of the adoption date for the standard and determined that unamortized goodwill of $44.8 million relating to the United Kingdom reporting unit was impaired under the new rules. The impairment loss has been recorded as a change in accounting principle. There is no tax recovery on the impairment loss.

The goodwill amortization charged on the consolidated statement of income in the three and six month periods ending June 30, 2001 was $1.0 million and $1.9 million, respectively. Cott continues to amortize intangible assets acquired prior to June 30, 2001, other than goodwill, over their estimated useful lives.

NOTE 6 - COMPREHENSIVE INCOME (LOSS)

	For the three months ended		For the six months ended	
	JUNE 29, 2002	JUNE 30, 2001	JUNE 29, 2002	JUNE 30, 2001
	(in millions of U.S. dollars)		(in millions of U.S. dollars)	
Net income (loss)	$ 19.2	$ 14.5	$ (27.6)	$ 19.6
Foreign currency translation gain (loss)	9.1	3.2	7.9	(8.6)
	$ 28.3	$ 17.7	$ (19.7)	$ 11.0

(in millions of U.S. dollars)
Unaudited

NOTE 7 - INCOME (LOSS) PER SHARE

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share includes the effect of exercising stock options and converting the preferred shares, only if dilutive.

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

	For the three months ended		For the six months ended	
	JUNE 29, 2002	JUNE 30, 2001	JUNE 29, 2002	JUNE 30, 2001
	(in thousands)		(in thousands)	
Weighted average number of shares outstanding - basic	62,414	60,124	62,047	60,058
Dilutive effect of stock options	2,367	1,847	2,339	1,824
Dilutive effect of second preferred shares	6,010	6,286	6,148	6,286
Adjusted weighted average number of shares outstanding - diluted	70,791	68,257	70,534	68,168

As of June 29, 2002, Cott had 68,431,460 common shares and 4,870,415 common share options outstanding following the conversion of the preferred shares into common shares on June 27, 2002.

NOTE 8 - INVENTORIES

	JUNE 29, 2002	DECEMBER 29, 2001
	(in millions of U.S. dollars)	
Raw materials	$ 23.2	$ 23.0
Finished goods	45.6	35.8
Other	12.3	9.4
	$ 81.1	$ 68.2

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	JUNE 29, 2002	DECEMBER 29, 2001
	(in millions of U.S. dollars)	
Cost	$ 446.3	$ 400.2
Accumulated depreciation	(174.4)	(153.3)
	$ 271.9	$ 246.9

(in millions of U.S. dollars)
Unaudited

NOTE 10 - INTANGIBLES AND OTHER ASSETS

	JUNE 29, 2002			DECEMBER 29, 2001		
	COST	ACCUMULATED AMORTIZATION	NET	COST	ACCUMULATED AMORTIZATION	NET
	(in millions of U.S. dollars)			(in millions of U.S. dollars)		
NOT SUBJECT TO AMORTIZATION						
Rights	$ 80.4	$ -	$ 80.4	$ 80.4	$ -	$ 80.4
SUBJECT TO AMORTIZATION						
Customer lists	107.8	9.9	97.9	103.6	6.5	97.1
Other	40.1	4.3	35.8	40.8	8.7	32.1
	147.9	14.2	133.7	144.4	15.2	129.2
	$228.3	$14.2	$214.1	$224.8	$15.2	$209.6

Amortization expense related to intangibles and other assets only was $5.2 million for the period ended June 29, 2002 ($3.1 million - June 30, 2001). The amortization expense is estimated at about $10 million for 2002, $11 million per year for 2003 and 2004 and about $9 million per year for 2005 and 2006.

NOTE 11 - NET CHANGE IN NON-CASH WORKING CAPITAL

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

	JUNE 29, 2002	JUNE 30, 2001
	(in millions of U.S. dollars)	
Decrease (increase) in accounts receivable	$ (18.5)	$ (18.3)
Decrease (increase) in inventories	(6.6)	(14.0)
Decrease (increase) in prepaid expenses	0.1	(1.4)
Increase (decrease) in accounts payable and accrued liabilities	(2.6)	17.0
	$ (27.6)	$ (16.7)

(in millions of U.S. dollars)
Unaudited

NOTE 12 - STOCK OPTION PLANS

Pursuant to the SFAS No. 123, Accounting for Stock-Based Compensation, Cott has elected to account for its employee stock option plan under APB opinion No. 25, Accounting for Stock Issued to Employees.Accordingly, no compensation expense has been recognized for stock options issued under these plans. Had compensation expense for the plans been determined based on the fair value at the grant date consistent with SFAS No. 123, Cott's net income and income per common share would have been as follows:

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

	JUNE 29, 2002	JUNE 30, 2001
NET INCOME (LOSS)		
As reported	$(27.6)	$19.6
Pro forma	(30.6)	17.9
NET INCOME (LOSS) PER SHARE - BASIC		
As reported	(0.44)	0.33
Pro forma	(0.50)	0.30
NET INCOME (LOSS) PER SHARE - DILUTED		
As reported	(0.44)	0.29
Pro forma	(0.50)	0.26

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

	JUNE 29, 2002	JUNE 30, 2001
Risk-free interest rate	3.8% - 4.7%	4.4% - 5.5%
Average expected life (years)	4	4
Expected volatility	50.0%	50.0%
Expected dividend yield	-	-

The proforma impact above of the stock option plan has not been tax effected.

NOTE 13 - ACQUISITIONS

Effective June 21, 2002, the Company formed a new business in Mexico with Embotelladora de Puebla, S.A. de C.V. ("EPSA"), a Mexican company, in order to establish manufacturing and marketing capabilities into Mexico. Cott has a 90% interest in this new venture. EPSA has the remaining 10% interest.The purchase price was allocated to machinery and equipment and customer list.

Effective June 25, 2002, the Company acquired all of the outstanding capital stock of Premium Beverage Packers, Inc. ("Premium"). Premium's assets include working capital, equipment, customer list and certain trademarks. The acquisition is expected to add strength to Cott's growing presence in the Northeast United States.

(in millions of U.S. dollars)
Unaudited

NOTE 13 - ACQUISITIONS (continued)

These acquisitions have been accounted for using the purchase method. The results of operations have been included in Cott's consolidated statements of income from the effective dates of purchase. The total purchase price for both acquisitions was $29.2 million including estimated acquisition costs of $1.2 million and an equity investment of $1.0 million and before working capital adjustments. The acquisitions were funded from borrowings on Cott's short-term credit facility.

In January 2002, Cott made equity investments in two spring water companies totalling $1.8 million to strengthen its position in the spring water segment across Canada.

NOTE 14 - CONTINGENCIES

Cott is subject to various claims and legal proceedings with respect to matters such as governmental regulations, income taxes, and other actions arising in the normal course of business. Management believes that the resolution of these matters will not have a material adverse effect on Cott's financial position or results from operations.

NOTE 15 - SEGMENT REPORTING

Cott produces, packages and distributes retailer brand and branded bottled and canned soft drinks to regional and national grocery, mass-merchandise and wholesale chains in the United States, Canada and the United Kingdom & International. The concentrate assets and related expenses purchased in the second half of 2001 have been included in the Corporate & Other Segment for the six months ended June 29, 2002. Cott manages its beverage business by geographic segments as described below:

(in millions of U.S. dollars)
Unaudited

NOTE 15 - SEGMENT REPORTING (continued)

BUSINESS SEGMENTS

FOR THE THREE MONTHS ENDED JUNE 29, 2002	UNITED STATES	CANADA	UNITED KINGDOM & INTERNATIONAL	CORPORATE & OTHER	TOTAL
		(in millions of U.S. dollars)			
External sales	$239.7	$ 50.2	$ 39.6	$ -	$ 329.5
Intersegment sales	0.8	6.5	-	(7.3)	-
Depreciation and amortization	7.0	1.5	1.7	0.3	10.5
Operating income (loss)	33.0	6.8	2.0	(3.0)	38.8
Total assets	477.9	109.6	155.0	64.8	807.3
Additions to property, plant and equipment	4.6	1.1	0.4	1.8	7.9

FOR THE THREE MONTHS ENDED JUNE 30, 2001	UNITED STATES	CANADA	UNITED KINGDOM & INTERNATIONAL	CORPORATE & OTHER	TOTAL
		(in millions of U.S. dollars)			
External sales	$219.7	$ 47.1	$ 38.8	$ -	$ 305.6
Intersegment sales	0.6	4.7	-	(5.3)	-
Depreciation and amortization	6.2	1.6	2.0	0.1	9.9
Operating income (loss)	26.8	5.6	0.1	(3.5)	29.0
Total assets (December 29, 2001)	520.0	97.3	201.0	247.1	1,065.4
Additions to property, plant and equipment	3.1	1.0	1.2	1.0	6.3

(in millions of U.S. dollars)
Unaudited

NOTE 15 - SEGMENT REPORTING (continued)

FOR THE SIX MONTHS ENDED JUNE 29, 2002	UNITED STATES	CANADA	UNITED KINGDOM & INTERNATIONAL	CORPORATE & OTHER	TOTAL
		(in millions of U.S. dollars)			
External sales	$427.2	$ 82.2	$ 70.1	$ -	$ 579.5
Intersegment sales	0.8	11.1	-	(11.9)	-
Depreciation and amortization	13.9	3.1	3.3	0.5	20.8
Operating income (loss)	53.3	8.6	(0.8)	(3.9)	57.2
Total assets	477.9	109.6	155.0	64.8	807.3
Additions to property, plant and equipment	13.6	1.4	0.6	3.0	18.6

FOR THE SIX MONTHS ENDED JUNE 30, 2001	UNITED STATES	CANADA	UNITED KINGDOM & INTERNATIONAL	CORPORATE & OTHER	TOTAL
		(in millions of U.S. dollars)			
External sales	$388.4	$ 81.0	$ 65.2	$ -	$ 534.6
Intersegment sales	1.0	6.0	-	(7.0)	-
Depreciation and amortization	12.0	3.3	4.0	0.2	19.5
Operating income (loss)	43.3	7.3	(1.4)	(7.2)	42.0
Total assets (December 29, 2001)	520.0	97.3	201.0	247.1	1,065.4
Additions to property, plant and equipment	9.7	2.1	2.5	2.0	16.3

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

For the six months ended June 29, 2002, sales to two major customers accounted for 42% and 10%, respectively, of Cott's total sales (40% and 12% - June 30, 2001).

NOTE 16 - ACCOUNTING DEVELOPMENTS

In May 2002, the Financial Accounting Standards Board issued SFAS 145 indicating that certain debt extinguishment activities do not meet the criteria for classification as extraordinary items and should no longer be classified as extraordinary items. Cott will adopt the standard in 2003. Once adopted, the comparative figures for the six months ended June 29, 2002 will disclose income before income taxes and equity loss of $25.4 million, income tax expense of $8.0 million and income from continuing operations of $17.2 million. There will be no impact on the results for the second quarter of 2002.

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

Cott Corporation is the world's largest retailer brand soft drink supplier, with the leading take home carbonated soft drink market shares in this segment in its core markets of the U.S., Canada and the U.K.

RESULTS OF OPERATIONS

Continuing to pursue its growth strategy, Cott reported net income of $19.2 million, $0.27 per diluted share, for the second quarter ended June 29, 2002 up 32% as compared with the $14.5 million, $0.21 per diluted share, for the second quarter of 2001. For the first half, income from continuing operations increased 37% to $26.8 million, from $19.6 million in the same period last year. Including extraordinary charges for early redemption of senior unsecured notes maturing in 2005 and 2007 (the "2005 & 2007 Notes") and for the effect of a change in accounting principle to write down the entire goodwill in the U.K. business unit, Cott's net loss for the first half was $27.6 million or $0.44 per diluted share compared with net income of $19.6 million or $0.29 per diluted share in the first half of 2001.

SALES - Sales were up 8% to $329.5 million in the second quarter of 2002 compared to $305.6 million for the second quarter of 2001. Excluding the impact of acquiring certain asset from Royal Crown and of entering into the Northeast Retailer Brand business combination (the "2001 acquisitions") in the last half of 2001, sales of $310.2 million were up 2% from the same period last year. The sales increase was lead by growth in the U.S. business. Sales volume in 8-oz equivalent cases for the quarter was flat compared with the second quarter of 2001 after excluding the impact of the 2001 acquisitions.

Sales for the first half increased to $579.5 million, 8% higher than the same period last year and up 3% when the 2001 acquisitions are excluded. Sales volume was up 1% from last year excluding the impact of the 2001 acquisitions.

Sales in the U.S. during the second quarter of 2002 increased to $239.7 million, up 9% from $219.7 million in the second quarter of 2001 despite some volume softness due to unseasonably cool spring weather in the Northeast United States. In the first half of 2002, sales of $427.2 grew by 10% compared with the first half of last year. The Northeast Retailer Brand business combination added $15.7 million to sales for the quarter and $28.9 million for the first half of 2002. A significant portion of the increase in the existing business was attributable to growth in sales volume of reverse osmosis purified drinking water.

Sales in Canada were $50.2 million for the quarter, up 7% from $47.1 million for the same period last year primarily due to higher water sales and to increased promotional activity. For the first half, sales of $82.2 million were 1% higher than $81.0 million for the same period last year.

Sales in the U.K. & International of $39.6 million for the second quarter increased 2% from $38.8 million in 2001. For the first half of 2002, sales of $70.1 million were up 8% over the prior year. The Royal Crown acquisition added sales of $3.6 million and $6.1 million for the three and six month periods ended June 29, 2002, respectively. These increases were partially offset as some U.K. retailers continue to emphasize national brand products over their own retailer brands.

GROSS PROFIT - Gross profit in the second quarter increased by 2.5 percentage points, as compared with the same period last year, to 20.4%. This brought the first half gross profit to 19.5%, also a 2.5 percentage point improvement compared with the same period of 2001. Improvements resulted from productivity improvements, synergies arising from the integration of prior acquisitions and the impact of acquiring the Royal Crown assets. The improvement in gross profit was partially offset by increased interest expense on the debt incurred to finance the 2001 acquisitions.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES ("SG&A") - SG&A was $28.3 million for the second quarter, up $2.7 million from $25.6 million last year. For the first six months of 2002, SG&A of $56.0 million was $7.3 million higher than the same period of 2001. The increase was due primarily to the impact of the 2001 acquisitions, which added $2.6 million and $4.9 million, respectively, to the SG&A for the second quarter and first half of 2002. SG&A would have been higher by $1.0 million for the second quarter and $1.9 million higher for the first half if goodwill had been amortized as it was in 2001. Under SFAS 142, goodwill is no longer amortized.

INTEREST EXPENSE - Net interest expense was $8.0 million for the quarter compared with $7.0 million in the second quarter of 2001. For the first half of 2002, net interest expense totaled $17.3 million, up $3.6 million from the same period last year. Interest on the term loan used to finance the acquisition of the Royal Crown assets in July 2001 resulted in an interest expense increase as compared with the same period last year of $1.7 million for the second quarter and $3.4 million for the first half. The second quarter increase was partially offset as a result of the lower interest rate achieved through refinancing the 2005 & 2007 Notes at the end of last year.

INCOME TAXES - Cott recorded income tax provisions of $11.4 million for the second quarter and $12.5 million for the first half of 2002 as compared with $7.1 million and $10.3 million for the same periods in 2001. For the first half of 2002, the overall effective tax rate was 31.6% compared with 34.4% for the same period last year. The reduction in the effective tax rate for the first half resulted principally as Cott realized the benefit of a capital loss in the first quarter. The 2001 effective rate was also lowered as Cott recognized the previously unrecorded tax benefit on losses from prior years through a reduction in the valuation allowance, although this was partially offset by lower tax rates in Canada.

ACQUISITIONS - In the second quarter, Cott completed two acquisitions. First, Cott acquired a 90% stake in a new Mexican soft drink bottling venture and a 35% share in an existing Mexican distribution company (the "Mexico acquisition") in order to establish manufacturing and marketing capabilities in Mexico. Assets of the Mexico acquisition included machinery and equipment and a customer list. Second, Cott acquired all of the outstanding capital stock of Premium Beverage Packers, Inc. (the "Premium acquisition"), Cott's largest carbonated soft drinks co-packer in the United States, to add manufacturing strength in the Northeast United States. The Premium acquisition included working capital, machinery and equipment, customer list and trademarks.

The aggregate purchase price of these acquisitions was $29.2 million including estimated acquisition costs of $1.2 million and an equity investment of $1.0 million and before adjustments for working capital. Cott financed the acquisitions with borrowings under its short-term credit facility.

In January 2002, Cott made equity investments in two spring water companies totaling $1.8 million to strengthen its position in the spring water segment across Canada.

FINANCIAL CONDITION - Cash provided by operating activities for the first half of 2002 was $7.1 million, including capital expenditures of $18.6 million but excluding the $10.6 million cash portion of early redemption costs on the 2005 & 2007 Notes. This was a $7.4 million decline from $14.5 million provided by operating activities for the first six months of 2001. Higher cash from earnings was offset by an increase in current income taxes in the United States, a change in the timing of interest payments as a result of the 2005 & 2007 Notes refinancing and a small increase in capital spending.

The $297.3 million of cash in trust at December 29, 2001 was used to redeem the $276.4 million principal amount of the 2005 & 2007 Notes and to pay the related accrued interest and early redemption penalties on January 22, 2002.

Cash and cash equivalents increased $6.6 million in the first half to $10.5 million as of June 29, 2002.

In May 2002, Cott disposed of its remaining 7.6% investment in Menu Foods Limited for cash proceeds of $2.8 million. A gain of $1.3 million was recorded on the disposal.

CAPITAL EXPENDITURES - Capital expenditures for the first six months of 2002 were $18.6 million compared with $16.3 million in the same period last year. Major expenditures to date in 2002 included $4.9 million relating to the purified drinking water filling line projects in the Florida and Texas plants, $4.5 million for improvements to the Concordville, Pennsylvania plant that was acquired in October 2000 and $2.2 million relating to the upgrade and standardization of information and accounting systems. Capital spending is expected to range between $45 million and $50 million in 2002.

CAPITAL STRUCTURE - On June 27, 2002, all of the 4,000,000 outstanding Convertible Participating Voting Second Preferred Shares, Series I with a book value of $40.0 million were converted into 6,286,453 common shares of Cott.

Cott's current revolving credit facilities provide maximum credit of $90.2 million. At June 29, 2002, approximately $43.6 million of the committed revolving credit facility in the U.S. and Canada and the entire $15.2 million of the demand credit facility in the U.K. were available. The weighted average interest rate on outstanding borrowings under the credit facilities was 5.3% as of June 29, 2002.

As of June 29, 2002, Cott's long-term debt totaled $363.2 million as compared with $364.9 million at the end of 2001, adjusted for the redemption of the 2005 and 2007 Notes in January 2002. At quarter end, debt consisted of $267.8 million in 8% senior subordinated notes with a face value of $275 million, $94.7 million on the term loan and $0.7 million of other debt. Cott is exposed to interest rate risk as its term loan, which represents approximately 26% of its long-term debt at June 29, 2002, bears interest at floating rates. The weighted average interest rate on the term loan as of June 29, 2002 was 5.1%.

Management believes Cott has adequate financial resources to meet its ongoing cash requirements for operations and capital expenditures, as well as its other financial obligations.

NEW ACCOUNTING STANDARDS - In May 2002, the Financial Accounting Standards Board issued SFAS 145 indicating that certain debt extinguishment activities do not meet the criteria for classification as extraordinary items and should no longer be classified as extraordinary items. Cott will adopt the standard in 2003. Once adopted, the comparative figures for the six months ended June 29, 2002 will disclose income before income taxes and equity loss of $25.4 million, income tax expense of $8.0 million and income from continuing operations of $17.2 million. There will be no impact on the results for the second quarter of 2002.

CANADIAN GAAP - Consolidated financial statements in accordance with Canadian GAAP are made available to all shareowners and are filed with Canadian securities regulatory authorities. Under Canadian GAAP in the first half of 2002, Cott reported net income of $27.5 million and total assets of $809.2 million compared to the net loss and total assets under U.S. GAAP of $27.6 million and $807.3 million, respectively. There are no material U.S./Canadian GAAP differences for the second quarter. There are two primary differences between results reported under U.S. and Canadian GAAP in the six months ended June 29, 2002.

First, under Canadian GAAP, the 2005 & 2007 Notes were considered discharged on December 21, 2001 when the funds to redeem the notes were transferred to an irrevocable trust. As a result, debt extinguishment costs were recorded in the fourth quarter of 2001 under Canadian GAAP in results from continuing operations. Under U.S. GAAP, the 2005 & 2007 Notes were considered discharged on January 22, 2002 and the debt extinguishment costs of $9.6 million were recorded as an extraordinary item in the six months ended June 29, 2002.

Second, under Canadian GAAP, the impairment loss of $44.8 million relating to the change in the method for valuing goodwill is charged to opening retained earnings in the first quarter of 2002. Under U.S. GAAP, the change in accounting principle is recorded as a charge to net income for the six month period ended June 29, 2002.

OUTLOOK - At this point, Cott expects sales to grow by 8% to 10% in 2002 as compared with 2001 and earnings per diluted share to be between $0.76 and $0.78 for the year, before the one-time charges recorded in the first quarter. Cott's ongoing focus is to increase sales, market share and profitability for Cott and its customers. The carbonated soft drink industry continues to experience positive growth, especially in the U.S. Facing intense price competition from heavily promoted global and regional brands, Cott's major opportunity for growth depends on management's continued emphasis on this focus and on retailers' continued commitment to their retailer brand soft drink programs. Cott continues to strive to expand the business through growth with key customers, the pursuit of new customers and channels and through new acquisitions and alliances. Additional financing may be required to fund future acquisitions, and there can be no assurance that such financing will be available on favorable terms.

RISKS AND UNCERTAINTIES - Risks and uncertainties that could adversely impact Cott's financial performance include pricing strategies of the national brands, commitment of major customers to retailer brand programs, stability of procurement costs for such items as packaging materials, sweeteners and other ingredients, the successful integration of new acquisitions, seasonality of sales, the ability to protect intellectual property and fluctuations in interest rates and foreign currencies versus the U.S. dollar.

Sales to the top two customers in the first half of 2002 accounted for 42% and 10% of total sales (40% and 12% in the first half of 2001). The loss of any significant customer or any significant portion of Cott's sales could have a material adverse effect on the Company's operating results and cash flows.

FORWARD-LOOKING STATEMENTS - In addition to historical information, this report contains statements relating to future events and Cott's future results. These statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995 and include, but are not limited to, statements that relate to projections of revenues, earnings, earnings per share, cash flows, capital expenditures or other financial items, discussions of estimated future revenue enhancements and cost savings. These statements also relate to Cott's business strategy, goals and expectations concerning its market position, future operations, margins, profitability, liquidity and capital resources. Generally, words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," "will" and similar terms and phrases are used to identify forward-looking statements.

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

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

o Loss of key customers, particularly Wal-Mart, and the commitment of Cott's private label beverage customers to their private label beverage programs;

o Increases in competitor consolidations and other market-place competition, particularly among branded beverage products;

o Cott's ability to identify and acquire acquisition candidates and to integrate into its operations the businesses and product lines that are acquired;

o Fluctuations in the cost and availability of beverage ingredients and packaging supplies and Cott's ability to maintain favorable arrangements and relationships with suppliers;

o Unseasonably cold or wet weather, which could reduce demand for Cott's beverages;

o Cott's ability to protect the intellectual property inherent in new and existing products;

o Adverse rulings, judgments or settlements in Cott's existing litigation, and the possibility that additional litigation will be brought against Cott;

o Product recalls or changes in or increased enforcement of the laws and regulations that affect Cott's business;

o Currency fluctuations that adversely affect the U.S. dollar exchange with the pound sterling, the Canadian dollar and other currencies;

o Changes in interest rates;

o Changes in consumer tastes and preference and market demand for new and existing products;

o Changes in general economic and business conditions; and

o Increased acts of terrorism or war.

The foregoing list of important factors is not exclusive or exhaustive. Many of these factors are described in greater detail in other filings with the U.S. Securities and Exchange Commission. All future written and oral forward-looking statements attributable to Cott or persons acting on Cott's behalf are expressly qualified in their entirety by the previous statements. These statements are made as of the date of this report. Cott undertakes no obligation to update any information contained in this report or to publicly release the results of any revisions to forward-looking statements to reflect events or circumstances that Cott may become aware of after the date of this report.

Undue reliance should not be placed on forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to Item 7A: Quantitative and Qualitative Disclosures about Market Risk described in Cott's Annual Report on Form 10-K for the fiscal year ended December 29, 2001.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Reference is made to Item 3: Legal Proceedings described in Cott's Annual Report on Form 10-K for the fiscal year ended December 29, 2001.

Cott (along with others) was named as a defendant in an action filed by Victoriatea.com, Inc., The Torimiro Corporation and Rachael F. Parray in the Supreme Court for the State of New York on May 30, 2002. The complaint seeks, among other things, compensatory damages in an amount not less than $3 million, punitive damages in an amount not less than $5 million and unspecified attorney's fees, costs and disbursements. The complaint alleges breach of contract, negligence, breach of implied warranties and breach of implied covenant of good faith in connection with Cott's manufacture of beverages for one of the plaintiffs. Cott believes that it has valid defenses to the claims made by the plaintiffs and, in any event, any damages likely to be awarded to the plaintiffs are not expected to be material.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) The Annual and Special Meeting of the Company's Shareholders was held on April 18, 2002.

(b) The meeting was held to consider and vote on the following matters:

MATTERS SUBMITTED TO A VOTE(1)	FOR	WITHHELD	NOT VOTED
To elect directors for a period of one year:			
Colin J. Adair	55,545,285	265,634	-
W. John Bennett	55,483,821	327,098	-
C. Hunter Boll	55,526,620	284,299	-
Serge Gouin	55,243,221	567,698	-
Thomas M. Hagerty	54,513,894	1,297,025	-
Stephen H. Halperin	55,525,400	285,519	-
David V. Harkins	54,512,484	1,298,435	-
True H. Knowles(2)	55,481,961	328,958	-
Donald G. Watt	55,523,160	287,759	-
Frank E. Weise III	55,543,685	267,234	-
To appoint PricewaterhouseCoopers LLP as auditors and authorize the directors to fix their remuneration	55,558,690	191,530	60,699

	FOR	AGAINST	WITHHELD	NOT VOTED
To approve amendments to the Company's by-laws	51,500,535	133,595	105,813	4,070,976

(1) Vote totals include 4,000,000 outstanding Second Preferred Shares, Series 1, which voted on an as converted basis entitling the holders thereof (in aggregate) to 6,136,774 votes at such meeting.

(2) True Knowles resigned his position as director on July 24, 2002.

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

(a) Financial Statement Schedules and Exhibits

(i) Financial Statement Schedules:

Schedule III - Consolidating Financial Statements

(ii) Exhibits:

Number	Description
3.1	Articles of Incorporation of Cott (incorporated by reference to Exhibit 3.1 to Cott's Form 10-K dated March 31, 2000).
3.2	By-laws of Cott (incorporated by reference to Exhibit 3.2 to Cott's Form 10-K dated March 8, 2002).

(b) Reports on Form 8-K

No report on Form 8-K has been filed by Cott during the quarter for which this report is filed.

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: August 13, 2002

/s/ Raymond P. Silcock

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

Date: August 13, 2002

/s/ Tina Dell'Aquila

Tina Dell'Aquila
Vice President, Controller
(Principal accounting officer)

SCHEDULE III - CONSOLIDATING FINANCIAL STATEMENTS

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

The following supplemental financial information sets forth on an unconsolidated basis, balance sheets, statements of income and cash flows for Cott Corporation, Cott Beverages Inc., Guarantor Subsidiaries and Cott's other subsidiaries (the "Non-guarantor Subsidiaries"). The balance sheets, statements of income and cash flows for Cott Beverages Inc. have been adjusted retroactively to include Concord Beverage LP, Concord Holdings GP Inc. and Concord Holdings LP Inc. that were amalgamated with Cott Beverages Inc. on December 29, 2001. The supplemental financial information reflects the investments of Cott and Cott Beverages Inc. in their respective subsidiaries using the equity method of accounting.

COTT CORPORATION
CONSOLIDATING STATEMENTS OF INCOME

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

	FOR THE THREE MONTHS ENDED JUNE 29, 2002					
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
SALES	$56.7	$229.7	$ -	$50.7	$ (7.6)	$329.5
Cost of sales	44.2	181.4	-	44.5	(7.7)	262.4
GROSS PROFIT	12.5	48.3	-	6.2	0.1	67.1
Selling, general and administrative expenses	8.7	14.8	0.5	4.3	-	28.3
OPERATING INCOME (LOSS)	3.8	33.5	(0.5)	1.9	0.1	38.8
Other expense (income), net	0.6	-	-	(1.1)	-	(0.5)
Interest expense, net	(2.9)	7.9	2.8	0.2	-	8.0
Minority interest	-	-	-	0.5	-	0.5
INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY INCOME (LOSS)	6.1	25.6	(3.3)	2.3	0.1	30.8
Income taxes	(2.0)	(9.1)	-	(0.3)	-	(11.4)
Equity income (loss)	15.1	1.0	16.9	-	(33.2)	(0.2)
INCOME (LOSS) FROM CONTINUING OPERATIONS	19.2	17.5	13.6	2.0	(33.1)	19.2
Extraordinary item	-	-	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	-	-	-
NET INCOME (LOSS)	$19.2	$ 17.5	$ 13.6	$ 2.0	$(33.1)	$ 19.2

COTT CORPORATION
CONSOLIDATING STATEMENTS OF INCOME

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

	FOR THE SIX MONTHS ENDED JUNE 29, 2002					
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
SALES	$ 93.3	$407.4	$ -	$ 91.7	$(12.9)	$579.5
Cost of sales	74.8	322.4	-	82.1	(13.0)	466.3
GROSS PROFIT	18.5	85.0	-	9.6	0.1	113.2
Selling, general and administrative expenses	13.6	31.3	1.0	10.1	-	56.0
OPERATING INCOME (LOSS)	4.9	53.7	(1.0)	(0.5)	0.1	57.2
Other expense (income), net	0.6	-	-	(1.2)	-	(0.6)
Interest expense, net	(5.0)	15.8	6.1	0.4	-	17.3
Minority interest	-	-	-	1.0	-	1.0
INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY INCOME (LOSS)	9.3	37.9	(7.1)	(0.7)	0.1	39.5
Income taxes	(0.5)	(12.6)	-	0.6	-	(12.5)
Equity income (loss)	(26.8)	1.0	26.3	-	(0.7)	(0.2)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(18.0)	26.3	19.2	(0.1)	(0.6)	26.8
Extraordinary item	(9.6)	-	-	-	-	(9.6)
Cumulative effect of change in accounting principle	-	-	-	(44.8)	-	(44.8)
NET INCOME (LOSS)	$(27.6)	$ 26.3	$19.2	$(44.9)	$ (0.6)	$(27.6)

COTT CORPORATION
CONSOLIDATING BALANCE SHEETS

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

AS OF JUNE 29, 2002

	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
ASSETS						
Current assets						
Cash and cash equivalents	$ 0.1	$ -	$ 0.1	$ 10.3	$ -	$ 10.5
Accounts receivable	29.9	91.7	7.6	26.0	(8.2)	147.0
Inventories	16.6	47.4	5.0	12.4	(0.3)	81.1
Prepaid expenses	1.0	1.5	0.8	0.9	-	4.2
	47.6	140.6	13.5	49.6	(8.5)	242.8
Property, plant and equipment	52.7	134.5	25.0	59.7	-	271.9
Goodwill	18.0	46.7	13.8	-	-	78.5
Intangibles and other assets	7.3	136.0	13.4	57.4	-	214.1
Due from affiliates	38.7	284.5	297.9	42.4	(663.5)	-
Investments in subsidiaries	391.5	67.8	280.7	-	(740.0)	-
	$555.8	$810.1	$644.3	$ 209.1	$(1,412.0)	$807.3
LIABILITIES						
Current liabilities						
Short-term borrowings	$ 1.9	$ 49.2	$ -	$ -	$ -	$ 51.1
Current maturities of long-term debt	-	8.7	-	0.1	-	8.8
Accounts payable and accrued liabilities	34.1	54.5	26.4	28.6	(8.2)	135.4
Other current liabilities	-	-	-	18.3	-	18.3
	36.0	112.4	26.4	47.0	(8.2)	213.6
Long-term debt	-	354.4	-	-	-	354.4
Due to affiliates	328.5	12.3	284.0	38.7	(663.5)	-
Other liabilities	10.6	11.6	8.2	0.4	-	30.8
	375.1	490.7	318.6	86.1	(671.7)	598.8
Minority interest	-	-	-	27.8	-	27.8
SHAREOWNERS' EQUITY						
Capital stock						
Common shares	242.1	275.8	282.7	219.4	(777.9)	242.1
Second preferred shares, Series 1	-	-	-	-	-	-
	242.1	275.8	282.7	219.4	(777.9)	242.1
Retained earnings (deficit)	(25.6)	43.6	43.0	(105.3)	18.7	(25.6)
Accumulated other comprehensive income	(35.8)	-	-	(18.9)	18.9	(35.8)
	180.7	319.4	325.7	95.2	(740.3)	180.7
	$555.8	$810.1	$644.3	$ 209.1	$(1,412.0)	$807.3

COTT CORPORATION
CONSOLIDATING STATEMENTS OF CASH FLOWS

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

	FOR THE SIX MONTHS ENDED JUNE 29, 2002					
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
OPERATING ACTIVITIES						
Income (loss) from continuing operations	$ (18.0)	$ 26.3	$ 19.2	$(0.1)	$ (0.6)	$ 26.8
Depreciation and amortization	3.3	10.7	1.7	5.1	-	20.8
Amortization of financing fees	0.1	0.8	-	-	-	0.9
Deferred income taxes	0.4	4.2	-	(0.8)	-	3.8
Minority interest	-	-	-	1.0	-	1.0
Equity income, net of distributions	26.8	0.8	(20.4)	-	(7.0)	0.2
Gain on disposal of investment	(1.3)	-	-	-	-	(1.3)
Other non-cash items	1.9	(0.6)	-	(0.2)	-	1.1
Net change in non-cash working capital from continuing operations	(11.3)	(19.4)	0.7	2.5	(0.1)	(27.6)
Cash provided by (used in) continuing operations	1.9	22.8	1.2	7.5	(7.7)	25.7
Cost of debt redemption	(10.6)	-	-	-	-	(10.6)
Cash provided by(used in) operating activities	(8.7)	22.8	1.2	7.5	(7.7)	15.1
INVESTING ACTIVITIES						
Additions to property, plant and equipment	(4.2)	(13.1)	(0.6)	(0.7)	-	(18.6)
Acquisitions	(1.8)	-	(27.7)	(1.5)	-	(31.0)
Advances to affiliates	-	(0.5)	-	-	0.5	-
Investment in subsidiary	(15.0)	(27.0)	(10.0)	-	52.0	-
Other	2.8	(1.6)	0.2	-	-	1.4
Cash used in investing activities	(18.2)	(42.2)	(38.1)	(2.2)	52.5	(48.2)
FINANCING ACTIVITIES						
Payments of long-term debt	(276.4)	(2.0)	-	-	-	(278.4)
Short-term borrowings	0.3	16.6	-	-	-	16.9
Decrease in cash in trust	297.3	-	-	-	-	297.3
Advances from affiliates	0.5	-	-	-	(0.5)	-
Distributions to subsidiary minority shareowner	-	-	-	(1.7)	-	(1.7)
Issue of common shares	5.0	10.0	37.0	5.0	(52.0)	5.0
Dividends paid	-	(5.9)	-	(1.8)	7.7	-
Cash provided by (used in) financing activities	26.7	18.7	37.0	1.5	(44.8)	39.1
Effect of exchange rate changes on cash and cash equivalents	0.3	-	-	0.3	-	0.6
NET INCREASE IN CASH AND CASH EQUIVALENTS	0.1	(0.7)	0.1	7.1	-	6.6
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	-	0.7	-	3.2	-	3.9
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 0.1	$ -	$ 0.1	$10.3	$ -	$ 10.5

COTT CORPORATION
CONSOLIDATING STATEMENTS OF INCOME

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

	FOR THE THREE MONTHS ENDED JUNE 30, 2001					
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
SALES	$61.8	$220.6	$ -	$38.1	$(14.9)	$305.6
Cost of sales	49.7	181.6	-	34.4	(14.7)	251.0
GROSS PROFIT	12.1	39.0	-	3.7	(0.2)	54.6
Selling, general and administrative expenses	6.1	15.4	0.1	4.0	-	25.6
OPERATING INCOME	6.0	23.6	(0.1)	(0.3)	(0.2)	29.0
Other expense (income), net	0.5	-	-	(0.1)	-	0.4
Interest expense, net	1.0	0.7	5.0	0.3	-	7.0
INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY INCOME	4.5	22.9	(5.1)	(0.5)	(0.2)	21.6
Income taxes	-	(7.2)	-	-	0.1	(7.1)
Equity income	10.0	-	15.7	-	(25.7)	-
NET INCOME (LOSS)	$14.5	$ 15.7	$10.6	$(0.5)	$(25.8)	$ 14.5

COTT CORPORATION
CONSOLIDATING STATEMENTS OF INCOME

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

	FOR THE SIX MONTHS ENDED JUNE 30, 2001					
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
SALES	$106.0	$390.2	$ -	$63.5	$(25.1)	$534.6
Cost of sales	85.7	325.4	-	57.2	(24.4)	443.9
GROSS PROFIT	20.3	64.8	-	6.3	(0.7)	90.7
Selling, general and administrative expenses	11.2	29.0	0.1	8.4	-	48.7
OPERATING INCOME	9.1	35.8	(0.1)	(2.1)	(0.7)	42.0
Other income, net	-	-	-	(1.6)	-	(1.6)
Interest expense, net	2.6	0.5	10.1	0.5	-	13.7
INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY INCOME	6.5	35.3	(10.2)	(1.0)	(0.7)	29.9
Income taxes	(0.8)	(10.2)	-	0.4	0.3	(10.3)
Equity income	13.9	-	25.1	-	(39.0)	-
NET INCOME (LOSS)	$ 19.6	$ 25.1	$ 14.9	$(0.6)	$(39.4)	$ 19.6

COTT CORPORATION
CONSOLIDATING BALANCE SHEETS

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

	AS OF DECEMBER 29, 2001					
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
ASSETS						
Current assets						
Cash and cash equivalents	$ -	$ 0.7	$ -	$ 3.2	$ -	$ 3.9
Cash in trust	297.3	-	-	-	-	297.3
Accounts receivable	28.7	75.1	0.4	27.4	(9.6)	122.0
Inventories	11.7	46.0	-	10.8	(0.3)	68.2
Prepaid expenses	1.4	1.4	-	0.6	-	3.4
	339.1	123.2	0.4	42.0	(9.9)	494.8
Property, plant and equipment	49.3	138.6	-	59.0	-	246.9
Goodwill	17.2	46.7	5.1	45.1	-	114.1
Intangibles and other assets	11.2	140.3	-	58.1	-	209.6
Due from affiliates	251.1	284.0	297.9	42.3	(875.3)	-
Investments in subsidiaries	188.3	41.7	277.2	-	(507.2)	-
	$856.2	$774.5	$580.6	$ 246.5	$(1,392.4)	$1,065.4
LIABILITIES						
Current liabilities						
Short-term borrowings	$ 1.7	$ 32.5	$ -	$ -	$ -	$ 34.2
Current maturities of long-term debt	276.4	5.4	-	-	-	281.8
Accounts payable and accrued liabilities	39.8	68.4	0.2	26.6	(9.6)	125.4
	317.9	106.3	0.2	26.6	(9.6)	441.4
Long-term debt	-	359.4	-	0.1	-	359.5
Due to affiliates	328.0	12.3	497.7	37.3	(875.3)	-
Other liabilities	14.9	7.4	-	17.9	0.8	41.0
	660.8	485.4	497.9	81.9	(884.1)	841.9
Minority interest	-	-	-	28.1	-	28.1
SHAREOWNERS' EQUITY						
Capital stock						
Common shares	197.1	265.8	59.0	214.4	(539.2)	197.1
Second preferred shares, Series 1	40.0	-	-	-	-	40.0
	237.1	265.8	59.0	214.4	(539.2)	237.1
Retained earnings (deficit)	2.0	23.3	23.7	(58.7)	11.7	2.0
Accumulated other comprehensive income	(43.7)	-	-	(19.2)	19.2	(43.7)
	195.4	289.1	82.7	136.5	(508.3)	195.4
	$856.2	$774.5	$580.6	$246.5	$(1,392.4)	$1,065.4

COTT CORPORATION
CONSOLIDATING STATEMENTS OF CASH FLOWS

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

	FOR THE SIX MONTHS ENDED JUNE 30, 2001					
	COTT CORPORATION	COTT BEVERAGES INC.	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
OPERATING ACTIVITIES						
Net income (loss)	$ 19.6	$ 25.1	$ 14.9	$ (0.6)	$(39.4)	$ 19.6
Depreciation and amortization	3.4	12.0	0.1	4.0	-	19.5
Amortization of financing fees	0.5	0.1	-	-	-	0.6
Deferred income taxes	0.7	9.0	-	(0.4)	(0.3)	9.0
Equity income, net of distributions	(12.8)	-	(15.3)	-	28.1	-
Other non-cash items	-	0.1	-	(1.3)	-	(1.2)
Net change in non-cash working capital from continuing operations	(2.4)	(6.5)	0.4	(8.9)	0.7	(16.7)
Cash provided by (used in) operating activities	9.0	39.8	0.1	(7.2)	(10.9)	30.8
INVESTING ACTIVITIES						
Additions to property, plant and equipment	(4.1)	(9.7)	-	(2.5)	-	(16.3)
Proceeds from disposal of businesses	-	-	-	1.2		1.2
Advances to affiliates	(15.8)	0.1	-	15.8	(0.1)	-
Investment in subsidiary	14.8	-	(15.8)	-	1.0	-
Other	-	0.6	-	-	-	0.6
Cash provided by (used in) investing activities	(5.1)	(9.0)	(15.8)	14.5	0.9	(14.5)
FINANCING ACTIVITIES						
Payments of long-term debt	(0.1)	(0.5)	-	(0.1)	-	(0.7)
Short-term borrowings	-	(18.6)	-	3.6	-	(15.0)
Advances from affiliates	-	(15.8)	15.7	-	0.1	-
Issue of common shares	1.5	15.8	-	-	(15.8)	1.5
Redemption of common shares	-	-	-	(14.8)	14.8	-
Dividends paid	-	(9.8)	-	(1.1)	10.9	-
Cash provided by (used in) financing activities	1.4	(28.9)	15.7	(12.4)	10.0	(14.2)
Effect of exchange rate changes on cash and cash equivalents	0.1	-	-	(0.1)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5.4	1.9	-	(5.2)	-	2.1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1.5	-	-	5.7	-	7.2
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 6.9	$ 1.9	$ -	$ 0.5	$ -	$ 9.3