PRIMO WATER CORP /CN/

FORM 10-Q
(Quarterly Report)

Filed 08/05/15 for the Period Ending 07/04/15

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: July 4, 2015

☐ **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, CANADA**	**L4V 1H6**
5519 WEST IDLEWILD AVENUE **TAMPA, FLORIDA, UNITED STATES** **(Address of principal executive offices)**	**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. (Check one):

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 July 31, 2015
Common Shares, no par value per share	109,660,142 shares

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Cott Corporation

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

	For the Three Months Ended		For the Six Months Ended	
	July 4, 2015	June 28, 2014	July 4, 2015	June 28, 2014
Revenue, net	**$ 779.8**	$ 549.2	**$ 1,489.6**	$ 1,024.3
Cost of sales	**539.2**	470.2	**1,047.7**	889.1
Gross profit	**240.6**	79.0	**441.9**	135.2
Selling, general and administrative expenses	**190.2**	50.7	**378.7**	97.6
Loss (gain) on disposal of property, plant & equipment	**0.2**	(0.1)	**1.6**	—
Restructuring	**—**	0.1	**—**	2.3
Asset impairments	**—**	0.3	**—**	1.9
Acquisition and integration expenses	**4.1**	1.8	**8.8**	2.9
Operating income	**46.1**	26.2	**52.8**	30.5
Other expense (income), net	**1.0**	19.8	**(9.4)**	17.5
Interest expense, net	**27.9**	8.4	**55.6**	18.2
Income (loss) before income taxes	**17.2**	(2.0)	**6.6**	(5.2)
Income tax (benefit) expense	**(1.1)**	2.5	**(10.5)**	2.0
Net income (loss)	**$ 18.3**	$ (4.5)	**$ 17.1**	$ (7.2)
Less: Net income attributable to non-controlling interests	**1.7**	1.4	**3.0**	2.8
Less: Accumulated dividends on convertible preferred shares	**1.8**	—	**4.5**	—
Less: Accumulated dividends on non-convertible preferred shares	**0.6**	—	**1.4**	—
Less: Foreign exchange impact on redemption of preferred shares	**12.0**	—	**12.0**	—
Net income (loss) attributed to Cott Corporation	$ **2.2**	$ **(5.9)**	$ **(3.8)**	$ **(10.0)**
Net income (loss) per common share attributed to Cott Corporation				
Basic	$ **0.02**	$ **(0.06)**	$ **(0.04)**	$ **(0.11)**
Diluted	**0.02**	**(0.06)**	**(0.04)**	**(0.11)**
Weighted average outstanding shares (thousands) attributed to Cott Corporation				
Basic	**99,573**	94,234	**96,384**	94,276
Diluted	**100,165**	94,234	**96,384**	94,276
Dividends declared per share	$ **0.06**	$ 0.06	$ **0.12**	$ 0.12

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

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Cott Corporation

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

		For the Three Months Ended		For the Six Months Ended	
		July 4, 2015	June 28, 2014	July 4, 2015	June 28, 2014
Net income (loss)		**$ 18.3**	$ (4.5)	**$ 17.1**	$ (7.2)
Other comprehensive income (loss):					
Currency translation adjustment		**24.6**	8.4	**(1.3)**	6.8
Pension benefit plan, net of tax	1	**0.4**	(0.3)	**0.5**	(0.3)
Unrealized (loss) gain on derivative instruments, net of tax	2	**(2.8)**	0.3	**(2.8)**	0.2
Total other comprehensive income (loss)		**22.2**	8.4	**(3.6)**	6.7
Comprehensive income (loss)		**$ 40.5**	$ 3.9	**$ 13.5**	$ (0.5)
Less: Comprehensive income attributable to non-controlling interests		**1.7**	1.4	**3.0**	2.8
Less: Accumulated dividends on convertible preferred shares		**1.8**	—	**4.5**	—
Less: Accumulated dividends on non-convertible preferred shares		**0.6**	—	**1.4**	—
Less: Foreign exchange impact on redemption of preferred shares		**12.0**	—	**12.0**	—
Comprehensive income (loss) attributed to Cott Corporation		**$ 24.4**	$ 2.5	**$ (7.4)**	$ (3.3)

1. Net of the effect of $0.1 million and $0.2 million tax expense for the three and six months ended July 4, 2015, respectively, and net of the effect of nil and $0.1 million tax expense for the three and six months ended June 28, 2014, respectively.
2. Net of the effect of $1.0 million and $1.0 million tax benefit for the three and six months ended July 4, 2015, respectively, and net of the effect of $0.1 million and $0.1 million tax expense for the three and six months ended June 28, 2014, respectively.

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

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Cott Corporation

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

	July 4, 2015	January 3, 2015
ASSETS		
Current assets		
Cash & cash equivalents	**$ 79.0**	$ 86.2
Accounts receivable, net of allowance of $8.7 ($6.5 as of January 3, 2015)	**366.6**	305.7
Income taxes recoverable	**1.3**	1.6
Inventories	**266.7**	262.4
Prepaid expenses and other current assets	**39.5**	59.3
Total current assets	**753.1**	715.2
Property, plant & equipment, net	**820.2**	864.5
Goodwill	**748.9**	743.6
Intangibles and other assets, net	**749.9**	781.7
Deferred income taxes	**1.3**	2.5
Other tax receivable	**0.1**	0.2
Total assets	**$3,073.5**	$3,107.7
LIABILITIES, PREFERRED SHARES AND EQUITY		
Current liabilities		
Short-term borrowings	**$ 198.2**	$ 229.0
Current maturities of long-term debt	**3.9**	4.0
Accounts payable and accrued liabilities	**453.9**	420.3
Total current liabilities	**656.0**	653.3
Long-term debt	**1,550.2**	1,565.0
Deferred income taxes	**101.8**	119.9
Other long-term liabilities	**88.5**	71.8
Total liabilities	**2,396.5**	2,410.0
Convertible preferred shares, $1,000 stated value, no shares issued (January 3, 2015 - 116,054 shares issued)	**—**	116.1
Non-convertible preferred shares, $1,000 stated value, no shares issued (January 3, 2015 - 32,711 shares issued)	**—**	32.7
Equity		
Capital stock, no par - 109,585,142 shares issued (January 3, 2015 - 93,072,850 shares issued)	**532.1**	388.3
Additional paid-in-capital	**50.9**	46.6
Retained earnings	**142.2**	158.1
Accumulated other comprehensive loss	**(54.6)**	(51.0)
Total Cott Corporation equity	**670.6**	542.0
Non-controlling interests	**6.4**	6.9
Total equity	**677.0**	548.9
Total liabilities, preferred shares and equity	**$3,073.5**	$3,107.7

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

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Cott Corporation

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

	For the Three Months Ended		For the Six Months Ended	
	July 4, 2015	June 28, 2014	July 4, 2015	June 28, 2014
Operating Activities				
Net income (loss)	**$ 18.3**	$ (4.5)	**$ 17.1**	$ (7.2)
Depreciation & amortization	**58.2**	25.8	**115.6**	50.9
Amortization of financing fees	**1.1**	0.6	**2.4**	1.2
Amortization of senior notes premium	**(1.4)**	—	**(2.9)**	—
Share-based compensation expense	**3.7**	2.1	**6.1**	3.4
(Decrease) increase in deferred income taxes	**(5.2)**	2.6	**(16.9)**	1.9
Write-off of financing fees and discount	**—**	3.0	**—**	3.3
Loss (gain) on disposal of property, plant & equipment	**0.2**	(0.1)	**1.6**	—
Asset impairments	**—**	0.3	**—**	1.9
Other non-cash items	**(6.3)**	(0.5)	**(16.5)**	(0.7)
Change in operating assets and liabilities, net of acquisitions:				
Accounts receivable	**(19.4)**	(33.0)	**(60.7)**	(66.3)
Inventories	**6.1**	8.9	**(4.9)**	(7.6)
Prepaid expenses and other current assets	**(4.5)**	(1.2)	**25.8**	(1.0)
Other assets	**(1.3)**	(0.4)	**(3.7)**	(0.2)
Accounts payable and accrued liabilities, and other liabilities	**25.2**	26.3	**10.0**	(2.2)
Income taxes recoverable	**1.0**	(0.4)	**1.6**	(0.4)
Net cash provided by (used in) operating activities	**75.7**	29.5	**74.6**	(23.0)
Investing Activities				
Acquisitions, net of cash received	**(0.5)**	(80.8)	**(0.5)**	(80.8)
Additions to property, plant & equipment	**(29.9)**	(11.8)	**(57.2)**	(20.6)
Additions to intangibles and other assets	**(0.1)**	(1.3)	**(2.2)**	(2.8)
Proceeds from sale of property, plant & equipment and sale-leaseback	**40.1**	—	**40.5**	—
Net cash provided by (used in) investing activities	**9.6**	(93.9)	**(19.4)**	(104.2)
Financing Activities				
Payments of long-term debt	**(1.1)**	(296.5)	**(1.9)**	(312.5)
Issuance of long-term debt	**—**	525.0	**—**	525.0
Borrowings under ABL	**654.1**	188.2	**748.9**	283.2
Payments under ABL	**(674.4)**	(284.3)	**(777.2)**	(299.4)
Distributions to non-controlling interests	**(1.6)**	(2.5)	**(3.6)**	(4.8)
Issuance of common shares	**142.5**	—	**142.6**	—
Financing fees	**(0.2)**	(7.9)	**(0.2)**	(7.9)
Preferred shares repurchased and cancelled	**(148.8)**	—	**(148.8)**	—
Common shares repurchased and cancelled	**—**	(2.7)	**(0.7)**	(3.1)
Dividends to common and preferred shareholders	**(9.0)**	(5.7)	**(18.0)**	(10.8)
Payment of deferred consideration for acquisitions	**(2.5)**	—	**(2.5)**	—
Net cash (used in) provided by financing activities	**(41.0)**	113.6	**(61.4)**	169.7
Effect of exchange rate changes on cash	**0.2**	1.1	**(1.0)**	1.2
Net increase (decrease) in cash & cash equivalents	**44.5**	50.3	**(7.2)**	43.7
Cash & cash equivalents, beginning of period	**34.5**	40.6	**86.2**	47.2
Cash & cash equivalents, end of period	**$ 79.0**	$ 90.9	**$ 79.0**	$ 90.9
Supplemental Non-cash Investing and Financing Activities:				
Dividend payable issued through accounts payable and accrued liabilities	**$ (0.1)**	$ —	**$ —**	$ —
Additions to property, plant & equipment through accounts payable and accrued liabilities	**(0.7)**	—	**5.5**	—
Acquisition related deferred consideration	**2.5**	51.4	**11.4**	51.4
Accrued deferred financing fees	**0.2**	1.8	**0.2**	1.8
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	**$ 47.1**	**$** 8.4	**$ 55.4**	**$** 25.0
Cash paid for income taxes, net	**$ 1.6**	**$** —	**$ 2.1**	**$** 0.3

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

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Cott Corporation

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

	Cott Corporation Equity						
	Number of Common Shares *(In thousands)*	Common Shares	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interests	Total Equity
Balance at December 28, 2013	**94,238**	**$ 392.8**	**$ 44.1**	**$ 174.8**	**$ (16.8)**	**$ 9.5**	**$604.4**
Common shares issued - Director Share Awards	112	—	0.8	—	—	—	0.8
Common shares repurchased and cancelled	(430)	(2.0)	—	(1.1)	—	—	(3.1)
Common shares issued - Time-based RSUs	161	1.3	(1.3)	—	—	—	—
Share-based compensation	—	—	3.0	—	—	—	3.0
Dividend payment	—	—	—	(10.8)	—	—	(10.8)
Distributions to non-controlling interests	—	—	—	—	—	(4.8)	(4.8)
Comprehensive income (loss)							
Currency translation adjustment	—	—	—	—	6.8	—	6.8
Pension benefit plan, net of tax	—	—	—	—	(0.3)	—	(0.3)
Unrealized gain on derivative instruments, net of tax	—	—	—	—	0.2	—	0.2
Net (loss) income	—	—	—	(10.0)	—	2.8	(7.2)
Balance at June 28, 2014	**94,081**	**$ 392.1**	**$ 46.6**	**$ 152.9**	**$ (10.1)**	**$ 7.5**	**$589.0**
Balance at January 3, 2015	**93,073**	**$ 388.3**	**$ 46.6**	**$ 158.1**	**$ (51.0)**	**$ 6.9**	**$548.9**
Common shares issued - Director Share Awards	110	—	1.0	—	—	—	1.0
Common shares repurchased and cancelled	(87)	(0.7)	—	—	—	—	(0.7)
Common shares issued - Performance-based RSUs	255	1.7	(1.7)	—	—	—	—
Common shares issued - Equity issuance	16,215	142.6	—	—	—	—	142.6
Options exercised	19	0.2	(0.1)	—	—	—	0.1
Share-based compensation	—	—	5.1	—	—	—	5.1
Common shares dividend	—	—	—	(12.1)	—	—	(12.1)
Redemption of preferred shares	—	—	—	(12.0)	—	—	(12.0)
Distributions to non-controlling interests	—	—	—	—	—	(3.6)	(3.6)
Comprehensive (loss) income							
Currency translation adjustment	—	—	—	—	(1.3)	0.1	(1.2)
Pension benefit plan, net of tax	—	—	—	—	0.5	—	0.5
Unrealized loss on derivative instruments, net of tax	—	—	—	—	(2.8)	—	(2.8)
Preferred shares dividend	—	—	—	(5.9)	—	—	(5.9)
Net income	—	—	—	14.1	—	3.0	17.1
Balance at July 4, 2015	**109,585**	**$ 532.1**	**$ 50.9**	**$ 142.2**	**$ (54.6)**	**$ 6.4**	**$677.0**

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

Cott Corporation
Notes to the Consolidated Financial Statements
Unaudited

Note 1 — Business and Recent Accounting Pronouncements

Description of Business

Cott Corporation, together with its consolidated subsidiaries ("Cott," "the Company," "our Company," "Cott Corporation," "we," "us," or "our"), is one of the world's largest producers of beverages on behalf of retailers, brand owners and distributors and has one of the broadest home and office bottled water and office coffee services distribution networks in the United States, with the ability to service approximately 90% of U.S. households, as well as national, regional and local offices. Our product lines include carbonated soft drinks ("CSDs"), 100% shelf stable juice and juice-based products, clear, still and sparkling flavored waters, purified, spring, artesian, distilled and fluoridated bottled water, energy drinks and shots, sports products, new age beverages, ready-to-drink teas and alcoholic beverages, beverage concentrates, liquid enhancers and freezables, as well as hot chocolate, coffee, malt drinks, creamers/whiteners and cereals. In addition, Cott is now a national direct-to-consumer provider of bottled water, office coffee and water filtration services offering a comprehensive portfolio of beverage products, equipment and supplies to approximately 1.5 million customer locations through its network of over 180 warehouse, branch and distribution facilities and daily operation of over 2,200 routes.

Basis of Presentation

The accompanying interim unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements in conformity with U.S. GAAP. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of our results of operations for the interim periods reported and of our financial condition as of the date of the interim balance sheet have been included. This Quarterly Report on Form 10-Q should be read in conjunction with the annual audited consolidated financial statements and accompanying notes in our Annual Report on Form 10-K for the year ended January 3, 2015. 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.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. For the three and six months ended June 28, 2014, the Company concluded that it was appropriate to reclassify the amortization of customer list intangible assets to selling, general and administrative ("SG&A") expenses. Previously, such amortization had been classified as cost of sales. Accordingly, the Company has revised the classification to report these SG&A expenses in the Consolidated Statement of Operations for the three and six months ended June 28, 2014. Also, for the three and six months ended June 28, 2014, the Company concluded that it was appropriate to reclassify acquisition and integration expenses separately. Previously, such expenses had been classified as SG&A expenses. Accordingly, the Company has revised the classification to report these expenses separately in the Consolidated Statement of Operations for the three and six months ended June 28, 2014. Additionally, as of January 3, 2015, the Company concluded that it was appropriate to reclassify certain recently acquired assets in connection with the DSS Acquisition (see Note 3 to the Consolidated Financial Statements) from inventories to property, plant and equipment, net to be consistent with Cott's accounting treatment. Accordingly, the Company has revised the classification to report these assets under property, plant and equipment, net in the Consolidated Balance Sheet as of January 3, 2015. The impacts of the reclassifications are shown in the tables below:

(in millions of U.S. dollars)	For the three months ended June 28, 2014	For the six months ended June 28, 2014
Decrease to cost of sales	$ (5.8)	$ (11.5)
Increase to SG&A expenses	$ 5.8	$ 11.5

(in millions of U.S. dollars)	For the three months ended June 28, 2014	For the six months ended June 28, 2014
Decrease to SG&A expenses	$ (1.8)	$ (2.9)
Increase to acquisition and integration expenses	$ 1.8	$ 2.9

(in millions of U.S. dollars)	January 3, 2015
Decrease to inventories	$ (8.9)
Increase to property, plant and equipment, net	$ 8.9

Recent Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of Accounting Standards Updates ("ASUs") or the issuance of new standards to the FASB's Accounting Standards Codification ("ASC"). The Company considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on these Consolidated Financial Statements.

Update ASU 2014-09 – Revenue from Contracts with Customers (Topic 606)

In May 2014, the FASB amended its guidance regarding revenue recognition and created a new Topic 606, Revenue from Contracts with Customers. The objectives for creating Topic 606 were to remove inconsistencies and weaknesses in revenue recognition, provide a more robust framework for addressing revenue issues, provide more useful information to users of the financial statements through improved disclosure requirements, simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer, and improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve the core principle, an entity should apply the following steps: 1) identify the contract(s) with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations in the contract; and 5) recognize revenue when (or as) the entity satisfies a performance obligation. For public entities, the amendments are effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The amendments may be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the amendment recognized at the date of initial application. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Update ASU 2014-12 – Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period

In June 2014, the FASB amended its guidance regarding accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718 as it relates to awards with performance conditions that affect vesting to account for such awards. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. The stated vesting period (which includes the period in which the performance target could be achieved) may differ from the requisite service period. For public entities, the amendments are effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period. The amendments may be applied prospectively to all awards granted or modified after the effective date or retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. We believe that the adoption of these amendments will not have a material impact on our consolidated financial statements.

Update ASU 2015-03 – Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs

In April 2015, the FASB amended its guidance to simplify the presentation of debt issuance costs. The amendments require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by these amendments. For public entities, the amendments in this update are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

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Note 2—Revisions

The Company has revised its Consolidated Statement of Operations, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows for the three and six months ended June 28, 2014 and its Consolidated Statement of Equity for the six months ended June 28, 2014 to correct errors comprising (i) an overstatement of historical property, plant and equipment, net, including a portion related to a prior acquisition, and the related depreciation expense recorded during the periods, (ii) an overstatement of deferred tax liabilities, and (iii) an understatement of inventories and revenue, net, cost of sales, and SG&A expenses for an exchange rate error. The impact on the previously issued financial statements is detailed in the reconciliations below. These adjustments were not considered to be material individually or in the aggregate to previously issued financial statements.

Consolidated Statements of Operations (in millions of U.S. dollars)		As previously filed	As revised	Difference
		For the three months ended June 28, 2014		
Revenue, net		$ 550.9	$ 549.2	$ (1.7)
Cost of sales	1	$ 477.1	$ 476.0	$ (1.1)
Gross profit	1	$ 73.8	$ 73.2	$ (0.6)
Selling, general and administrative expenses		$ 46.9	$ 46.7	$ (0.2)
Loss (gain) on disposal of property, plant & equipment		$ 0.4	$ (0.1)	$ (0.5)
Operating income		$ 26.1	$ 26.2	$ 0.1
(Loss) income before income taxes		$ (2.1)	$ (2.0)	$ 0.1
Net (loss) income		$ (4.6)	$ (4.5)	$ 0.1
Net (loss) income attributed to Cott Corporation		$ (6.0)	$ (5.9)	$ 0.1

Consolidated Statements of Operations (in millions of U.S. dollars)		As previously filed	As revised	Difference
		For the six months ended June 28, 2014		
Revenue, net		$ 1,026.0	$1,024.3	$ (1.7)
Cost of sales	1	$ 901.9	$ 900.6	$ (1.3)
Gross profit	1	$ 124.1	$ 123.7	$ (0.4)
Selling, general and administrative expenses		$ 89.2	$ 89.0	$ (0.2)
Loss (gain) on disposal of property, plant & equipment		$ 0.5	$ —	$ (0.5)
Operating income		$ 30.2	$ 30.5	$ 0.3
(Loss) income before income taxes		$ (5.5)	$ (5.2)	$ 0.3
Income tax expense		$ 1.6	$ 2.0	$ 0.4
Net (loss) income		$ (7.1)	$ (7.2)	$ (0.1)
Net loss attributed to Cott Corporation		$ (9.9)	$ (10.0)	$ (0.1)

1. The revised balances do not include the reclassification of the amortization of customer list intangible assets from cost of sales to SG&A expenses as presented in the Consolidated Statement of Operations for the three and six months ended June 28, 2014 (see Note 1 to the Consolidated Financial Statements).

Consolidated Statements of Comprehensive Income (in millions of U.S. dollars)	As previously filed	As revised	Difference
	For the three months ended June 28, 2014		
Net (loss) income	$ (4.6)	$ (4.5)	$ 0.1
Comprehensive income (loss)	$ 3.8	$ 3.9	$ 0.1
Comprehensive income (loss) attributed to Cott Corporation	$ 2.4	$ 2.5	$ 0.1

Consolidated Statements of Comprehensive Income (in millions of U.S. dollars)	As previously filed	As revised	Difference
	For the six months ended June 28, 2014		
Net (loss) income	$ (7.1)	$ (7.2)	$ (0.1)
Comprehensive income (loss)	$ (0.4)	$ (0.5)	$ (0.1)
Comprehensive income (loss) attributed to Cott Corporation	$ (3.2)	$ (3.3)	$ (0.1)

Consolidated Statements of Cash Flows (in millions of U.S. dollars)	As previously filed	As revised	Difference
	For the three months ended June 28, 2014		
Operating Activities			
Net (loss) income	$ (4.6)	$ (4.5)	$ 0.1
Depreciation & amortization	$ 26.0	$ 25.8	$ (0.2)
Loss (gain) on disposal of property, plant & equipment	$ 0.4	$ (0.1)	$ (0.5)
Accounts payable and accrued liabilities, and other liabilities	$ 25.8	$ 26.3	$ 0.5
Net cash provided by (used in) operating activities	$ 29.6	$ 29.5	$ (0.1)
Effect of exchange rate changes on cash	$ 1.0	$ 1.1	$ 0.1

Consolidated Statements of Cash Flows (in millions of U.S. dollars)	As previously filed	As revised	Difference
	For the six months ended June 28, 2014		
Operating Activities			
Net (loss) income	$ (7.1)	$ (7.2)	$ (0.1)
Depreciation & amortization	$ 51.3	$ 50.9	$ (0.4)
Increase in deferred income taxes	$ 1.5	$ 1.9	$ 0.4
Loss (gain) on disposal of property, plant & equipment	$ 0.5	$ —	$ (0.5)
Accounts payable and accrued liabilities, and other liabilities	$ (2.7)	$ (2.2)	$ 0.5
Net cash provided by (used in) operating activities	$ (22.9)	$ (23.0)	$ (0.1)
Effect of exchange rate changes on cash	$ 1.1	$ 1.2	$ 0.1

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Consolidated Statements of Equity (in millions of U.S. dollars)	As previously filed	As revised	Difference
	For the six months ended June 28, 2014		
Retained earnings at December 28, 2013	$ 176.3	$ 174.8	$ (1.5)
Total equity at December 28, 2013	$ 605.9	$ 604.4	$ (1.5)
Retained earnings at June 28, 2014	$ 154.5	$ 152.9	$ (1.6)
Total equity at June 28, 2014	$ 590.6	$ 589.0	$ (1.6)
Net (loss) income	$ (7.1)	$ (7.2)	$ (0.1)

Note 3—Acquisitions

DSS Acquisition

In December 2014, we completed the acquisition by merger of DSS Group, Inc. ("DSS Group"), parent company to DS Services of America Inc. (collectively "DSS"), a leading bottled water and coffee direct-to-consumer services provider in the United States (the "DSS Acquisition"). The DSS Acquisition was consummated pursuant to an Agreement and Plan of Merger (the "DSS Merger Agreement") dated November 6, 2014. Aggregate consideration was approximately $1.246 billion payable through a combination of incremental borrowings under the ABL facility (as defined below) of $180.0 million, the issuance of $625.0 million of our 6.75% senior notes due January 1, 2020 ("2020 Notes"), assumption of existing $350.0 million senior notes due 2021 originally issued by DSS, the issuance of Series A Convertible First Preferred Shares (the "Convertible Preferred Shares"), having an aggregate value of approximately $116.1 million and Series B Non-Convertible First Preferred Shares (the "Non-Convertible Preferred Shares" and together with the Convertible Preferred Shares, the "Preferred Shares"), having an aggregate value of approximately $32.7 million. A portion of the aggregate consideration is being held in escrow to secure the indemnification obligations of DSS's former security holders under the DSS Merger Agreement.

The total cash and stock consideration paid by us in the DSS Acquisition is summarized below:

(in millions of U.S. dollars)	
Cash paid to sellers	$449.7
Deferred consideration	11.4
Cash paid on behalf of sellers for sellers expenses	25.3
Cash paid to retire term loan on behalf of sellers	317.3
Convertible Preferred Shares	116.1
Non-Convertible Preferred Shares	32.7
Total consideration	$952.5

The estimated merger consideration was subject to adjustment upon the determination of actual working capital, net indebtedness and certain transaction related expenses, which adjustment was resolved in July 2015 by the payment of deferred consideration of $11.4 million made to the former security holders of DSS.

Our primary reasons for the DSS Acquisition were to accelerate Cott's acquisition-based diversification outside of CSDs and shelf stable juices, broaden our distribution platform by adding a national direct-to-consumer distribution channel and extend our beverage portfolio into new and growing markets, including home and office bottled water delivery services, office coffee services and filtration services, while creating opportunities for revenue, cost synergies and growth prospects.

The DSS Acquisition is being accounted for as a business combination which, among other things, requires that assets acquired and liabilities assumed be measured at their acquisition date fair values. Identified intangible assets, goodwill and property, plant and equipment are recorded at their estimated fair values per preliminary valuations and may change based on the final valuation results. The results of operations of DSS have been included in our operating results beginning as of the acquisition date. We allocated the purchase price in the DSS Acquisition to tangible assets, liabilities and identifiable intangible assets acquired based on their estimated fair values. The excess of the purchase price over the aggregate fair values was recorded as goodwill. The fair value assigned to identifiable intangible assets acquired was based on estimates and assumptions made by management.

The following table summarizes the estimated allocation of the purchase price to the fair value of the assets acquired and liabilities assumed in connection with the DSS Acquisition. The allocation of the purchase price is based on a preliminary valuation that is expected to be completed by the end of 2015.

(in millions of U.S. dollars)	As reported at April 4, 2015	Adjustments	As reported at July 4, 2015
Cash and cash equivalents	$ 74.5	$ —	$ 74.5
Accounts receivable	102.6	—	102.6
Inventories	46.4	—	46.4
Prepaid expenses and other current assets	8.8	—	8.8
Deferred income taxes	4.1	0.3	4.4
Property, plant & equipment	412.7	—	412.7
Goodwill	559.8	3.0	562.8
Intangible and other assets	417.2	—	417.2
Accounts payable and accrued liabilities	(117.7)	(0.8)	(118.5)
Long-term debt	(406.0)	—	(406.0)
Deferred income taxes liabilities	(122.9)	—	(122.9)
Other long-term liabilities	(29.5)	—	(29.5)
Total	$ 950.0	$ 2.5	$ 952.5

The principal factor that resulted in recognition of goodwill was that the purchase price for the DSS Acquisition was based in part on cash flow projections assuming the reduction of administration costs and the integration of acquired customers and products into our operations, which results in a greater value than on a standalone basis. The goodwill recognized as part of the DSS Acquisition was allocated to the DSS reporting segment, a portion of which is expected to be tax deductible.

Aimia Acquisition

In May 2014, our United Kingdom (“U.K.”) reporting segment acquired 100 percent of the share capital of Aimia Foods Holdings Limited (the “Aimia Acquisition”), which includes its operating subsidiary company, Aimia Foods Limited (together referred to as “Aimia”). Aimia produces and distributes hot chocolate, coffee and powdered beverages primarily through food service, vending and retail channels, and produces hot and cold cereal products on a contract manufacturing basis. The aggregate purchase price for the Aimia Acquisition was £52.1 million ($87.6 million) payable in cash, which included a payment for estimated closing balance sheet working capital, £19.9 million ($33.5 million) in deferred consideration paid on September 15, 2014, and aggregate contingent consideration of up to £16.0 million ($25.0 million at exchange rates in effect on July 4, 2015), which is payable upon the achievement of certain measures related to Aimia’s performance during the twelve months ending July 1, 2016. The closing payment was funded from borrowings under the ABL facility and available cash.

The total consideration paid by us for the Aimia Acquisition is summarized below:

(in millions of U.S. dollars)		
Cash		$ 80.4
Deferred consideration		33.5
Contingent consideration	1	17.9
Working capital payment		7.2
Total consideration		$139.0

1. Represents the estimated present value of the contingent consideration based on probability of achievement of performance targets recorded at fair value.

Our primary reasons for the Aimia Acquisition were to diversify Cott's product portfolio, packaging formats and channel mix, and enhance our customer offering and growth prospects.

The Aimia Acquisition was accounted for as a business combination, which, among other things, required that assets acquired and liabilities assumed be measured at their acquisition date fair values. Identified intangible assets, goodwill and property, plant and equipment were recorded at their estimated fair values per valuations. The results of operations of Aimia have been included in our operating results beginning as of the acquisition date. We allocated the total purchase price to tangible assets, liabilities and identifiable intangible assets acquired based on their estimated fair values. The excess of the purchase price over the aggregate fair values was recorded as goodwill.

The sellers are entitled to contingent consideration of up to a maximum of £16.0 million ($25.0 million at exchange rates in effect on July 4, 2015), based on the exchange rate on the acquisition date, which will become due by us if Aimia meets certain targets relating to net income plus interest, income taxes, depreciation and amortization ("EBITDA") for the twelve months ending July 1, 2016. We estimated the fair value of the contingent consideration based on financial projections of the acquired business and estimated probabilities of achievement of the EBITDA targets. We believe that our estimates and assumptions are reasonable, but there is significant judgment involved. The fair value of the contingent consideration was determined to be £10.9 million ($17.0 million at exchange rates in effect on July 4, 2015) using a present value probability-weighted income approach. For the six months ended July 4, 2015, we recorded a fair value adjustment of £0.4 million ($0.6 million at exchange rates in effect on July 4, 2015) to the contingent consideration based on review of the key assumptions used to calculate the fair value at the acquisition date. The change in the fair value adjustment of the contingent consideration was recognized in other expense (income), net in the Consolidated Statement of Operations.

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed in the Aimia Acquisition.

(in millions of U.S. dollars)	Acquired Value
Cash	$ 9.5
Accounts receivable	11.0
Inventories	9.6
Prepaid expenses and other assets	1.9
Property, plant & equipment	10.9
Goodwill	54.5
Intangibles and other assets	86.2
Accounts payable and accrued liabilities	(27.4)
Deferred tax liabilities	(17.2)
Total	$ 139.0

The principal factor that resulted in recognition of goodwill was that the purchase price for the Aimia Acquisition was based in part on cash flow projections assuming the reduction of administration costs and the integration of acquired customers and products into our operations, which is of greater value than on a standalone basis. The goodwill recognized as part of the Aimia Acquisition was allocated to the U.K. reporting segment, none of which is expected to be tax deductible.

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Supplemental Pro Forma Data (unaudited)

The following unaudited pro forma financial information for the three and six months ended June 28, 2014 represent the combined results of our operations as if the DSS Acquisition and Aimia Acquisition had occurred on December 30, 2012. The unaudited pro forma financial information does not necessarily reflect the results of operations that would have occurred had we operated as a single entity during such periods.

(in millions of U.S. dollars, except share amounts)	For the Three Months Ended June 28, 2014	For the Six Months Ended June 28, 2014
Revenue	$ 826.4	$ 1,561.9
Net loss	(7.8)	(22.0)
Net loss per common share, diluted	$ (0.08)	$ (0.23)

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Note 4—Restructuring and Asset Impairments

We implement restructuring programs from time to time that are designed to improve operating effectiveness and lower costs. When we implement these programs, we incur various charges, including severance, asset impairments, and other employment related costs. We had no restructuring activities during the six months ended July 4, 2015. During the first quarter of 2014, we implemented one such program, which involved the closure of two of our smaller plants, one located in North America and another one located in the United Kingdom (the "2014 Restructuring Plan"). For the three and six months ended June 28, 2014, in connection with the 2014 Restructuring Plan, we incurred charges of approximately $0.1 million and $2.3 million related primarily to headcount reductions and $0.3 million and $1.9 million related to asset impairments, respectively.

The following table summarizes restructuring charges for the three and six months ended June 28, 2014:

(in millions of U.S. dollars)	For the Three Months Ended June 28, 2014	For the Six Months Ended June 28, 2014
North America	$ 0.1	$ 2.2
U.K.	—	0.1
Total	$ 0.1	$ 2.3

The following table summarizes asset impairment charges for the three and six months ended June 28, 2014:

(in millions of U.S. dollars)	For the Three Months Ended June 28, 2014	For the Six Months Ended June 28, 2014
North America	$ —	$ 0.9
U.K.	0.3	1.0
Total	$ 0.3	$ 1.9

The following tables summarize our restructuring liability as of June 28, 2014, along with charges to costs and expenses and cash payments in connection with the 2014 Restructuring Plan:

	North America			
(in millions of U.S. dollars)	Balance at December 28, 2013	Charges to costs and expenses	Cash payments	Balance at June 28, 2014
Restructuring liability	$ —	$ 2.2	$ (2.2)	$ —
	$ —	$ 2.2	$ (2.2)	$ —

	U.K.			
(in millions of U.S. dollars)	Balance at December 28, 2013	Charges to costs and expenses	Cash payments	Balance at June 28, 2014
Restructuring liability	$ —	$ 0.1	$ (0.1)	$ —
	$ —	$ 0.1	$ (0.1)	$ —

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Note 5—Share-Based Compensation

The table below summarizes the share-based compensation expense for the three and six months ended July 4, 2015 and June 28, 2014. This share-based compensation expense was recorded in SG&A 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 Amended and Restated Cott Corporation Equity Incentive Plan, as amended (the “Equity Incentive Plan”), (ii) “Time-based RSUs” mean restricted share units with time-based vesting granted under the Equity Incentive Plan (iii) “Stock options” mean non-qualified stock options granted under the Equity Incentive Plan or the Restated 1986 Common Share Option Plan, as amended (the “Option Plan”), as the case may be, and (iv) “Director share awards” mean common shares issued in consideration of the annual board retainer fee to non-management members of our board of directors under the Equity Incentive Plan.

	For the Three Months Ended		For the Six Months Ended	
(in millions of U.S. dollars)	**July 4, 2015**	**June 28, 2014**	**July 4, 2015**	**June 28, 2014**
Stock options	**$ 0.5**	$ 0.4	**$ 0.9**	$ 0.8
Performance-based RSUs	**1.5**	0.6	**3.0**	0.8
Time-based RSUs	**0.7**	0.7	**1.2**	1.4
Director share awards	**1.0**	0.4	**1.0**	0.4
Total	**$ 3.7**	$ 2.1	**$ 6.1**	$ 3.4

As of July 4, 2015, the unrecognized share-based compensation expense and years we expect to recognize it as compensation expense were as follows:

(in millions of U.S. dollars, except years)	**Unrecognized share-based compensation expense as of July 4, 2015**	**Weighted average years expected to recognize compensation**
Stock options	**$ 3.8**	**2.1**
Performance-based RSUs	**9.7**	**2.4**
Time-based RSUs	**3.6**	**1.8**
Total	**$ 17.1**	

Stock option activity for the six months ended July 4, 2015 was as follows:

	Shares *(in thousands)*	**Weighted average exercise price**
Balance at January 3, 2015	**1,221**	**7.77**
Awarded	**685**	**9.22**
Exercised	**(19)**	**6.58**
Outstanding at July 4, 2015	**1,886**	**$ 8.31**
Exercisable at July 4, 2015	**391**	**$ 6.12**

During the six months ended July 4, 2015, Performance-based RSU and Time-based RSU activity was as follows:

	Number of Performance-based RSUs (in thousands)	Weighted Average Grant-Date Fair Value	Number of Time-based RSUs (in thousands)	Weighted Average Grant-Date Fair Value
Balance at January 3, 2015	1,782	$ 7.01	664	$ 8.63
Awarded	320	9.22	212	9.22
Awarded in connection with modification	55	7.90	—	—
Issued	(255)	6.87	—	—
Forfeited	(5)	8.52	(21)	8.51
Outstanding at July 4, 2015	1,897	$ 7.42	855	$ 8.78

Certain outstanding stock options were granted under the Option Plan, which was subsequently terminated in 2011. In connection with the termination of the Option Plan, outstanding options will continue in accordance with the terms of the Option Plan until exercised, forfeited or terminated, as applicable.

Note 6—Income Taxes

Income tax benefit was $10.5 million on pre-tax income of $6.6 million for the six months ended July 4, 2015, as compared to an income tax expense of $2.0 million on pre-tax loss of $5.2 million for the six months ended June 28, 2014.

With the release of our federal tax valuation allowance in the United States during the fourth quarter of 2014, we are now able to realize tax benefits generated in the United States. As we have significant global permanent book to tax differences that exceed our estimated income before taxes on an annual basis, small changes in our estimated income before taxes can cause material fluctuations in our estimated effective tax rate on a quarterly basis. We have therefore calculated our income tax provision for the six months ended July 4, 2015 on a discrete basis rather than using the estimated annual effective tax rate for the year, in accordance with ASC 740.

Note 7—Net Income (Loss) per Common Share

Basic net income (loss) per common share is calculated by dividing net income (loss) attributed to Cott Corporation by the weighted average number of common shares outstanding during the periods presented. Diluted net income (loss) per common share is calculated by dividing net income (loss) attributed to Cott Corporation by 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, Time-based RSUs and Convertible Preferred Shares during the periods presented. The dilutive effect of the Convertible Preferred Shares was calculated using the if-converted method. In applying the if-converted method, the Convertible Preferred Shares are assumed to have been converted at the beginning of the period (or at the time of issuance, if later). Set forth below is a reconciliation of the numerator and denominator for the diluted earnings per common share computations for the periods indicated:

Numerator

(in millions of U.S. dollars)		For the Three Months Ended July 4, 2015	For the Three Months Ended June 28, 2014	For the Six Months Ended July 4, 2015	For the Six Months Ended June 28, 2014
Net income (loss) attributed to Cott Corporation		$ **2.2**	$ (5.9)	$ **(3.8)**	$ (10.0)
Plus:					
Accumulated dividends on convertible preferred shares	1	**—**	—	**—**	—
Foreign exchange impact on redemption of convertible preferred shares	1	**—**	—	**—**	—
Diluted net income (loss) attributed to Cott Corporation		$ **2.2**	$ (5.9)	$ **(3.8)**	$ (10.0)

Denominator

(in thousands)		For the Three Months Ended July 4, 2015	For the Three Months Ended June 28, 2014	For the Six Months Ended July 4, 2015	For the Six Months Ended June 28, 2014
Weighted average number of shares outstanding - basic		**99,573**	94,234	**96,384**	94,276
Dilutive effect of stock options		**176**	—	**—**	—
Dilutive effect of Performance-based RSUs	2	**—**	—	**—**	—
Dilutive effect of Time-based RSUs		**416**	—	**—**	—
Dilutive effect of Convertible Preferred Shares	1	**—**	—	**—**	—
Adjusted weighted average number of shares outstanding - diluted		**100,165**	94,234	**96,384**	94,276

1. For the three months ended July 4, 2015, we excluded the impact of the Convertible Preferred Shares from the computation of diluted net income per share as the Convertible Preferred Shares were anti-dilutive for purposes of calculating diluted net income per share as a result of the addition of the accumulated dividends and foreign exchange impact on redemption to net income per common share attributable to Cott Corporation to the numerator and the addition of 12,761,261 incremental common shares assumed outstanding applying the if-converted method to the denominator in such calculation.
2. For the three months ended July 4, 2015, we excluded the outstanding Performance-based RSUs from the computation of diluted net income per share as the performance conditions would not have been satisfied assuming July 4, 2015 was the end of the performance measurement period.

At July 4, 2015, we excluded 991,259 (June 28, 2014—832,951) stock options from the computation of diluted net income (loss) per share because the options’ exercise price was greater than the average market price of the common shares. In addition, we excluded the impact of the remaining stock options, Performance-based RSUs, Time-based RSUs and Convertible Preferred Shares from the computation of diluted net loss per share as they were considered anti-dilutive for purposes of calculating loss per share for the six months ended July 4, 2015 and the three and six months ended June 28, 2014.

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Note 8—Segment Reporting

Our product lines include CSDs, 100% shelf stable juice and juice-based products, clear, still and sparkling flavored waters, purified, spring, artesian, distilled and fluoridated bottled water, energy drinks and shots, sports products, new age beverages, ready-to-drink teas and alcoholic beverages, beverage concentrates, liquid enhancers and freezeables, as well as hot chocolate, coffee, malt drinks, creamers/whiteners and cereals. In addition, Cott is now a national direct-to-consumer provider of bottled water, office coffee and water filtration services offering a comprehensive portfolio of beverage products, equipment and supplies to approximately 1.5 million customer locations through its network of over 180 warehouse, branch and distribution facilities and daily operation of over 2,200 routes. During the six months ended June 28, 2014, our business operated through three reporting segments—North America, U.K., and All Other (which includes our Mexico operating segment, our Royal Crown International ("RCI") operating segment and other miscellaneous expenses). Our corporate oversight function ("Corporate") is not treated as a segment; it includes certain general and administrative costs that are not allocated to any of the reporting segments. In December 2014, we added a fourth reporting segment, DSS, in connection with the DSS Acquisition.

(in millions of U.S. dollars)		North America	DSS	U.K.	All Other	Corporate	Elimination	Total
For the Three Months Ended July 4, 2015								
Revenue, net	1	**$ 359.0**	**$ 257.0**	**$153.8**	**$16.4**	**$ —**	**(6.4)**	**$ 779.8**
Depreciation and amortization		**20.6**	**31.8**	**5.4**	**0.4**	**—**	**—**	**58.2**
Operating income (loss)		**18.3**	**13.2**	**14.6**	**3.7**	**(3.7)**	**—**	**46.1**
Additions to property, plant and equipment		**4.5**	**20.4**	**4.5**	**0.5**	**—**	**—**	**29.9**
For the Six Months Ended July 4, 2015								
Revenue, net	1	**$ 687.7**	**497.3**	**286.0**	**29.4**	**—**	**(10.8)**	**$1,489.6**
Depreciation and amortization		**41.9**	**62.0**	**10.9**	**0.8**	**—**	**—**	**115.6**
Operating income (loss)		**25.5**	**11.7**	**18.5**	**5.3**	**(8.2)**	**—**	**52.8**
Additions to property, plant and equipment		**11.7**	**38.8**	**6.2**	**0.5**	**—**	**—**	**57.2**
As of July 4, 2015								
Property, plant and equipment		**303.0**	**401.4**	**109.1**	**6.7**	**—**	**—**	**820.2**
Goodwill		**122.1**	**563.0**	**59.3**	**4.5**	**—**	**—**	**748.9**
Intangibles and other assets		**253.1**	**400.8**	**95.9**	**0.1**	**—**	**—**	**749.9**
Total assets	2	**1,037.2**	**1,554.2**	**450.9**	**31.2**	**—**	**—**	**3,073.5**

1. Intersegment revenue between North America and the other reporting segments was $6.4 million and $10.8 million for the three and six months ended July 4, 2015, respectively.
2. Excludes intersegment receivables, investments and notes receivable.

(in millions of U.S. dollars)		North America	DSS	U.K.	All Other	Corporate	Elimination	Total
For the Three Months Ended June 28, 2014								
Revenue, net	1	$ 379.3	$ —	$157.7	$18.3	$ —	(6.1)	$ 549.2
Depreciation and amortization		20.4	—	4.9	0.5	—	—	25.8
Operating income (loss)		15.3	—	10.7	3.1	(2.9)	—	26.2
Additions to property, plant and equipment		7.2	—	4.6	—	—	—	11.8
For the Six Months Ended June 28, 2014								
Revenue, net	1	$ 730.1	$ —	$273.3	$33.1	$ —	(12.2)	$1,024.3
Depreciation and amortization		41.1	—	8.9	0.9	—	—	50.9
Operating income (loss)		17.8	—	12.9	5.6	(5.8)	—	30.5
Additions to property, plant and equipment		13.0	—	7.6	—	—	—	20.6
As of January 3, 2015								
Property, plant and equipment		331.9	415.4	109.9	7.3	—	—	864.5
Goodwill		123.7	556.9	58.5	4.5	—	—	743.6
Intangibles and other assets		266.8	415.5	99.2	0.2	—	—	781.7
Total assets	2	1,077.7	1,572.8	426.8	30.4	—	—	3,107.7

1. Intersegment revenue between North America and the other reporting segments was $6.1 million and $12.2 million for the three and six months ended June 28, 2014, respectively.
2. Excludes intersegment receivables, investments and notes receivable.

For the six months ended July 4, 2015, sales to Walmart accounted for 18.3% (June 28, 2014—27.0%) of our total revenue, 32.7% of our North America reporting segment revenue (June 28, 2014—32.8%), 12.0% of our U.K. reporting segment revenue (June 28, 2014—13.4%), 3.4% of our All Other reporting segment revenue (June 28, 2014—2.2%), and 2.2% of our DSS reporting segment revenue.

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 for our DSS reporting segment from sales to external customers were generated exclusively in the United States. In our other reporting segments, revenues attributed to external customers located outside of Canada are displayed separately within the U.K. and All Other reporting segments above, with the exception of revenues attributed to external customers located in the United States, which are reported within the North America reporting segment. Revenues generated from sales to external customers in the United States for the North America reporting segment were as follows:

	For the Three Months Ended		For the Six Months Ended	
(in millions of U.S. dollars)	July 4, 2015	June 28, 2014	July 4, 2015	June 28, 2014
United States	**$ 311.1**	$ 327.9	**$ 608.3**	$ 638.7
Total	**$ 311.1**	$ 327.9	**$ 608.3**	$ 638.7

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

For the Three Months Ended July 4, 2015

(in millions of U.S. dollars)	**North America**	**DSS**	**U.K.**	**All Other**	**Elimination**	**Total**
Revenue						
Private label retail	**$ 289.7**	**$ 17.2**	**$ 71.8**	**$ 1.7**	**(0.7)**	**$ 379.7**
Branded retail	**30.8**	**20.6**	**48.5**	**1.3**	**(0.5)**	**100.7**
Contract packaging	**31.3**	**—**	**30.9**	**6.8**	**(1.6)**	**67.4**
Home and office bottled water delivery	**—**	**164.8**	**—**	**—**	**—**	**164.8**
Office coffee services	**—**	**29.7**	**—**	**—**	**—**	**29.7**
Other	**7.2**	**24.7**	**2.6**	**6.6**	**(3.6)**	**37.5**
Total	**$ 359.0**	**$257.0**	**$153.8**	**$16.4**	**$ (6.4)**	**$ 779.8**

For the Six Months Ended July 4, 2015

(in millions of U.S. dollars)	**North America**	**DSS**	**U.K.**	**All Other**	**Elimination**	**Total**
Revenue						
Private label retail	**$ 557.4**	**$ 32.7**	**$132.7**	**$ 2.8**	**(1.2)**	**$ 724.4**
Branded retail	**57.9**	**40.3**	**89.3**	**2.4**	**(0.9)**	**189.0**
Contract packaging	**56.9**	**—**	**59.3**	**10.7**	**(1.6)**	**125.3**
Home and office bottled water delivery	**—**	**314.4**	**—**	**—**	**—**	**314.4**
Office coffee services	**—**	**61.7**	**—**	**—**	**—**	**61.7**
Other	**15.5**	**48.2**	**4.7**	**13.5**	**(7.1)**	**74.8**
Total	**$ 687.7**	**$497.3**	**$286.0**	**$29.4**	**$ (10.8)**	**$1,489.6**

For the Three Months Ended June 28, 2014

(in millions of U.S. dollars)	**North America**	**U.K.**	**All Other**	**Elimination**	**Total**
Revenue					
Private label retail	$ 313.9	$ 79.0	$ 1.8	$ (0.3)	$ 394.4
Branded retail	27.9	48.3	1.1	(0.5)	76.8
Contract packaging	28.4	29.3	7.7	(1.9)	63.5
Home and office bottled water delivery	—	—	—	—	—
Office coffee services	—	—	—	—	—
Other	9.1	1.1	7.7	(3.4)	14.5
Total	$ 379.3	$157.7	$18.3	$ (6.1)	$ 549.2

(in millions of U.S. dollars)	For the Six Months Ended June 28, 2014 North America	U.K.	All Other	Elimination	Total
Revenue					
Private label retail	$ 613.6	$142.5	$ 2.7	$ (0.4)	$ 758.4
Branded retail	53.0	79.7	2.3	(0.9)	134.1
Contract packaging	48.3	49.4	14.5	(4.8)	107.4
Home and office bottled water delivery	—	—	—	—	—
Office coffee services	—	—	—	—	—
Other	15.2	1.7	13.6	(6.1)	24.4
Total	$ 730.1	$273.3	$33.1	$ (12.2)	$1,024.3

Property, plant and equipment, net by geographic area as of July 4, 2015 and January 3, 2015 were as follows:

(in millions of U.S. dollars)	July 4, 2015	January 3, 2015
North America	**$704.4**	$ 747.3
U.K.	**109.1**	109.9
All Other	**6.7**	7.3
Total	**$820.2**	$ 864.5

Note 9 — Inventories

The following table summarizes inventories as of July 4, 2015 and January 3, 2015:

(in millions of U.S. dollars)	July 4, 2015	January 3, 2015
Raw materials	**$100.4**	$ 105.8
Finished goods [1]	**132.3**	118.4
Resale items	**13.6**	17.4
Other	**20.4**	20.8
Total	**$266.7**	$ 262.4

1. Recently acquired DSS finished goods inventory of $8.9 million were reclassified to property, plant and equipment, net as of January 3, 2015 (see Note 1 to the Consolidated Financial Statements) to be consistent with Cott’s accounting treatment.

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Note 10 — Intangibles and Other Assets

The following table summarizes intangibles and other assets as of July 4, 2015:

		July 4, 2015	
(in millions of U.S. dollars)	Cost	Accumulated Amortization	Net
Intangibles			
Not subject to amortization			
Rights [1]	$ 45.0	—	$ 45.0
DSS Trademarks	183.1	—	183.1
Total intangibles not subject to amortization	**228.1**	—	**228.1**
Subject to amortization			
Customer relationships	648.0	(206.6)	441.4
Trademarks	33.5	(27.8)	5.7
Information technology	52.7	(27.4)	25.3
Other	7.7	(4.1)	3.6
Total intangibles subject to amortization	**741.9**	**(265.9)**	**476.0**
Total intangibles	**970.0**	**(265.9)**	**704.1**
Other assets			
Financing costs	37.9	(11.0)	26.9
Deposits	9.1	—	9.1
Other	11.3	(1.5)	9.8
Total other assets	**58.3**	**(12.5)**	**45.8**
Total intangibles and other assets	**$1,028.3**	**$ (278.4)**	**$749.9**

1. 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.

Amortization expense of intangibles and other assets was $19.6 million and $38.8 million for the three and six months ended July 4, 2015, respectively, compared to $8.8 million and $17.2 million for the comparable prior year periods.

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

(in millions of U.S. dollars)	
Remainder of 2015	**$ 36.2**
2016	**67.0**
2017	**58.7**
2018	**52.3**
2019	**44.4**
Thereafter	**217.4**
Total	**$476.0**

Note 11 — Debt

Our total debt as of July 4, 2015 and January 3, 2015 was as follows:

(in millions of U.S. dollars)		July 4, 2015	January 3, 2015
6.750% senior notes due in 2020	1	**$ 625.0**	$ 625.0
10.000% senior notes due in 2021		**392.8**	405.6
5.375% senior notes due in 2022		**525.0**	525.0
ABL facility		**198.2**	229.0
GE Term Loan		**7.3**	8.2
Capital leases and other debt financing		**4.0**	5.2
Total debt		**1,752.3**	1,798.0
Less: Short-term borrowings and current debt:			
ABL facility		**198.2**	229.0
Total short-term borrowings		**198.2**	229.0
GE Term Loan - current maturities		**2.0**	2.0
Capital leases and other financing - current maturities		**1.9**	2.0
Total current debt		**202.1**	233.0
Total long-term debt		**$ 1,550.2**	$ 1,565.0

1. The outstanding aggregate principal amount of the DSS Notes of $350.0 million was assumed by Cott at fair value of $406.0 million in connection with the DSS Acquisition. The premium of $56.0 million is being amortized as an adjustment to interest expense using the effective interest method over the remaining contractual term of the DSS Notes. The effective interest rate is 7.515%.

Asset-Based Lending Facility

In March 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 operations. We have amended and refinanced the ABL facility from time to time and incurred financing fees in connection therewith, an aggregate of $9.0 million of which have been capitalized and deferred and are being amortized using the straight-line method over the duration of the amended ABL facility.

On December 12, 2014, in connection with the DSS Acquisition, we amended the ABL facility to, among other things, (1) provide for an increase in the lenders’ commitments under the ABL facility to $400.0 million (which, with the accordion feature, if used, permits us to increase the lenders’ commitments under the ABL facility to $450.0 million, subject to certain conditions), (2) extend the maturity date to the earliest of (i) December 12, 2019, (ii) June 12, 2019, if we have not redeemed, repurchased or refinanced the 2020 Notes by May 28, 2019, or (iii) any earlier date on which the commitments under the ABL facility are reduced to zero or otherwise terminated, (3) include DSS and its subsidiaries as borrowers, (4) permit certain adjustments to the borrowing base calculation, (5) permit the debt, liens and intercreditor arrangements contemplated by the supplemental indenture entered into in connection with the DSS Notes, (6) permit certain other indebtedness that we intend to issue or assume in connection with the DSS Acquisition, and (7) permit certain other changes to dollar thresholds and limitations within our covenants generally reflecting the increased size of the facility. We incurred approximately $1.7 million of financing fees in connection with the amendment of the ABL facility.

On May 26, 2015, we amended the ABL facility to, among other things, (1) increase the maximum annual amount of Preferred Shares that may be redeemed in order to facilitate the redemption in full of the Preferred Shares that was completed in June 2015, (2) modify the sale-leaseback covenant to allow for the inclusion of properties that have been owned by certain subsidiaries of the Company for more than 180 days, and (3) make miscellaneous other technical changes.

As of July 4, 2015, we had $198.2 million of outstanding borrowings under the ABL facility. The commitment fee was 0.375% per annum of the unused commitment, which, taking into account $41.4 million of letters of credit, was $160.4

million as of July 4, 2015. As of July 4, 2015, our total availability under the ABL facility was $386.9 million, which was based on our borrowing base (accounts receivable, inventory, and fixed assets). As a result of our outstanding borrowings under the ABL facility of $198.2 million and outstanding letters of credit of $41.4 million, our excess availability under the ABL facility was $147.3 million.

5.375% Senior Notes due in 2022

On June 24, 2014, we issued $525.0 million of the 5.375% senior notes due 2022 to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act of 1933. The issuer of the notes is our wholly-owned U.S. subsidiary Cott Beverages Inc. ("CBI"), and we and most of our U.S., Canadian and U.K. subsidiaries guarantee our obligations under them. The interest is payable semi-annually on January 1st and July 1st of each year commencing on January 1, 2015. On May 13, 2015, we exchanged the notes for notes that are registered under the Securities Act and that do not contain transfer restrictions, registration rights or additional interest provisions, but otherwise contain identical economic terms (the "2022 Notes").

We incurred $9.6 million of financing fees in connection with the issuance of the 2022 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the term to maturity of the 2022 Notes.

10.000% Senior Notes due in 2021

On August 30, 2013, DS Services of America, Inc. (formerly DS Waters of America, Inc.) issued $350.0 million of notes to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act. In July 2014, the notes were exchanged for notes that are registered under the Securities Act and that do not contain transfer restrictions, registration rights or additional interest provisions, but otherwise contain identical economic terms (the "DSS Notes"). In November 2014, DSS solicited consent from the holders of the DSS Notes to certain modifications and amendments to the August 30, 2013 indenture and related security documents. On December 2, 2014, the requisite consents from the holders of the DSS Notes were obtained, with a consent payment of approximately $19.2 million. At the DSS Acquisition closing, we and most of our U.S., Canadian and U.K. subsidiaries executed a supplemental indenture to be added as guarantors to the DSS Notes. The interest on the DSS Notes is payable semi-annually on March 1st and September 1st of each year.

The DSS Notes were recorded at their fair value of $406.0 million as part of the DSS Acquisition. The difference between the fair value and the principal amount of $350.0 million is amortized as a component of interest expense over the remaining contractual term of the DSS Notes. In connection with the DSS Acquisition, we arranged for backstop bridge financing that was not ultimately necessary to utilize to close the transaction. The aggregate amount of fees for the DSS Notes consent solicitation and bridge financing commitment was approximately $26.5 million.

6.750% Senior Notes due in 2020

On December 12, 2014, we issued the 2020 Notes to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act. The issuer of the 2020 Notes is CBI, and we and most of our U.S., Canadian and U.K. subsidiaries guarantee the 2020 Notes. The interest on the 2020 Notes is payable semi-annually on January 1st and July 1st of each year commencing on July 1, 2015.

We incurred $14.4 million of financing fees in connection with the issuance of the 2020 Notes. The financing fees are being amortized using the effective interest method over a five-year period, which represents the term to maturity of the 2020 Notes.

8.125% Senior Notes due in 2018

On August 17, 2010, we issued $375.0 million aggregate principal amount of our 8.125% senior notes due 2018 (the "2018 Notes"). The issuer of the 2018 Notes was CBI. We incurred $8.6 million of financing fees in connection with the issuance of the 2018 Notes.

On June 24, 2014, we used a portion of the proceeds from our issuance of the 2022 Notes to purchase $295.9 million aggregate principal amount of our 2018 Notes in a cash tender offer. The tender offer included approximately $16.2 million in premium payments as well as accrued interest of $7.5 million, the write-off of approximately $3.0 million in deferred financing fees, and other costs of approximately $0.2 million.

On July 9, 2014 and July 24, 2014, we redeemed the remaining $79.1 million aggregate principal amount of our 2018 Notes. The redemption included approximately $3.8 million in premium payments as well as accrued interest of approximately $2.5 million and the write-off of approximately $0.8 million in deferred financing fees.

8.375% Senior Notes due in 2017

On November 13, 2009, we issued $215.0 million of our 8.375% senior notes due 2017 (the "2017 Notes"). The 2017 Notes were issued at a $3.1 million discount. The issuer of the 2017 Notes was CBI. We incurred $5.1 million of financing fees in connection with the 2017 Notes.

On November 15, 2013, we redeemed $200.0 million aggregate principal amount of our 2017 Notes at 104.118% of par. The redemption included approximately $8.2 million in premium payments, the write-off of approximately $4.0 million in deferred financing fees, and discount charges and other costs of approximately $0.5 million.

On February 19, 2014, we redeemed all of the remaining $15.0 million aggregate principal amount of the 2017 Notes at 104.118% of par. The redemption included approximately $0.6 million in premium payments as well as the write-off of approximately $0.3 million in deferred financing fees and discount charges.

GE Term Loan

In January 2008, we entered into a capital lease finance arrangement with General Electric Capital Corporation ("GE Capital") for the lease of equipment. In September 2013, we purchased the equipment subject to the lease for an aggregate purchase price of $10.7 million, with the financing for such purchase provided by GE Capital at 5.23% interest.

Note 12—Accumulated Other Comprehensive (Loss) Income

Changes in accumulated other comprehensive (loss) income ("AOCI") by component [1] for the six months ended July 4, 2015 were as follows:

	July 4, 2015			
(in millions of U.S. dollars)	Gains and Losses on Derivative Instruments	Pension Benefit Plan Items	Currency Translation Adjustment Items	Total
Beginning balance January 3, 2015	$ 0.2	$ (12.4)	$ (38.8)	$(51.0)
OCI before reclassifications	(2.6)	—	(1.3)	(3.9)
Amounts reclassified from AOCI	(0.2)	0.5	—	0.3
Net current-period OCI	(2.8)	0.5	(1.3)	(3.6)
Ending balance July 4, 2015	$ (2.6)	$ (11.9)	$ (40.1)	$(54.6)

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

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The following table summarizes the amounts reclassified from AOCI [1] for the three and six months ended July 4, 2015 and June 28, 2014, respectively.

(in millions of U.S. dollars) Details About AOCI Components	For the Three Months Ended July 4, 2015	For the Three Months Ended June 28, 2014	For the Six Months Ended July 4, 2015	For the Six Months Ended June 28, 2014	Affected Line Item in the Statement Where Net Income Is Presented
Gains and losses on derivative instruments					
Foreign currency and commodity hedges	$ (0.1)	$ 0.1	$ 0.2	$ 0.2	Cost of sales
	$ (0.1)	$ 0.1	$ 0.2	$ 0.2	Total before taxes
	0.1	—	—	—	Tax (expense) or benefit
	$ —	$ 0.1	$ 0.2	$ 0.2	Net of tax
Amortization of pension benefit plan items					
Prior service costs [2]	$ (0.4)	$ (0.2)	$ (0.5)	$ (0.2)	
	(0.4)	(0.2)	(0.5)	(0.2)	Total before taxes
	—	—	—	—	Tax (expense) or benefit
	$ (0.4)	$ (0.2)	$ (0.5)	$ (0.2)	Net of tax
Total reclassifications for the period	$ (0.4)	$ (0.1)	$ (0.3)	$ —	Net of tax

1. Amounts in parentheses indicate debits.
2. These AOCI components are included in the computation of net periodic pension cost.

Note 13—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 had $41.4 million in standby letters of credit outstanding as of July 4, 2015 (June 28, 2014 - $6.9 million).

In March 2014, we had a favorable legal settlement in the amount of $3.5 million, of which $3.0 million was collected in April 2014 and the remaining $0.5 million was collected in December 2014.

In May 2014, we completed the Aimia Acquisition, which included deferred consideration of £19.9 million ($33.5 million), which was paid by us on September 15, 2014 and aggregate contingent consideration of up to £16.0 million ($25.0 million at exchange rates in effect on July 4, 2015), which is payable upon achievement of certain measures related to Aimia's performance during the twelve months ending July 1, 2016.

In June 2013, our U.K. reporting segment acquired 100% of the share capital of Cooke Bros. Holdings Limited. The terms of the transaction included the payment of deferred consideration, the final payment of which (approximately $2.5 million) was paid during the quarter.

Note 14—Preferred Shares

As a portion of the consideration in the DSS Acquisition, we issued to certain former security holders of DSS approximately $116.1 million of Convertible Preferred Shares and approximately $32.7 million of Non-Convertible Preferred Shares, which shares were redeemable at our option. As of June 11, 2015, the outstanding Preferred Shares were redeemed in full, which resulted in an aggregate cash payment of $151.3 million, which included accrued and unpaid dividends of $2.5 million. The aggregate cash payment was funded primarily through the issuance of common share equity, which generated cash proceeds, net of related issuance expenses and broker commissions of approximately $142.5 million. The difference in the U.S. dollar and Canadian dollar exchange rates at issuance of the Preferred Shares compared to those exchanges rates in effect at redemption, resulted in an adjustment to retained earnings upon redemption of approximately $12.0 million.

Note 15—Share Repurchase Program

On May 6, 2014, our board of directors approved the renewal of our share repurchase program for up to 5% of Cott's outstanding common shares over a 12-month period commencing upon the expiration of the prior share repurchase program on May 21, 2014. In connection with the DSS Acquisition, we suspended our share repurchase program during the fourth quarter of 2014 and we made no additional repurchases of our common shares under the share repurchase program prior to its expiration on May 21, 2015.

Note 16—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 use various types of derivative instruments including, but not limited to, forward contracts and swap agreements for certain commodities. 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. A swap agreement is a contract between two parties to exchange cash flows based on specified underlying notional amounts, assets and/or indices.

All derivatives are carried at fair value in the Consolidated Balance Sheets in the line item accounts receivable, net or 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. Derivatives can be designated as fair value hedges, cash flow hedges or hedges of net investments in foreign operations. The changes in the fair values of derivatives that have been designated and qualify for fair value hedge accounting are recorded in the same line item in our Consolidated Statements of Operations as the changes in the fair value of the hedged items attributable to the risk being hedged. The changes in fair values of derivatives that have been designated and qualify 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. 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. The changes in fair values of derivatives that were not designated and/or did not qualify as hedging instruments are immediately recognized into earnings.

For derivatives that will be accounted for as hedging instruments, 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 (see Note 17 to the Consolidated Financial Statements). 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 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 monitor counterparty exposures regularly and review promptly any downgrade in counterparty credit rating. We mitigate pre-settlement risk by being permitted to net settle for transactions with the same counterparty. To minimize the concentration of credit risk, we enter into derivative transactions with a portfolio of financial institutions. Based on these factors, we consider the risk of the counterparty default to be minimal.

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 and commodity prices. 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 six months ended July 4, 2015 or June 28, 2014, respectively. These foreign exchange contracts typically have maturities of less than eighteen months.

We maintain a foreign currency cash flow hedging program to reduce the risk that our procurement activities will be adversely affected by changes in foreign currency exchange rates. We enter into forward contracts to hedge certain portions of forecasted cash flows denominated in foreign currencies. The total notional values of derivatives that were designated and qualified for our foreign currency cash flow hedging program were $19.7 million and $22.5 million as of July 4, 2015 and January 3, 2015, respectively. Approximately $1.0 million of unrealized net of tax gains and $0.2 million of unrealized net of tax losses related to the foreign currency cash flow hedges were included in AOCI as of July 4, 2015 and June 28, 2014, respectively. The hedge ineffectiveness for these cash flow hedging instruments was not material during the periods presented.

We have entered into commodity swaps on aluminum to mitigate the price risk associated with forecasted purchases of materials used in our manufacturing process. These derivative instruments have been designated and qualify as a part of our commodity cash flow hedging program. The objective of this hedging program is to reduce the variability of cash flows associated with future purchases of aluminum. The total notional values of derivatives that were designated and qualified for our commodity cash flow hedging program were $55.6 million and $55.4 million as of July 4, 2015 and January 3, 2015, respectively. Approximately $3.8 million and $0.4 million of unrealized net of tax losses related to the commodity swaps were included in AOCI as of July 4, 2015 and June 28, 2014, respectively. The cumulative hedge ineffectiveness for these hedging instruments was not material for the six months ended July 4, 2015 and June 28, 2014, respectively.

The fair value of the Company’s derivative assets included within other receivables as a component of accounts receivable, net was $1.4 million and $1.2 million as of July 4, 2015 and January 3, 2015, respectively. The fair value of the Company’s derivative liabilities included in accrued liabilities was $5.8 million and $2.3 million as of July 4, 2015 and January 3, 2015, respectively. Set forth below is a reconciliation of the Company’s derivatives by contract type for the periods indicated:

(in millions of U.S. dollars)	July 4, 2015		January 3, 2015	
Derivative Contract	Assets	Liabilities	Assets	Liabilities
Foreign currency hedge	$ 1.4	$ —	$ 1.0	$ —
Aluminum swaps	—	(5.8)	0.2	(2.3)
	$ 1.4	$ (5.8)	$ 1.2	$ (2.3)

Aluminum swaps subject to enforceable master netting arrangements are presented on a net basis in the reconciliation above. The fair value of the aluminum swap assets and liabilities which are shown on a net basis are reconciled in the table below:

(in millions of U.S. dollars)	July 4, 2015		January 3, 2015	
	Assets	Liabilities	Assets	Liabilities
Aluminum swap assets	$—	$ —	$ 0.2	$ 0.2
Aluminum swap liabilities	—	(5.8)	—	(2.5)
Net asset (liability)	$—	$ (5.8)	$ 0.2	$ (2.3)

The settlement of our derivative instruments resulted in a credit to cost of sales of nil and $0.2 million for the three and six months ended July 4, 2015, respectively, compared with $0.1 million and $0.2 million for the comparable prior year periods.

Note 17—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 such as our derivative instruments that are required to be recorded at fair value on a recurring basis in accordance with U.S. GAAP.

Our derivative assets represent Level 2 instruments. Level 2 instruments are valued based on observable inputs for quoted prices for similar assets and liabilities in active markets. The fair value for the derivative assets as of July 4, 2015 and January 3, 2015 was $1.4 million and $1.2 million, respectively. The fair value for the derivative liabilities as of July 4, 2015 and January 3, 2015 was $5.8 million and $2.3 million, respectively.

Fair Value of Financial Instruments

The carrying amounts reflected in the Consolidated Balance Sheets for cash and cash equivalents, receivables, payables, short-term borrowings and long-term debt approximate their respective fair values, except as otherwise indicated. The carrying values and estimated fair values of our significant outstanding debt as of July 4, 2015 and January 3, 2015 were as follows:

		July 4, 2015		January 3, 2015	
(in millions of U.S. dollars)		**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
6.750% senior notes due in 2020	[1]	**625.0**	**651.6**	625.0	630.1
10.000% senior notes due in 2021	[1, 2]	**392.8**	**409.5**	405.6	403.4
5.375% senior notes due in 2022	[1]	**525.0**	**509.3**	525.0	481.7
Total		**$1,542.8**	**$1,570.4**	$1,555.6	$1,515.2

1. The fair values were based on the trading levels and bid/offer prices observed by a market participant and are considered Level 1 financial instruments.
2. The outstanding aggregate principal amount of the DSS Notes of $350.0 million was assumed by Cott at fair value of $406.0 million in connection with the DSS Acquisition. The premium of $56.0 million is being amortized as an adjustment to interest expense using the effective interest method over the remaining contractual term of the DSS Notes.

Fair Value of contingent consideration

We estimated the fair value of the contingent consideration related to the Aimia Acquisition based on financial projections of the acquired business and estimated probabilities of achievement of certain EBITDA targets. The fair value was based on significant inputs not observable in the market and thus represented a Level 3 instrument. Level 3 instruments are valued based on unobservable inputs that are supported by little or no market activity and reflect our own assumptions in measuring fair value. The acquisition date fair value of the contingent consideration was determined to be £10.9 million ($17.0 million at exchange rates in effect on July 4, 2015) using a present valued probability-weighted income approach. For the six months ended July 4, 2015, we recorded a fair value adjustment of £0.4 million ($0.6 million at exchange rates in effect on July 4, 2015) to the contingent consideration based on review of the key assumptions used to calculate the fair value at the acquisition date. The change in the fair value adjustment of the contingent consideration was recognized in other expense (income), net in the Consolidated Statement of Operations. The maximum potential payout is £16.0 million ($25.0 million at exchange rates in effect on July 4, 2015) on an undiscounted basis.

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Note 18—Guarantor Subsidiaries

The DSS Notes assumed as part of the DSS Acquisition are guaranteed on a senior basis pursuant to guarantees by Cott Corporation and certain other 100% owned direct and indirect subsidiaries (the “DSS Guarantor Subsidiaries”). DSS and each DSS Guarantor Subsidiary is 100% owned by Cott Corporation. The guarantees of the DSS Notes by Cott Corporation and the DSS Guarantor Subsidiaries are full and unconditional, and all such guarantees are joint and several. The guarantees of the DSS 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 DSS Guarantor Subsidiaries due to the presentation of condensed consolidating financial information set forth in this Note, consistent with Securities and Exchange Commission (“SEC”) interpretations governing reporting of subsidiary financial information.

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

Condensed Consolidating Statement of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended July 4, 2015					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 46.9	$ 257.0	$ 457.5	$ 38.3	$ (19.9)	$ 779.8
Cost of sales	38.4	100.8	389.0	30.9	(19.9)	539.2
Gross profit	8.5	156.2	68.5	7.4	—	240.6
Selling, general and administrative expenses	4.9	139.1	43.2	3.0	—	190.2
Loss (gain) on disposal of property, plant & equipment	—	0.9	(0.7)	—	—	0.2
Acquisition and integration expenses	—	3.1	1.0	—	—	4.1
Operating income	3.6	13.1	25.0	4.4	—	46.1
Other expense (income), net	0.7	(0.2)	0.6	(0.1)	—	1.0
Intercompany interest (income) expense, net	(1.9)	11.0	(9.1)	—	—	—
Interest expense, net	—	7.5	20.4	—	—	27.9
Income (loss) before income tax expense (benefit) and equity income	4.8	(5.2)	13.1	4.5	—	17.2
Income tax expense (benefit)	1.8	(1.8)	(1.2)	0.1	—	(1.1)
Equity income	13.6	—	1.6	—	(15.2)	—
Net income (loss)	$ 16.6	$ (3.4)	$ 15.9	$ 4.4	$ (15.2)	$ 18.3
Less: Net income attributable to non-controlling interests	—	—	—	1.7	—	1.7
Less: Accumulated dividends on convertible preferred shares	1.8	—	—	—	—	1.8
Less: Accumulated dividends on non-convertible preferred shares	0.6	—	—	—	—	0.6
Less: Foreign exchange impact on redemption of preferred shares	12.0	—	—	—	—	12.0
Net income (loss) attributed to Cott Corporation	$ 2.2	$ (3.4)	$ 15.9	$ 2.7	$ (15.2)	$ 2.2
Comprehensive income (loss) attributed to Cott Corporation	$ 24.4	$ (3.4)	$ 59.3	$ 4.2	$ (60.1)	$ 24.4

Condensed Consolidating Statement of Operations

(in millions of U.S. dollars)
Unaudited

	For the Six Months Ended July 4, 2015					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 76.9	$ 497.3	$ 875.8	$ 69.7	$ (30.1)	$ 1,489.6
Cost of sales	65.4	201.2	754.4	56.8	(30.1)	1,047.7
Gross profit	11.5	296.1	121.4	12.9	—	441.9
Selling, general and administrative expenses	10.4	276.3	85.9	6.1	—	378.7
Loss (gain) on disposal of property, plant & equipment	—	2.0	(0.4)	—	—	1.6
Acquisition and integration expenses	—	6.1	2.7	—	—	8.8
Operating income	1.1	11.7	33.2	6.8	—	52.8
Other (income) expense, net	(9.8)	(0.4)	0.8	—	—	(9.4)
Intercompany interest (income) expense, net	(4.9)	21.9	(17.0)	—	—	—
Interest expense, net	0.1	14.8	40.7	—	—	55.6
Income (loss) before income tax expense (benefit) and equity income	15.7	(24.6)	8.7	6.8	—	6.6
Income tax expense (benefit)	3.0	(9.0)	(4.7)	0.2	—	(10.5)
Equity income	1.4	—	3.0	—	(4.4)	—
Net income (loss)	$ 14.1	$ (15.6)	$ 16.4	$ 6.6	$ (4.4)	$ 17.1
Less: Net income attributable to non-controlling interests	—	—	—	3.0	—	3.0
Less: Accumulated dividends on convertible preferred shares	4.5	—	—	—	—	4.5
Less: Accumulated dividends on non-convertible preferred shares	1.4	—	—	—	—	1.4
Less: Foreign exchange impact on redemption of preferred shares	12.0	—	—	—	—	12.0
Net (loss) income attributed to Cott Corporation	$ (3.8)	$ (15.6)	$ 16.4	$ 3.6	$ (4.4)	$ (3.8)
Comprehensive (loss) income attributed to Cott Corporation	$ (7.4)	$ (15.6)	$ 43.5	$ 4.8	$ (32.7)	$ (7.4)

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Condensed Consolidating Statement of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended June 28, 2014					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 49.5	$ —	$ 476.7	$ 36.0	$ (13.0)	$ 549.2
Cost of sales	41.0	—	412.3	29.9	(13.0)	470.2
Gross profit	8.5	—	64.4	6.1	—	79.0
Selling, general and administrative expenses	6.3	—	41.3	3.1	—	50.7
Gain on disposal of property, plant & equipment	—	—	(0.1)	—	—	(0.1)
Restructuring	0.1	—	—	—	—	0.1
Asset impairments	—	—	0.3	—	—	0.3
Acquisition and integration expenses	—	—	1.8	—	—	1.8
Operating income	2.1	—	21.1	3.0	—	26.2
Other (income) expense, net	(9.5)	—	29.3	—	—	19.8
Interest expense, net	—	—	8.4	—	—	8.4
Income (loss) before income tax (benefit) expense and equity (loss) income	11.6	—	(16.6)	3.0	—	(2.0)
Income tax (benefit) expense	(0.4)	—	2.9	—	—	2.5
Equity (loss) income	(17.9)	—	8.2	—	9.7	—
Net (loss) income	$ (5.9)	$ —	$ (11.3)	$ 3.0	$ 9.7	$ (4.5)
Less: Net income attributable to non-controlling interests	—	—	—	1.4	—	1.4
Net (loss) income attributed to Cott Corporation	$ (5.9)	$ —	$ (11.3)	$ 1.6	$ 9.7	$ (5.9)
Comprehensive income attributed to Cott Corporation	$ 2.5	$ —	$ 26.6	$ 0.9	$ (27.5)	$ 2.5

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Condensed Consolidating Statement of Operations

(in millions of U.S. dollars)
Unaudited

	For the Six Months Ended June 28, 2014					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 86.7	—	894.1	68.3	(24.8)	$ 1,024.3
Cost of sales	75.2	—	782.2	56.5	(24.8)	889.1
Gross profit	11.5	—	111.9	11.8	—	135.2
Selling, general and administrative expenses	12.8	—	78.6	6.2	—	97.6
Restructuring	2.0	—	0.3	—	—	2.3
Asset impairments	0.9	—	1.0	—	—	1.9
Acquisition and integration expenses	—	—	2.9	—	—	2.9
Operating (loss) income	(4.2)	—	29.1	5.6	—	30.5
Other (income) expense, net	(9.3)	—	26.7	0.1	—	17.5
Interest expense, net	0.1	—	18.1	—	—	18.2
Income (loss) before income tax (benefit) expense and equity (loss) income	5.0	—	(15.7)	5.5	—	(5.2)
Income tax (benefit) expense	(1.4)	—	3.3	0.1	—	2.0
Equity (loss) income	(16.4)	—	2.7	—	13.7	—
Net (loss) income	$ (10.0)	$ —	$ (16.3)	$ 5.4	$ 13.7	$ (7.2)
Less: Net income attributable to non-controlling interests	—	—	—	2.8	—	2.8
Net (loss) income attributed to Cott Corporation	$ (10.0)	$ —	$ (16.3)	$ 2.6	$ 13.7	$ (10.0)
Comprehensive (loss) income attributed to Cott Corporation	$ (3.3)	$ —	$ 39.7	$ 1.8	$ (41.5)	$ (3.3)

Consolidating Balance Sheets

(in millions of U.S. dollars)
Unaudited

	As of July 4, 2015					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ 13.8	$ 28.6	$ 30.8	$ 5.8	$ —	$ 79.0
Accounts receivable, net of allowance	22.3	135.3	248.9	16.2	(56.1)	366.6
Income taxes recoverable	—	0.6	0.7	—	—	1.3
Inventories	15.2	28.9	215.7	6.9	—	266.7
Prepaid expenses and other assets	3.1	10.8	25.4	0.2	—	39.5
Total current assets	**54.4**	**204.2**	**521.5**	**29.1**	**(56.1)**	**753.1**
Property, plant & equipment, net	33.6	401.4	378.0	7.2	—	820.2
Goodwill	21.8	563.0	164.1	—	—	748.9
Intangibles and other assets, net	0.7	400.8	343.7	4.7	—	749.9
Deferred income taxes	1.2	—	—	0.1	—	1.3
Other tax receivable	0.1	—	—	—	—	0.1
Due from affiliates	33.1	—	544.5	—	(577.6)	—
Investments in subsidiaries	577.3	—	49.4	—	(626.7)	—
Total assets	**$ 722.2**	**$ 1,569.4**	**$ 2,001.2**	**$ 41.1**	**$ (1,260.4)**	**$ 3,073.5**
LIABILITIES AND EQUITY						
Current liabilities						
Short-term borrowings	$ —	$ —	$ 198.2	$ —	$ —	$ 198.2
Current maturities of long-term debt	—	—	3.1	0.8	—	3.9
Accounts payable and accrued liabilities	49.9	150.3	298.4	11.4	(56.1)	453.9
Total current liabilities	**49.9**	**150.3**	**499.7**	**12.2**	**(56.1)**	**656.0**
Long-term debt	—	392.8	1,157.2	0.2	—	1,550.2
Deferred income taxes	—	113.4	(11.6)	—	—	101.8
Other long-term liabilities	0.5	32.3	54.4	1.3	—	88.5
Due to affiliates	1.2	543.3	2.1	31.0	(577.6)	—
Total liabilities	**51.6**	**1,232.1**	**1,701.8**	**44.7**	**(633.7)**	**2,396.5**
Equity						
Capital stock, no par	532.1	355.6	981.7	39.1	(1,376.4)	532.1
Additional paid-in-capital	50.9	—	—	—	—	50.9
Retained earnings (deficit)	142.2	(18.4)	(704.7)	(55.5)	778.6	142.2
Accumulated other comprehensive (loss) income	(54.6)	0.1	22.4	6.4	(28.9)	(54.6)
Total Cott Corporation equity	670.6	337.3	299.4	(10.0)	(626.7)	670.6
Non-controlling interests	—	—	—	6.4	—	6.4
Total equity	**670.6**	**337.3**	**299.4**	**(3.6)**	**(626.7)**	**677.0**
Total liabilities and equity	**$ 722.2**	**$ 1,569.4**	**$ 2,001.2**	**$ 41.1**	**$ (1,260.4)**	**$ 3,073.5**

Consolidating Balance Sheets

(in millions of U.S. dollars)

	As of January 3, 2015					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ 6.2	$ 34.4	$ 38.2	$ 7.4	$ —	$ 86.2
Accounts receivable, net of allowance	16.2	105.4	358.8	12.2	(186.9)	305.7
Income taxes recoverable	—	0.6	0.6	0.4	—	1.6
Inventories	12.4	34.2	210.3	5.5	—	262.4
Prepaid expenses and other assets	3.2	10.3	45.4	0.4	—	59.3
Total current assets	**38.0**	**184.9**	**653.3**	**25.9**	**(186.9)**	**715.2**
Property, plant & equipment, net	38.2	415.5	403.0	7.8	—	864.5
Goodwill	23.4	556.9	163.3	—	—	743.6
Intangibles and other assets, net	0.7	415.6	358.7	6.7	—	781.7
Deferred income taxes	2.5	—	—	—	—	2.5
Other tax receivable	0.1	—	0.1	—	—	0.2
Due from affiliates	183.8	—	403.0	0.1	(586.9)	—
Investments in subsidiaries	436.3	—	973.1	—	(1,409.4)	—
Total assets	**$ 723.0**	**$ 1,572.9**	**$ 2,954.5**	**$ 40.5**	**$ (2,183.2)**	**$ 3,107.7**
LIABILITIES, PREFERRED SHARES AND EQUITY						
Current liabilities						
Short-term borrowings	$ —	$ —	$ 229.0	$ —	$ —	$ 229.0
Current maturities of long-term debt	0.1	—	3.0	0.9	—	4.0
Accounts payable and accrued liabilities	30.4	106.8	461.9	8.1	(186.9)	420.3
Total current liabilities	**30.5**	**106.8**	**693.9**	**9.0**	**(186.9)**	**653.3**
Long-term debt	—	405.6	1,158.8	0.6	—	1,565.0
Deferred income taxes	—	129.3	(9.4)	—	—	119.9
Other long-term liabilities	0.4	29.6	40.5	1.3	—	71.8
Due to affiliates	1.3	548.8	3.9	32.9	(586.9)	—
Total liabilities	**32.2**	**1,220.1**	**1,887.7**	**43.8**	**(773.8)**	**2,410.0**
Convertible preferred shares	116.1	—	—	—	—	116.1
Non-convertible preferred shares	32.7	—	—	—	—	32.7
Equity						
Capital stock, no par	388.3	355.5	1,766.0	39.7	(2,161.2)	388.3
Additional paid-in-capital	46.6	—	—	—	—	46.6
Retained earnings (deficit)	158.1	(2.8)	(694.5)	(55.1)	752.4	158.1
Accumulated other comprehensive (loss) income	(51.0)	0.1	(4.7)	5.2	(0.6)	(51.0)
Total Cott Corporation equity	542.0	352.8	1,066.8	(10.2)	(1,409.4)	542.0
Non-controlling interests	—	—	—	6.9	—	6.9
Total equity	**542.0**	**352.8**	**1,066.8**	**(3.3)**	**(1,409.4)**	**548.9**
Total liabilities, preferred shares and equity	**$ 723.0**	**$ 1,572.9**	**$ 2,954.5**	**$ 40.5**	**$ (2,183.2)**	**$ 3,107.7**

Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended July 4, 2015					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net income (loss)	$ 16.6	$ (3.4)	$ 15.9	$ 4.4	$ (15.2)	$ 18.3
Depreciation & amortization	1.2	31.8	23.8	1.4	—	58.2
Amortization of financing fees	—	—	1.1	—	—	1.1
Amortization of senior notes premium	—	(1.4)	—	—	—	(1.4)
Share-based compensation expense	1.1	0.5	2.0	0.1	—	3.7
Increase (decrease) in deferred income taxes	0.7	(4.9)	(0.9)	(0.1)	—	(5.2)
Loss (gain) on disposal of property, plant & equipment	—	0.9	(0.7)	—	—	0.2
Equity income, net of distributions	(13.6)	—	(1.6)	—	15.2	—
Intercompany dividends	2.2	—	10.0	—	(12.2)	—
Other non-cash items	(6.8)	—	0.5	—	—	(6.3)
Net change in operating assets and liabilities, net of acquisition	27.9	(2.9)	(25.6)	7.7	—	7.1
Net cash provided by operating activities	29.3	20.6	24.5	13.5	(12.2)	75.7
Investing Activities						
Acquisition, net of cash received	—	(0.5)	—	—	—	(0.5)
Additions to property, plant & equipment	(0.2)	(20.4)	(8.9)	(0.4)	—	(29.9)
Additions to intangibles and other assets	—	(0.1)	—	—	—	(0.1)
Proceeds from sale of property, plant & equipment and sale-leaseback	—	14.2	25.9	—	—	40.1
Net cash (used in) provided by investing activities	(0.2)	(6.8)	17.0	(0.4)	—	9.6
Financing Activities						
Payments of long-term debt	—	—	(0.9)	(0.2)	—	(1.1)
Borrowings under ABL	—	—	654.1	—	—	654.1
Payments under ABL	—	—	(674.4)	—	—	(674.4)
Distributions to non-controlling interests	—	—	—	(1.6)	—	(1.6)
Issuance of common shares	142.5	—	—	—	—	142.5
Financing fees	—	—	(0.2)	—	—	(0.2)
Preferred shares repurchased and cancelled	(148.8)	—	—	—	—	(148.8)
Dividends paid to common and preferred shareowners	(9.0)	—	—	—	—	(9.0)
Payment of deferred consideration for acquisitions	—	—	(2.5)	—	—	(2.5)
Intercompany dividends	—	—	(2.2)	(10.0)	12.2	—
Net cash used in financing activities	(15.3)	—	(26.1)	(11.8)	12.2	(41.0)
Effect of exchange rate changes on cash	(0.3)	—	0.6	(0.1)	—	0.2
Net increase in cash & cash equivalents	**13.5**	**13.8**	**16.0**	**1.2**	**—**	**44.5**
Cash & cash equivalents, beginning of period	**0.3**	**14.8**	**14.8**	**4.6**	**—**	**34.5**
Cash & cash equivalents, end of period	**$ 13.8**	**$ 28.6**	**$ 30.8**	**$ 5.8**	**$ —**	**$ 79.0**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Six Months Ended July 4, 2015					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net income (loss)	$ 14.1	$ (15.6)	$ 16.4	$ 6.6	$ (4.4)	$ 17.1
Depreciation & amortization	2.4	62.0	48.4	2.8	—	115.6
Amortization of financing fees	—	—	2.4	—	—	2.4
Amortization of senior notes premium	—	(2.9)	—	—	—	(2.9)
Share-based compensation expense	1.2	1.1	3.7	0.1	—	6.1
Increase (decrease) in deferred income taxes	1.1	(12.6)	(5.2)	(0.2)	—	(16.9)
Loss (gain) on disposal of property, plant & equipment	—	2.0	(0.4)	—	—	1.6
Equity income, net of distributions	(1.4)	—	(3.0)	—	4.4	—
Intercompany dividends	4.3	—	12.1	—	(16.4)	—
Other non-cash items	(6.8)	—	(9.7)	—	—	(16.5)
Net change in operating assets and liabilities, net of acquisition	18.8	(12.8)	(43.8)	5.9	—	(31.9)
Net cash provided by operating activities	33.7	21.2	20.9	15.2	(16.4)	74.6
Investing Activities						
Acquisition, net of cash received	—	(0.5)	—	—	—	(0.5)
Additions to property, plant & equipment	(0.5)	(38.8)	(17.5)	(0.4)	—	(57.2)
Additions to intangibles and other assets	—	(1.9)	(0.3)	—	—	(2.2)
Proceeds from sale of property, plant & equipment and sale-leaseback	—	14.2	26.3	—	—	40.5
Net cash (used in) provided by investing activities	(0.5)	(27.0)	8.5	(0.4)	—	(19.4)
Financing Activities						
Payments of long-term debt	—	—	(1.4)	(0.5)	—	(1.9)
Borrowings under ABL	—	—	748.9	—	—	748.9
Payments under ABL	—	—	(777.2)	—	—	(777.2)
Distributions to non-controlling interests	—	—	—	(3.6)	—	(3.6)
Issuance of common shares	142.6	—	—	—	—	142.6
Financing fees	—	—	(0.2)	—	—	(0.2)
Common shares repurchased and cancelled	(0.7)	—	—	—	—	(0.7)
Preferred shares repurchased and cancelled	(148.8)	—	—	—	—	(148.8)
Dividends paid to common and preferred shareowners	(18.0)	—	—	—	—	(18.0)
Payment of deferred consideration for acquisitions	—	—	(2.5)	—	—	(2.5)
Intercompany dividends	—	—	(4.3)	(12.1)	16.4	—
Net cash used in financing activities	(24.9)	—	(36.7)	(16.2)	16.4	(61.4)
Effect of exchange rate changes on cash	(0.7)	—	(0.1)	(0.2)	—	(1.0)
Net increase (decrease) in cash & cash equivalents	**7.6**	**(5.8)**	**(7.4)**	**(1.6)**	**—**	**(7.2)**
Cash & cash equivalents, beginning of period	**6.2**	**34.4**	**38.2**	**7.4**	**—**	**86.2**
Cash & cash equivalents, end of period	**$ 13.8**	**$ 28.6**	**$ 30.8**	**$ 5.8**	**$ —**	**$ 79.0**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended June 28, 2014					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net (loss) income	$ (5.9)	$ —	$ (11.3)	$ 3.0	$ 9.7	$ (4.5)
Depreciation & amortization	1.6	—	22.8	1.4	—	25.8
Amortization of financing fees	0.1	—	0.5	—	—	0.6
Share-based compensation expense	0.6	—	1.5	—	—	2.1
(Decrease) increase in deferred income taxes	(0.4)	—	2.7	0.3	—	2.6
Gain on disposal of property, plant & equipment	—	—	(0.1)	—	—	(0.1)
Asset impairments	—	—	0.3	—	—	0.3
Write off of financing fees and discount	—	—	3.0	—	—	3.0
Equity loss (income), net of distributions	17.9	—	(8.2)	—	(9.7)	—
Intercompany dividends	15.9	—	2.6	—	(18.5)	—
Other non-cash items	(0.2)	—	(0.3)	—	—	(0.5)
Net change in operating assets and liabilities	(18.0)	—	15.7	2.5	—	0.2
Net cash provided by operating activities	11.6	—	29.2	7.2	(18.5)	29.5
Investing Activities						
Acquisitions, net of cash received	—	—	(80.8)	—	—	(80.8)
Additions to property, plant & equipment	(0.3)	—	(11.5)	—	—	(11.8)
Additions to intangibles and other assets	—	—	(1.3)	—	—	(1.3)
Net cash used in investing activities	(0.3)	—	(93.6)	—	—	(93.9)
Financing Activities						
Payments of long-term debt	(0.1)	—	(296.7)	0.3	—	(296.5)
Issue of long-term debt	—	—	525.0	—	—	525.0
Borrowings under ABL	—	—	188.2	—	—	188.2
Payments under ABL	—	—	(284.3)	—	—	(284.3)
Distributions to non-controlling interests	—	—	—	(2.5)	—	(2.5)
Common shares repurchased and cancelled	(2.7)	—	—	—	—	(2.7)
Dividends paid to shareholders	(5.7)	—	—	—	—	(5.7)
Financing fees	—	—	(7.9)	—	—	(7.9)
Intercompany dividends	—	—	(15.9)	(2.6)	18.5	—
Net cash (used in) provided by financing activities	(8.5)	—	108.4	(4.8)	18.5	113.6
Effect of exchange rate changes on cash	0.4	—	0.7	—	—	1.1
Net increase in cash & cash equivalents	**3.2**	**—**	**44.7**	**2.4**	**—**	**50.3**
Cash & cash equivalents, beginning of period	**4.0**	**—**	**32.3**	**4.3**	**—**	**40.6**
Cash & cash equivalents, end of period	**$ 7.2**	**$ —**	**$ 77.0**	**$ 6.7**	**$ —**	**$ 90.9**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Six Months Ended June 28, 2014					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net (loss) income	$ (10.0)	$ —	$ (16.3)	$ 5.4	$ 13.7	$ (7.2)
Depreciation & amortization	3.1	—	44.9	2.9	—	50.9
Amortization of financing fees	0.1	—	1.1	—	—	1.2
Share-based compensation expense	0.8	—	2.6	—	—	3.4
(Decrease) increase in deferred income taxes	(1.3)	—	3.2	—	—	1.9
Asset impairments	0.9	—	1.0	—	—	1.9
Write off of financing fees and discount	—	—	3.3	—	—	3.3
Equity loss (income), net of distributions	16.4	—	(2.7)	—	(13.7)	—
Intercompany dividends	18.2	—	5.0	—	(23.2)	—
Other non-cash items	(0.2)	—	(0.5)	—	—	(0.7)
Net change in operating assets and liabilities	(7.7)	—	(72.7)	2.7	—	(77.7)
Net cash provided by (used in) operating activities	20.3	—	(31.1)	11.0	(23.2)	(23.0)
Investing Activities						
Acquisitions, net of cash received	—	—	(80.8)	—	—	(80.8)
Additions to property, plant & equipment	(0.9)	—	(19.7)	—	—	(20.6)
Additions to intangibles and other assets	—	—	(2.8)	—	—	(2.8)
Net cash used in investing activities	(0.9)	—	(103.3)	—	—	(104.2)
Financing Activities						
Payments of long-term debt	(0.1)	—	(312.4)	—	—	(312.5)
Issue of long-term debt	—	—	525.0	—	—	525.0
Borrowings under ABL	—	—	283.2	—	—	283.2
Payments under ABL	—	—	(299.4)	—	—	(299.4)
Distributions to non-controlling interests	—	—	—	(4.8)	—	(4.8)
Common shares repurchased and cancelled	(3.1)	—	—	—	—	(3.1)
Dividends paid to shareholders	(10.8)	—	—	—	—	(10.8)
Financing fees	—	—	(7.9)	—	—	(7.9)
Intercompany dividends	—	—	(18.2)	(5.0)	23.2	—
Net cash (used in) provided by financing activities	(14.0)	—	170.3	(9.8)	23.2	169.7
Effect of exchange rate changes on cash	0.3	—	0.9	—	—	1.2
Net increase in cash & cash equivalents	**5.7**	**—**	**36.8**	**1.2**	**—**	**43.7**
Cash & cash equivalents, beginning of period	**1.5**	**—**	**40.2**	**5.5**	**—**	**47.2**
Cash & cash equivalents, end of period	**$ 7.2**	**$ —**	**$ 77.0**	**$ 6.7**	**$ —**	**$ 90.9**

The 2022 Notes and 2020 Notes, each issued by our 100% owned subsidiary, CBI, are guaranteed on a senior basis pursuant to guarantees by Cott Corporation and certain other 100% owned direct and indirect subsidiaries (the “Cott Guarantor Subsidiaries”). CBI and each Cott Guarantor Subsidiary is 100% owned by Cott Corporation. The guarantees of the 2022 Notes and the 2020 Notes by Cott Corporation and the Cott Guarantor Subsidiaries are full and unconditional, and all such guarantees are joint and several. The guarantees of the Cott 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 Cott Guarantor Subsidiaries due to the presentation of condensed consolidating financial information set forth in this Note, consistent with the SEC interpretations governing reporting of subsidiary financial information.

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

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Condensed Consolidating Statement of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended July 4, 2015					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 46.9	$ 197.1	$ 517.4	$ 38.3	$ (19.9)	$ 779.8
Cost of sales	38.4	164.9	324.9	30.9	(19.9)	539.2
Gross profit	8.5	32.2	192.5	7.4	—	240.6
Selling, general and administrative expenses	4.9	24.6	157.7	3.0	—	190.2
(Gain) loss on disposal of property, plant & equipment	—	(0.7)	0.9	—	—	0.2
Acquisition and integration expenses	—	0.5	3.6	—	—	4.1
Operating income	3.6	7.8	30.3	4.4	—	46.1
Other expense (income), net	0.7	—	0.4	(0.1)	—	1.0
Intercompany interest (income) expense, net	(1.9)	(13.3)	15.2	—	—	—
Interest expense, net	—	20.2	7.7	—	—	27.9
Income before income tax expense (benefit) and equity income	4.8	0.9	7.0	4.5	—	17.2
Income tax expense (benefit)	1.8	(1.9)	(1.1)	0.1	—	(1.1)
Equity income	13.6	1.6	—	—	(15.2)	—
Net income	$ 16.6	$ 4.4	$ 8.1	$ 4.4	$ (15.2)	$ 18.3
Less: Net income attributable to non-controlling interests	—	—	—	1.7	—	1.7
Less: Accumulated dividends on convertible preferred shares	1.8	—	—	—	—	1.8
Less: Accumulated dividends on non-convertible preferred shares	0.6	—	—	—	—	0.6
Less: Foreign exchange impact on redemption of preferred shares	12.0	—	—	—	—	12.0
Net income attributed to Cott Corporation	$ 2.2	$ 4.4	$ 8.1	$ 2.7	$ (15.2)	$ 2.2
Comprehensive income attributed to Cott Corporation	$ 24.4	$ 26.5	$ 21.4	$ 4.2	$ (52.1)	$ 24.4

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Condensed Consolidating Statement of Operations

(in millions of U.S. dollars)
Unaudited

	For the Six Months Ended July 4, 2015					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 76.9	$ 367.1	$ 1,006.0	$ 69.7	$ (30.1)	$ 1,489.6
Cost of sales	65.4	310.7	644.9	56.8	(30.1)	1,047.7
Gross profit	11.5	56.4	361.1	12.9	—	441.9
Selling, general and administrative expenses	10.4	48.4	313.8	6.1	—	378.7
(Gain) loss on disposal of property, plant & equipment	—	(0.4)	2.0	—	—	1.6
Acquisition and integration expenses	—	2.0	6.8	—	—	8.8
Operating income	1.1	6.4	38.5	6.8	—	52.8
Other (income) expense, net	(9.8)	—	0.4	—	—	(9.4)
Intercompany interest (income) expense, net	(4.9)	(25.5)	30.4	—	—	—
Interest expense, net	0.1	40.3	15.2	—	—	55.6
Income (loss) before income tax expense (benefit) and equity income	15.7	(8.4)	(7.5)	6.8	—	6.6
Income tax expense (benefit)	3.0	(6.5)	(7.2)	0.2	—	(10.5)
Equity income	1.4	3.0	—	—	(4.4)	—
Net income (loss)	$ 14.1	$ 1.1	$ (0.3)	$ 6.6	$ (4.4)	$ 17.1
Less: Net income attributable to non-controlling interests	—	—	—	3.0	—	3.0
Less: Accumulated dividends on convertible preferred shares	4.5	—	—	—	—	4.5
Less: Accumulated dividends on non-convertible preferred shares	1.4	—	—	—	—	1.4
Less: Foreign exchange impact on redemption of preferred shares	12.0	—	—	—	—	12.0
Net (loss) income attributed to Cott Corporation	$ (3.8)	$ 1.1	$ (0.3)	$ 3.6	$ (4.4)	$ (3.8)
Comprehensive (loss) income attributed to Cott Corporation	$ (7.4)	$ 3.7	$ 0.9	$ 4.8	$ (9.4)	$ (7.4)

Condensed Consolidating Statement of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended June 28, 2014					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 49.5	$ 199.9	$ 276.8	$ 36.0	$ (13.0)	$ 549.2
Cost of sales	41.0	168.7	243.7	29.8	(13.0)	470.2
Gross profit	8.5	31.2	33.1	6.2	—	79.0
Selling, general and administrative expenses	6.3	25.5	15.7	3.2	—	50.7
Gain on disposal of property, plant & equipment	—	(0.1)	—	—	—	(0.1)
Restructuring	0.1	—	—	—	—	0.1
Asset impairments	—	—	0.3	—	—	0.3
Acquisition and integration expenses	—	1.0	0.8	—	—	1.8
Operating income	2.1	4.8	16.3	3.0	—	26.2
Other (income) expense, net	(9.5)	19.7	9.6	—	—	19.8
Intercompany interest (income) expense, net	—	(3.9)	3.9	—	—	—
Interest expense (income), net	—	8.5	(0.1)	—	—	8.4
Income (loss) before income tax (benefit) expense and equity (loss) income	11.6	(19.5)	2.9	3.0	—	(2.0)
Income tax (benefit) expense	(0.4)	2.6	0.3	—	—	2.5
Equity (loss) income	(17.9)	1.4	13.8	—	2.7	—
Net (loss) income	$ (5.9)	$ (20.7)	$ 16.4	$ 3.0	$ 2.7	$ (4.5)
Less: Net income attributable to non-controlling interests	—	—	—	1.4	—	1.4
Net (loss) income attributed to Cott Corporation	$ (5.9)	$ (20.7)	$ 16.4	$ 1.6	$ 2.7	$ (5.9)
Comprehensive income (loss) attributed to Cott Corporation	$ 2.5	$ (3.6)	$ 37.6	$ 0.9	$ (34.9)	$ 2.5

Condensed Consolidating Statement of Operations

(in millions of U.S. dollars)
Unaudited

	For the Six Months Ended June 28, 2014					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ 86.7	$ 375.0	$ 519.1	$ 68.3	$ (24.8)	$ 1,024.3
Cost of sales	75.2	322.7	459.5	56.5	(24.8)	889.1
Gross profit	11.5	52.3	59.6	11.8	—	135.2
Selling, general and administrative expenses	12.8	51.2	27.4	6.2	—	97.6
Restructuring	2.0	0.2	0.1	—	—	2.3
Asset impairments	0.9	—	1.0	—	—	1.9
Acquisition and integration expenses	—	1.0	1.9	—	—	2.9
Operating (loss) income	(4.2)	(0.1)	29.2	5.6	—	30.5
Other (income) expense, net	(9.3)	17.1	9.6	0.1	—	17.5
Intercompany interest (income) expense, net	—	(7.4)	7.4	—	—	—
Interest expense, net	0.1	17.5	0.6	—	—	18.2
Income (loss) before income tax (benefit) expense and equity (loss) income	5.0	(27.3)	11.6	5.5	—	(5.2)
Income tax (benefit) expense	(1.4)	2.9	0.4	0.1	—	2.0
Equity (loss) income	(16.4)	2.7	7.0	—	6.7	—
Net (loss) income	$ (10.0)	$ (27.5)	$ 18.2	$ 5.4	$ 6.7	$ (7.2)
Less: Net income attributable to non-controlling interests	—	—	—	2.8	—	2.8
Net (loss) income attributed to Cott Corporation	$ (10.0)	$ (27.5)	$ 18.2	$ 2.6	$ 6.7	$ (10.0)
Comprehensive (loss) income attributed to Cott Corporation	$ (3.3)	$ (6.3)	$ 53.4	$ 1.8	$ (48.9)	$ (3.3)

Consolidating Balance Sheets

(in millions of U.S. dollars)
Unaudited

	As of July 4, 2015					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ 13.8	$ 5.1	$ 54.3	$ 5.8	$ —	$ 79.0
Accounts receivable, net of allowance	22.3	168.6	387.3	16.2	(227.8)	366.6
Income taxes recoverable	—	0.6	0.7	—	—	1.3
Inventories	15.2	76.7	167.9	6.9	—	266.7
Prepaid expenses and other assets	3.1	17.3	18.9	0.2	—	39.5
Total current assets	**54.4**	**268.3**	**629.1**	**29.1**	**(227.8)**	**753.1**
Property, plant & equipment, net	33.6	165.1	614.3	7.2	—	820.2
Goodwill	21.8	4.5	722.6	—	—	748.9
Intangibles and other assets, net	0.7	100.8	643.7	4.7	—	749.9
Deferred income taxes	1.2	33.8	—	0.1	(33.8)	1.3
Other tax receivable	0.1	—	—	—	—	0.1
Due from affiliates	33.0	709.3	2.8	—	(745.1)	—
Investments in subsidiaries	577.4	630.6	621.1	—	(1,829.1)	—
Total assets	**$ 722.2**	**$ 1,912.4**	**$ 3,233.6**	**$ 41.1**	**$ (2,835.8)**	**$ 3,073.5**
LIABILITIES AND EQUITY						
Current liabilities						
Short-term borrowings	$ —	$ 192.0	$ 6.2	$ —	$ —	$ 198.2
Current maturities of long-term debt	—	2.6	0.5	0.8	—	3.9
Accounts payable and accrued liabilities	49.9	234.2	386.2	11.4	(227.8)	453.9
Total current liabilities	**49.9**	**428.8**	**392.9**	**12.2**	**(227.8)**	**656.0**
Long-term debt	—	1,155.7	394.3	0.2	—	1,550.2
Deferred income taxes	—	—	135.6	—	(33.8)	101.8
Other long-term liabilities	0.5	15.6	71.1	1.3	—	88.5
Due to affiliates	1.2	1.6	711.3	31.0	(745.1)	—
Total liabilities	**51.6**	**1,601.7**	**1,705.2**	**44.7**	**(1,006.7)**	**2,396.5**
Equity						
Capital stock, no par	532.1	685.2	1,909.5	39.1	(2,633.8)	532.1
Additional paid-in-capital	50.9	—	—	—	—	50.9
Retained earnings (deficit)	142.2	(368.5)	(386.3)	(55.5)	810.3	142.2
Accumulated other comprehensive (loss) income	(54.6)	(6.0)	5.2	6.4	(5.6)	(54.6)
Total Cott Corporation equity	670.6	310.7	1,528.4	(10.0)	(1,829.1)	670.6
Non-controlling interests	—	—	—	6.4	—	6.4
Total equity	**670.6**	**310.7**	**1,528.4**	**(3.6)**	**(1,829.1)**	**677.0**
Total liabilities and equity	**$ 722.2**	**$ 1,912.4**	**$ 3,233.6**	**$ 41.1**	**$ (2,835.8)**	**$ 3,073.5**

Consolidating Balance Sheets

(in millions of U.S. dollars)

	As of January 3, 2015					
	Cott Corporation	Cott Beverages, Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ 6.2	$ 8.6	$ 64.0	$ 7.4	$ —	$ 86.2
Accounts receivable, net of allowance	16.2	130.4	333.8	12.2	(186.9)	305.7
Income taxes recoverable	—	0.6	0.6	0.4	—	1.6
Inventories	12.4	72.5	172.0	5.5	—	262.4
Prepaid expenses and other assets	3.2	39.5	16.2	0.4	—	59.3
Total current assets	**38.0**	**251.6**	**586.6**	**25.9**	**(186.9)**	**715.2**
Property, plant & equipment, net	38.2	178.4	640.1	7.8	—	864.5
Goodwill	23.4	4.5	715.7	—	—	743.6
Intangibles and other assets, net	0.7	105.3	669.0	6.7	—	781.7
Deferred income taxes	2.5	30.5	—	—	(30.5)	2.5
Other tax receivable	0.1	0.1	—	—	—	0.2
Due from affiliates	183.8	564.5	3.0	0.1	(751.4)	—
Investments in subsidiaries	436.3	623.5	349.6	—	(1,409.4)	—
Total assets	**$ 723.0**	**$ 1,758.4**	**$ 2,964.0**	**$ 40.5**	**$ (2,378.2)**	**$ 3,107.7**
LIABILITIES, PREFERRED SHARES AND EQUITY						
Current liabilities						
Short-term borrowings	$ —	$ 229.0	$ —	$ —	$ —	$ 229.0
Current maturities of long-term debt	0.1	2.5	0.5	0.9	—	4.0
Accounts payable and accrued liabilities	30.4	212.4	356.3	8.1	(186.9)	420.3
Total current liabilities	**30.5**	**443.9**	**356.8**	**9.0**	**(186.9)**	**653.3**
Long-term debt	—	1,157.1	407.3	0.6	—	1,565.0
Deferred income taxes	—	—	150.4	—	(30.5)	119.9
Other long-term liabilities	0.4	5.8	64.3	1.3	—	71.8
Due to affiliates	1.3	1.7	715.5	32.9	(751.4)	—
Total liabilities	**32.2**	**1,608.5**	**1,694.3**	**43.8**	**(968.8)**	**2,410.0**
Convertible preferred shares	116.1	—	—	—	—	116.1
Non-convertible preferred shares	32.7	—	—	—	—	32.7
Equity						
Capital stock, no par	388.3	525.7	1,595.8	39.7	(2,161.2)	388.3
Additional paid-in-capital	46.6	—	—	—	—	46.6
Retained earnings (deficit)	158.1	(367.2)	(330.1)	(55.1)	752.4	158.1
Accumulated other comprehensive (loss) income	(51.0)	(8.6)	4.0	5.2	(0.6)	(51.0)
Total Cott Corporation equity	542.0	149.9	1,269.7	(10.2)	(1,409.4)	542.0
Non-controlling interests	—	—	—	6.9	—	6.9
Total equity	**542.0**	**149.9**	**1,269.7**	**(3.3)**	**(1,409.4)**	**548.9**
Total liabilities, preferred shares and equity	**$ 723.0**	**$ 1,758.4**	**$ 2,964.0**	**$ 40.5**	**$ (2,378.2)**	**$ 3,107.7**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended July 4, 2015					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net income	$ 16.6	$ 4.4	$ 8.1	$ 4.4	$ (15.2)	$ 18.3
Depreciation & amortization	1.2	10.7	44.9	1.4	—	58.2
Amortization of financing fees	—	1.0	0.1	—	—	1.1
Amortization of senior notes premium	—	(1.4)	—	—	—	(1.4)
Share-based compensation expense	1.1	1.8	0.7	0.1	—	3.7
Increase (decrease) in deferred income taxes	0.7	(1.7)	(4.1)	(0.1)	—	(5.2)
(Gain) loss on disposal of property, plant & equipment	—	(0.7)	0.9	—	—	0.2
Equity income, net of distributions	(13.6)	(1.6)	—	—	15.2	—
Intercompany dividends	2.2	1.6	8.4	—	(12.2)	—
Other non-cash items	(6.8)	6.3	(5.8)	—	—	(6.3)
Net change in operating assets and liabilities, net of acquisitions	27.9	(11.4)	(8.7)	(0.7)	—	7.1
Net cash provided by operating activities	29.3	9.0	44.5	5.1	(12.2)	75.7
Investing Activities						
Acquisitions, net of cash received	—	—	(0.5)	—	—	(0.5)
Additions to property, plant & equipment	(0.2)	(4.3)	(25.0)	(0.4)	—	(29.9)
Additions to intangibles and other assets	—	—	(0.1)	—	—	(0.1)
Proceeds from sale of property, plant & equipment and sale-leaseback	—	25.9	14.2	—	—	40.1
Net cash (used in) provided by investing activities	(0.2)	21.6	(11.4)	(0.4)	—	9.6
Financing Activities						
Payments of long-term debt	—	(0.9)	—	(0.2)	—	(1.1)
Borrowings under ABL	—	628.1	26.0	—	—	654.1
Payments under ABL	—	(645.5)	(28.9)	—	—	(674.4)
Distributions to non-controlling interests	—	—	—	(1.6)	—	(1.6)
Issuance of common shares	142.5	—	—	—	—	142.5
Financing fees	—	(0.2)	—	—	—	(0.2)
Preferred shares repurchased and cancelled	(148.8)	—	—	—	—	(148.8)
Dividends paid to common and preferred shareowners	(9.0)	—	—	—	—	(9.0)
Payment of deferred consideration for acquisitions	—	—	(2.5)	—	—	(2.5)
Intercompany dividends	—	(8.4)	(2.2)	(1.6)	12.2	—
Net cash used in financing activities	(15.3)	(26.9)	(7.6)	(3.4)	12.2	(41.0)
Effect of exchange rate changes on cash	(0.3)	—	0.6	(0.1)	—	0.2
Net increase in cash & cash equivalents	**13.5**	**3.7**	**26.1**	**1.2**	**—**	**44.5**
Cash & cash equivalents, beginning of period	**0.3**	**1.4**	**28.2**	**4.6**	**—**	**34.5**
Cash & cash equivalents, end of period	**$ 13.8**	**$ 5.1**	**$ 54.3**	**$ 5.8**	**$ —**	**$ 79.0**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Six Months Ended July 4, 2015					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net income (loss)	$ 14.1	$ 1.1	$ (0.3)	$ 6.6	$ (4.4)	$ 17.1
Depreciation & amortization	2.4	22.2	88.2	2.8	—	115.6
Amortization of financing fees	—	2.3	0.1	—	—	2.4
Amortization of senior notes premium	—	(2.9)	—	—	—	(2.9)
Share-based compensation expense	1.2	3.3	1.5	0.1	—	6.1
Increase (decrease) in deferred income taxes	1.1	(6.9)	(10.9)	(0.2)	—	(16.9)
(Gain) loss on disposal of property, plant & equipment	—	(0.4)	2.0	—	—	1.6
Equity income, net of distributions	(1.4)	(3.0)	—	—	4.4	—
Intercompany dividends	4.3	3.7	8.4	—	(16.4)	—
Other non-cash items	(6.8)	(3.9)	(5.8)	—	—	(16.5)
Net change in operating assets and liabilities, net of acquisitions	18.8	10.4	(58.6)	(2.5)	—	(31.9)
Net cash provided by operating activities	33.7	25.9	24.6	6.8	(16.4)	74.6
Investing Activities						
Acquisitions, net of cash received	—	—	(0.5)	—	—	(0.5)
Additions to property, plant & equipment	(0.5)	(11.2)	(45.1)	(0.4)	—	(57.2)
Additions to intangibles and other assets	—	(0.3)	(1.9)	—	—	(2.2)
Proceeds from sale of property, plant & equipment and sale-leaseback	—	26.3	14.2	—	—	40.5
Net cash (used in) provided by investing activities	(0.5)	14.8	(33.3)	(0.4)	—	(19.4)
Financing Activities						
Payments of long-term debt	—	(1.3)	(0.1)	(0.5)	—	(1.9)
Borrowings under ABL	—	714.0	34.9	—	—	748.9
Payments under ABL	—	(748.3)	(28.9)	—	—	(777.2)
Distributions to non-controlling interests	—	—	—	(3.6)	—	(3.6)
Issuance of common shares	142.6	—	—	—	—	142.6
Financing fees	—	(0.2)	—	—	—	(0.2)
Preferred shares repurchased and cancelled	(148.8)	—	—	—	—	(148.8)
Common shares repurchased and cancelled	(0.7)	—	—	—	—	(0.7)
Dividends paid to common and preferred shareowners	(18.0)	—	—	—	—	(18.0)
Payment of deferred consideration for acquisitions	—	—	(2.5)	—	—	(2.5)
Intercompany dividends	—	(8.4)	(4.3)	(3.7)	16.4	—
Net cash used in financing activities	(24.9)	(44.2)	(0.9)	(7.8)	16.4	(61.4)
Effect of exchange rate changes on cash	(0.7)	—	(0.1)	(0.2)	—	(1.0)
Net increase (decrease) cash & cash equivalents	**7.6**	**(3.5)**	**(9.7)**	**(1.6)**	**—**	**(7.2)**
Cash & cash equivalents, beginning of period	**6.2**	**8.6**	**64.0**	**7.4**	**—**	**86.2**
Cash & cash equivalents, end of period	**$ 13.8**	**$ 5.1**	**$ 54.3**	**$ 5.8**	**$ —**	**$ 79.0**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended June 28, 2014					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net (loss) income	$ (5.9)	$ (20.7)	$ 16.4	$ 3.0	$ 2.7	$ (4.5)
Depreciation & amortization	1.6	10.0	12.8	1.4	—	25.8
Amortization of financing fees	0.1	0.4	0.1	—	—	0.6
Share-based compensation expense	0.6	1.3	0.2	—	—	2.1
(Decrease) increase in deferred income taxes	(0.4)	2.7	—	0.3	—	2.6
Gain on disposal of property, plant & equipment	—	(0.1)	—	—	—	(0.1)
Asset impairments	—	—	0.3	—	—	0.3
Write-off of financing fees and discount	—	3.0	—	—	—	3.0
Equity loss (income), net of distributions	17.9	(1.4)	(13.8)	—	(2.7)	—
Intercompany dividends	15.9	2.6	9.3	—	(27.8)	—
Other non-cash items	(0.2)	—	(0.3)	—	—	(0.5)
Net change in operating assets and liabilities, net of acquisitions	(18.0)	(77.5)	93.2	2.5	—	0.2
Net cash provided by (used in) operating activities	11.6	(79.7)	118.2	7.2	(27.8)	29.5
Investing Activities						
Acquisitions, net of cash received	—	—	(80.8)	—	—	(80.8)
Additions to property, plant & equipment	(0.3)	(7.1)	(4.4)	—	—	(11.8)
Additions to intangibles and other assets	—	(1.3)	—	—	—	(1.3)
Net cash used in investing activities	(0.3)	(8.4)	(85.2)	—	—	(93.9)
Financing Activities						
Payments of long-term debt	(0.1)	(296.6)	(0.1)	0.3	—	(296.5)
Issuance of long-term debt	—	525.0	—	—	—	525.0
Borrowings under ABL	—	188.2	—	—	—	188.2
Payments under ABL	—	(284.3)	—	—	—	(284.3)
Distributions to non-controlling interests	—	—	—	(2.5)	—	(2.5)
Financing fees	—	(7.9)	—	—	—	(7.9)
Common shares repurchased and cancelled	(2.7)	—	—	—	—	(2.7)
Dividends paid to shareholders	(5.7)	—	—	—	—	(5.7)
Intercompany dividends	—	(9.3)	(15.9)	(2.6)	27.8	—
Net cash (used in) provided by financing activities	(8.5)	115.1	(16.0)	(4.8)	27.8	113.6
Effect of exchange rate changes on cash	0.4	—	0.7	—	—	1.1
Net increase in cash & cash equivalents	**3.2**	**27.0**	**17.7**	**2.4**	**—**	**50.3**
Cash & cash equivalents, beginning of period	**4.0**	**5.9**	**26.4**	**4.3**	**—**	**40.6**
Cash & cash equivalents, end of period	**$ 7.2**	**$ 32.9**	**$ 44.1**	**$ 6.7**	**$ —**	**$ 90.9**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Six Months Ended June 28, 2014					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Operating Activities						
Net (loss) income	$ (10.0)	$ (27.5)	$ 18.2	$ 5.4	$ 6.7	$ (7.2)
Depreciation & amortization	3.1	20.0	24.9	2.9	—	50.9
Amortization of financing fees	0.1	1.0	0.1	—	—	1.2
Share-based compensation expense	0.8	2.3	0.3	—	—	3.4
(Decrease) increase in deferred income taxes	(1.3)	2.6	0.6	—	—	1.9
Asset impairments	0.9	—	1.0	—	—	1.9
Write-off of financing fees and discount	—	3.3	—	—	—	3.3
Equity loss (income), net of distributions	16.4	(2.7)	(7.0)	—	(6.7)	—
Intercompany dividends	18.2	5.0	9.3	—	(32.5)	—
Other non-cash items	(0.2)	(0.2)	(0.3)	—	—	(0.7)
Net change in operating assets and liabilities, net of acquisitions	(7.7)	(136.4)	63.7	2.7	—	(77.7)
Net cash provided by (used in) operating activities	20.3	(132.6)	110.8	11.0	(32.5)	(23.0)
Investing Activities						
Acquisitions, net of cash received	—	—	(80.8)	—	—	(80.8)
Additions to property, plant & equipment	(0.9)	(12.2)	(7.5)	—	—	(20.6)
Additions to intangibles and other assets	—	(2.8)	—	—	—	(2.8)
Net cash used in investing activities	(0.9)	(15.0)	(88.3)	—	—	(104.2)
Financing Activities						
Payments of long-term debt	(0.1)	(312.2)	(0.2)	—	—	(312.5)
Issuance of long-term debt	—	525.0	—	—	—	525.0
Borrowings under ABL	—	283.2	—	—	—	283.2
Payments under ABL	—	(299.4)	—	—	—	(299.4)
Distributions to non-controlling interests	—	—	—	(4.8)	—	(4.8)
Financing fees	—	(7.9)	—	—	—	(7.9)
Common shares repurchased and cancelled	(3.1)	—	—	—	—	(3.1)
Dividends paid to shareholders	(10.8)	—	—	—	—	(10.8)
Intercompany dividends	—	(9.3)	(18.2)	(5.0)	32.5	—
Net cash (used in) provided by financing activities	(14.0)	179.4	(18.4)	(9.8)	32.5	169.7
Effect of exchange rate changes on cash	0.3	—	0.9	—	—	1.2
Net increase in cash & cash equivalents	**5.7**	**31.8**	**5.0**	**1.2**	**—**	**43.7**
Cash & cash equivalents, beginning of period	**1.5**	**1.1**	**39.1**	**5.5**	**—**	**47.2**
Cash & cash equivalents, end of period	**$ 7.2**	**$ 32.9**	**$ 44.1**	**$ 6.7**	**$ —**	**$ 90.9**

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Note 19—Subsequent Events

On July 28, 2015, our board of directors declared a dividend of $0.06 per share on common shares, payable in cash on September 9, 2015 to shareowners of record at the close of business on August 27, 2015.

In July 2015, deferred consideration payments in aggregate of $11.4 million were made to the former security holders of DSS upon the final determination of actual working capital, net indebtedness and certain transaction-related expenses in connection with the DSS Acquisition.

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 January 3, 2015 (the "2014 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 2014 Annual Report.

Overview

We are one of the world's largest producers of beverages on behalf of retailers, brand owners and distributors and have one of the broadest home and office bottled water and office coffee services distribution networks in the United States with the ability to service approximately 90 percent of U.S. households, as well as national, regional and local offices. Our objective of creating sustainable long-term growth in revenue and profitability is predicated on working closely with our customers to provide proven profitable products. As a "fast follower" of innovative products, our goal is to identify which new products are succeeding in the marketplace and develop similar high quality products at a better value. This objective is increasingly relevant in more difficult economic times.

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

Our traditional Cott business typically operates at low margins and therefore relatively small changes in cost structures can materially affect results.

Ingredient and packaging costs represent a significant portion of our cost of sales. These costs are subject to global and regional commodity price trends. Our most significant commodities are aluminum in the case of cans and ends, polyethylene terephthalate ("PET") resin, high-density polyethylene ("HDPE") and polycarbonate, corn in the case of high fructose corn syrup ("HFCS"), sugar, fruit and fruit concentrates. We attempt to manage our exposure to fluctuations in ingredient and packaging costs by entering into fixed price commitments for a portion of our ingredient and packaging requirements and implementing price increases as needed.

We supply Walmart and its affiliated companies, under annual non-exclusive supply agreements, with a variety of products in North America, the United Kingdom, and Mexico, including carbonated soft drinks ("CSDs"), 100% shelf stable juice and juice-based products, clear, still and sparkling flavored waters, energy drinks, sports products, new age beverages, and ready-to-drink teas. During the first six months of 2015, 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 all or a portion of its requirements for CSDs, our operating results could be materially adversely affected. Sales to Walmart for the six months ended July 4, 2015 and June 28, 2014 accounted for 18.3% and 27.0% of total revenue, respectively.

We conduct operations in countries involving transactions denominated in a variety of currencies. We are subject to currency exchange risks to the extent that our costs are denominated in currencies other than those in which we earn revenues. As our financial statements are denominated in U.S. dollars, change in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on our results of operations.

Acquisition and Financing Transactions

On June 25, 2015, the Company entered into a sale-leaseback transaction (the “Sale-Leaseback Transaction”) involving five of our manufacturing, production and distribution facilities in North America and received cash proceeds of $40.1 million, after related transaction expenses, and recorded a gain of $22.6 million. The facilities are being leased from the buyer-lessor over an initial lease term of 20 years and the lease is classified as an operating lease. The Company determined it has retained the lease rights to the facilities but not the benefits and risks incident to ownership; thus $21.6 million of the $22.6 million gain was deferred, with the remaining $1.0 million recognized as a gain on sale in other expense (income), net in our Consolidated Statement of Operations. This deferred gain is being amortized as a reduction to rent expense over the 20-year initial lease term.

On May 26, 2015, we completed an offering, on a bought deal basis, of 16,215,000 common shares at a price of $9.25 per share for gross proceeds to the Company of approximately $150.0 million (the “Offering”). We incurred $6.0 million of underwriter commissions and $1.5 million in professional fees in connection with the Offering. The proceeds of the Offering were used to redeem all of the Preferred Shares (as defined below) (see Note 14 to the Consolidated Financial Statements).

In connection with the Offering, we amended the ABL facility on May 26, 2015 to, among other things, (1) facilitate the redemption of the Preferred Shares, (2) modify the sale-leaseback covenant to allow for the inclusion of properties that have been owned by certain subsidiaries of the Company for more than 180 days, and (3) make miscellaneous other technical changes.

In December 2014, we completed the acquisition by merger of DSS Group, Inc. (the “DSS Group”), parent company to DS Services of America, Inc. (collectively “DSS”), a leading bottled water and coffee direct-to-consumer services provider in the United States (the “DSS Acquisition”). The DSS Acquisition was consummated pursuant to an Agreement and Plan of Merger (the “DSS Merger Agreement”) dated November 6, 2014. Aggregate consideration was approximately $1.246 billion payable through a combination of incremental borrowings under our asset based lending facility (“ABL facility”) of $180.0 million, the issuance of $625.0 million of our 6.75% senior notes due January 1, 2020 (“2020 Notes”), the assumption of existing $350.0 million senior notes due 2021 originally issued by DSS, and the issuance of Series A Convertible First Preferred Shares (the “Convertible Preferred Shares”) having an aggregate value of approximately $116.1 million and Series B Non-Convertible First Preferred Shares (the “Non-Convertible Preferred Shares,” and together with the Convertible Preferred Shares, the “Preferred Shares”) having an aggregate value of approximately $32.7 million.

In connection with the DSS Acquisition, we amended the ABL facility on December 12, 2014 to, among other things, provide an increase in the lenders’ commitments under the ABL facility to $400.0 million, an increase to the accordion feature, which permits us to increase the lenders’ commitments under the ABL facility to $450.0 million, subject to certain conditions, and an extension of the maturity date to the earliest of (i) December 12, 2019, (ii) June 12, 2019, if we have not redeemed, repurchased or refinanced the 2020 Notes by May 28, 2019, or (iii) any earlier date on which the commitments under the ABL facility are reduced to zero or otherwise terminated.

We also issued $625.0 million of the 2020 Notes in December 2014 to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act of 1933, as amended (the “Securities Act”) and used the proceeds from the issuance to partially finance the DSS Acquisition.

In June 2014, we issued $525.0 million of our 5.375% senior notes due 2022 to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act. We used the proceeds to redeem $375.0 million aggregate principal amount of our 8.125% senior notes due 2018 (the “2018 Notes”) and provide additional funding for our operations. On May 13, 2015, we exchanged the notes for notes that are registered under the Securities Act and that do not contain transfer restrictions, registration rights or additional interest provisions, but otherwise contain identical economic terms (the “2022 Notes”).

In May 2014, our U.K. reporting segment acquired 100% of the share capital of Aimia Foods Holdings Limited (the “Aimia Acquisition”), which includes its operating subsidiary company, Aimia Foods Limited (together referred to as “Aimia”). Aimia produces and distributes hot chocolate, coffee and powdered beverages primarily through food service, vending and retail channels, and produces hot and cold cereal products on a contract manufacturing basis. The aggregate purchase price for the Aimia Acquisition was £52.1 million ($87.6 million) payable in cash, which included a payment for estimated closing balance sheet working capital, £19.9 million ($33.5 million) in deferred consideration paid on September 15, 2014, and aggregate contingent consideration of up to £16.0 million ($25.0 million at exchange rates in effect on July 4, 2015), which is payable upon the achievement of certain measures related to Aimia’s performance during the twelve months ending July 1, 2016. The closing payment was funded from ABL borrowings and available cash.

In June 2013, our U.K. reporting segment acquired 100% of the share capital of Cooke Bros. Holdings Limited, which included a deferred payment of approximately $2.3 million paid on the first anniversary of the closing date, and a deferred payment of approximately $2.5 million paid on the second anniversary of the closing date.

Forward-looking Statements

In addition to historical information, this report, and any documents incorporated in this report by reference, 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 any 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 2014 Annual Report, and those described from time to time in our future reports filed with the Securities and Exchange Commission ("SEC") and Canadian securities regulatory authorities.

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

- our ability to compete successfully in a 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;
- a loss of or a reduction in business in our legacy Cott business with key customers, particularly Walmart;
- consolidation of retail customers;
- 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;
- our ability to fully realize the potential benefit of acquisitions or other strategic opportunities that we pursue;
- our ability to realize the expected benefits of the DSS Acquisition because of integration difficulties and other challenges;
- risks associated with the DSS Merger Agreement;

- changes resulting from our assessment of the system of internal control over financial reporting maintained by DSS;
- limited financial information on which to evaluate the combined company;
- the incurrence of substantial indebtedness to finance the DSS Acquisition;
- our exposure to intangible asset risk;
- currency fluctuations that adversely affect the exchange between the U.S. dollar and the British pound sterling, the Euro, the Canadian dollar, the Mexican peso and other currencies;
- our ability to maintain favorable arrangements and relationships with our suppliers;
- our substantial indebtedness and our ability to meet our obligations under our debt agreements, and risks of further increases to our indebtedness;
- our ability to maintain compliance with the covenants and conditions under our debt agreements;
- fluctuations in interest rates which could increase our borrowing costs;
- 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 maintain access to our water sources;
- 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;
- the seasonal nature of our business and the effect of adverse weather conditions;
- 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;
- our ability to renew our collective bargaining agreements on satisfactory terms;
- disruptions in our information systems; or
- our ability to securely maintain our customers' confidential or credit card information, or other private data relating to our employees or our company.

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.

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, the impact of energy surcharges, and, in some cases, the impact of DSS or Aimia operating results, to separate the impact of currency exchange rate changes, energy surcharges and recent acquisitions from our results of operations. We exclude these items to better understand trends in the business.

We also utilize earnings before interest expense, taxes, depreciation and amortization ("EBITDA"), on both a global and reporting segment basis, which is GAAP earnings (loss) before interest expense, provision for income taxes, depreciation and amortization. We consider EBITDA to be an indicator of operating performance. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We also utilize adjusted EBITDA, on both a global and reporting segment basis, which is EBITDA excluding restructuring expenses and asset impairments, bond redemption and other financing costs, certain tax reorganization and regulatory costs, unrealized (gain) loss on commodity hedging instruments, unrealized foreign exchange (gain) loss, loss on disposal of property, plant and equipment (excluding cash proceeds received), acquisition and integration costs related to the DSS Acquisition or the Aimia Acquisition, and other adjustments, as the case may be ("Adjusted EBITDA"). We consider Adjusted EBITDA to be an indicator of our operating performance. Adjusted EBITDA excludes certain items to make more meaningful period-over-period comparisons of our ongoing core operations before material charges.

We also utilize adjusted net income, which is GAAP earnings (losses) excluding restructuring expenses and asset impairments, bond redemption and other financing costs, certain tax reorganization and regulatory costs, acquisition and integration costs, purchase accounting adjustments, unrealized (gain) loss on commodity hedging instruments, unrealized foreign exchange (gain) loss, foreign exchange impact on redemption of preferred shares, loss on disposal of property, plant and equipment (excluding cash proceeds received), and other adjustments, as well as adjusted earnings per diluted share, which is adjusted net income divided by diluted weighted average outstanding shares. We consider these measures to be indicators of our operating performance.

Additionally, we supplement our reporting of net cash provided by operating activities determined in accordance with GAAP by excluding capital expenditures to present free cash flow and adjusted free cash flow (which is free cash flow excluding bond redemption cash costs and acquisition related cash costs), which management believes provides useful information to investors about the amount of cash generated by the business that can be used for strategic opportunities, including investing in our business, making strategic acquisitions, paying dividends, and strengthening the balance sheet.

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

Summary Financial Results

Our net income for the three months ended July 4, 2015 (the "second quarter") was $2.2 million, or $0.02 per diluted share, and our net loss for the six months ended July 4, 2015 ("first half of 2015" or "year to date") was $3.8 million, or $0.04 per diluted share, respectively, compared to net loss of $5.9 million, or $0.06 per diluted share, and $10.0 million, or $0.11 per diluted share, for the three and six months ended June 28, 2014, respectively.

The following items of significance affected our financial results for the first half of 2015:

- revenue increased 45.4% from the comparable prior year period due primarily to the DSS Acquisition, partially offset by a mix shift from private label to contract manufacturing in North America and the United Kingdom. Excluding the impact of foreign exchange, revenue increased 49.1% from the comparable prior year period;
- gross profit as a percentage of revenue increased to 29.7% compared to 13.2% from the comparable prior year period due primarily to the addition of the Aimia and DSS businesses and cost and efficiency savings, partially offset by the impact of unfavorable foreign exchange rates and increased costs in the U.K. reporting segment;
- SG&A expenses increased to $378.7 million compared to $97.6 million in the comparable prior year period due primarily to the addition of the DSS business. As a percentage of revenue, SG&A expenses increased to 25.4% from 9.5% in the comparable prior year period;

- other income was $9.4 million compared to other expense of $17.5 million in the comparable prior year period due primarily to net realized gains on translation of balances denominated in foreign currencies in the first half of 2015 compared to expenses incurred due to the redemption of our 2018 Notes in the comparable prior year period;
- interest expense increased by $37.4 million, or 205.5%, as compared to the prior year period due primarily to the issuance of our 2020 Notes, 2022 Notes and the assumption of the existing DSS Notes (as defined below) in connection with the DSS Acquisition;
- income tax benefit was $10.5 million compared to an income tax expense of $2.0 million in the comparable prior year period due primarily to the recognition of tax benefits in the United States. In the first half of 2014, a valuation allowance offset the tax benefits generated in the United States;
- Adjusted EBITDA increased to $182.0 million from $90.9 million in the comparable prior year period due to the items listed above; and
- Adjusted net income and adjusted net income per diluted share were $9.9 million and $0.10, respectively, compared to adjusted net income of $15.0 million and adjusted income per diluted share of $0.16 in the comparable prior year period, respectively.

The following items of significance affected our financial results for the first half of 2014:

- revenue decreased 4.2% from the comparable prior year period due primarily to adverse CSD volume arising from continued aggressive promotional activity from the national brands as well as an overall mix shift toward contract manufacturing. Excluding the impact of foreign exchange, revenue decreased 5.4% from the comparable prior year period;
- gross profit as a percentage of revenue decreased to 13.2% compared to 13.5% from the comparable prior year period due primarily to the competitive environment and lower North America volume alongside additional freight and operating costs caused by inclement weather in North America as well as increased freight costs from internal transfers associated with the initial start-up and expansion of contract manufacturing volume, offset in part by a product mix shift into higher margin products;
- SG&A expenses for the period increased to $97.6 million from $94.7 million in the comparable prior year period due primarily to higher employee-related incentive costs in the current year and the addition of the Calypso and Aimia businesses;
- other expense was $17.5 million for the period compared to other expense of $0.3 million in the comparable prior year period due primarily to the purchase of $295.9 million aggregate principal amount of our 2018 Notes in a cash tender offer in the second quarter partially offset by a favorable legal settlement;
- interest expense decreased by $7.9 million, or 30.3%, as compared to the prior year period due primarily to the redemption of our 8.375% Senior Notes due 2017 (the “2017 Notes”) and the amendment to our ABL facility to more favorable terms in the prior year;
- income tax expense was $2.0 million compared to an income tax expense of $1.8 million in the comparable prior year period, due primarily to both a reduction in pre-tax income in the prior year period to a pre-tax loss in the current year period as well as current year period pre-tax income in certain jurisdictions that is not offset by losses in other jurisdictions that have valuation allowances;
- Adjusted EBITDA decreased to $90.9 million from $100.8 million in the comparable prior year period due to the items listed above; and
- Adjusted net income and adjusted income per diluted share were $15.0 million and $0.16, respectively, compared to adjusted net income of $20.0 million and adjusted income per diluted share of $0.21 in the comparable prior year period, respectively.

The following table summarizes our Consolidated Statements of Operations as a percentage of revenue for the three and six months ended July 4, 2015 and June 28, 2014, respectively:

	For the Three Months Ended				For the Six Months Ended			
	July 4, 2015		June 28, 2014		July 4, 2015		June 28, 2014	
(in millions of U.S. dollars)	$	%	$	%	$	%	$	%
Revenue, net	**779.8**	**100.0**	549.2	100.0	**1,489.6**	**100.0**	1,024.3	100.0
Cost of sales	**539.2**	**69.1**	470.2	85.6	**1,047.7**	**70.3**	889.1	86.8
Gross profit	**240.6**	**30.9**	79.0	14.4	**441.9**	**29.7**	135.2	13.2
Selling, general, and administrative expenses	**190.2**	**24.4**	50.7	9.2	**378.7**	**25.4**	97.6	9.5
Loss (gain) on disposal of property, plant and equipment	**0.2**	**—**	(0.1)	—	**1.6**	**0.1**	—	—
Restructuring	**—**	**—**	0.1	—	**—**	**—**	2.3	0.2
Asset impairments	**—**	**—**	0.3	0.1	**—**	**—**	1.9	0.2
Acquisition and integration expenses	**4.1**	**0.5**	1.8	0.3	**8.8**	**0.6**	2.9	0.3
Operating income	**46.1**	**5.9**	26.2	4.8	**52.8**	**3.5**	30.5	3.0
Other expense (income), net	**1.0**	**0.1**	19.8	3.6	**(9.4)**	**(0.6)**	17.5	1.7
Interest expense, net	**27.9**	**3.6**	8.4	1.5	**55.6**	**3.7**	18.2	1.8
Income (loss) before income taxes	**17.2**	**2.2**	(2.0)	(0.4)	**6.6**	**0.4**	(5.2)	(0.5)
Income tax (benefit) expense	**(1.1)**	**(0.1)**	2.5	0.5	**(10.5)**	**(0.7)**	2.0	0.2
Net income (loss)	**18.3**	**2.3**	(4.5)	(0.8)	**17.1**	**1.1**	(7.2)	(0.7)
Less: Net income attributable to non-controlling interests	**1.7**	**0.2**	1.4	0.3	**3.0**	**0.2**	2.8	0.3
Less: Accumulated dividends on preferred shares	**2.4**	**0.3**	—	—	**5.9**	**0.4**	—	—
Less: Foreign exchange impact on redemption of preferred shares	**12.0**	**1.5**	—	—	**12.0**	**0.8**	—	—
Net income (loss) attributed to Cott Corporation	**2.2**	**0.3**	(5.9)	(1.1)	**(3.8)**	**(0.3)**	(10.0)	(1.0)
Depreciation & amortization	**58.2**	**7.5**	25.8	4.7	**115.6**	**7.8**	50.9	5.0

The following table summarizes our revenue and operating income (loss) by reporting segment for the three and six months ended July 4, 2015 and June 28, 2014, respectively:

	For the Three Months Ended		For the Six Months Ended	
(in millions of U.S. dollars)	July 4, 2015	June 28, 2014	July 4, 2015	June 28, 2014
Revenue				
North America	**$ 359.0**	$ 379.3	**$ 687.7**	$ 730.1
DSS	**257.0**	—	**497.3**	—
U.K.	**153.8**	157.7	**286.0**	273.3
All Other	**16.4**	18.3	**29.4**	33.1
Elimination	**(6.4)**	(6.1)	**(10.8)**	(12.2)
Total	**$ 779.8**	$ 549.2	**$ 1,489.6**	$ 1,024.3
Operating income (loss)				
North America	**$ 18.3**	$ 15.3	**$ 25.5**	$ 17.8
DSS	**13.2**	—	**11.7**	—
U.K.	**14.6**	10.7	**18.5**	12.9
All Other	**3.7**	3.1	**5.3**	5.6
Corporate	**(3.7)**	(2.9)	**(8.2)**	(5.8)
Total	**$ 46.1**	$ 26.2	**$ 52.8**	$ 30.5

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

The following tables summarize revenue by channel for the three and six months ended July 4, 2015 and June 28, 2014, respectively:

For the Three Months Ended July 4, 2015

(in millions of U.S. dollars)	North America	DSS	U.K.	All Other	Elimination	Total
Revenue						
Private label retail	**$ 289.7**	**$ 17.2**	**$ 71.8**	**$ 1.7**	**(0.7)**	**$ 379.7**
Branded retail	**30.8**	**20.6**	**48.5**	**1.3**	**(0.5)**	**100.7**
Contract packaging	**31.3**	**—**	**30.9**	**6.8**	**(1.6)**	**67.4**
Home and office bottled water delivery	**—**	**164.8**	**—**	**—**	**—**	**164.8**
Office coffee services	**—**	**29.7**	**—**	**—**	**—**	**29.7**
Other	**7.2**	**24.7**	**2.6**	**6.6**	**(3.6)**	**37.5**
Total	**$ 359.0**	**$257.0**	**$153.8**	**$16.4**	**$ (6.4)**	**$ 779.8**

For the Six Months Ended July 4, 2015

(in millions of U.S. dollars)	North America	DSS	U.K.	All Other	Elimination	Total
Revenue						
Private label retail	**$ 557.4**	**$ 32.7**	**$132.7**	**$ 2.8**	**(1.2)**	**$ 724.4**
Branded retail	**57.9**	**40.3**	**89.3**	**2.4**	**(0.9)**	**189.0**
Contract packaging	**56.9**	**—**	**59.3**	**10.7**	**(1.6)**	**125.3**
Home and office bottled water delivery	**—**	**314.4**	**—**	**—**	**—**	**314.4**
Office coffee services	**—**	**61.7**	**—**	**—**	**—**	**61.7**
Other	**15.5**	**48.2**	**4.7**	**13.5**	**(7.1)**	**74.8**
Total	**$ 687.7**	**$497.3**	**$286.0**	**$29.4**	**$ (10.8)**	**$1,489.6**

For the Three Months Ended June 28, 2014

(in millions of U.S. dollars)	North America	U.K.	All Other	Elimination	Total
Revenue					
Private label retail	$ 313.9	$ 79.0	$ 1.8	$ (0.3)	$ 394.4
Branded retail	27.9	48.3	1.1	(0.5)	76.8
Contract packaging	28.4	29.3	7.7	(1.9)	63.5
Home and office bottled water delivery	—	—	—	—	—
Office coffee services	—	—	—	—	—
Other	9.1	1.1	7.7	(3.4)	14.5
Total	$ 379.3	$157.7	$18.3	$ (6.1)	$ 549.2

(in millions of U.S. dollars)	North America	U.K.	All Other	Elimination	Total
	For the Six Months Ended June 28, 2014				
Revenue					
Private label retail	$ 613.6	$142.5	$ 2.7	$ (0.4)	$ 758.4
Branded retail	53.0	79.7	2.3	(0.9)	134.1
Contract packaging	48.3	49.4	14.5	(4.8)	107.4
Home and office bottled water delivery	—	—	—	—	—
Office coffee services	—	—	—	—	—
Other	15.2	1.7	13.6	(6.1)	24.4
Total	$ 730.1	$273.3	$33.1	$ (12.2)	$1,024.3

Results of Operations

The following tables summarize the change in revenue by reporting segment for the three and six months ended July 4, 2015 and June 28, 2014, respectively:

(in millions of U.S. dollars, except percentage amounts)		North America	DSS	U.K.	All Other	Elimination	Total
		For the Three Months Ended July 4, 2015					
Change in revenue		$ (20.3)	$ 257.0	$ (3.9)	$ (1.9)	$ (0.3)	$ 230.6
Impact of foreign exchange	1	5.2	—	14.8	1.3	—	21.3
Change excluding foreign exchange		$ (15.1)	$ 257.0	$10.9	$ (0.6)	$ (0.3)	$ 251.9
Percentage change in revenue		(5.4)%	— %	(2.5)%	(10.4)%	4.9%	42.0%
Percentage change in revenue excluding foreign exchange		(4.0)%	— %	6.9%	(3.3)%	4.9%	45.9%
Impact of DSS Acquisition		$ (1.6)	$(257.0)	$ —	$ —	$ 1.6	$(257.0)
Change excluding foreign exchange and DSS Acquisition		$ (16.7)	$ —	$10.9	$ (0.6)	$ 1.3	$ (5.1)
Percentage change in revenue excluding foreign exchange and DSS Acquisition		(4.4)%	— %	6.9%	(3.3)%	(21.3)%	(0.9)%

(in millions of U.S. dollars, except percentage amounts)		North America	DSS	U.K.	All Other	Elimination	Total
		For the Six Months Ended July 4, 2015					
Change in revenue		$ (42.4)	$ 497.3	$12.7	$ (3.7)	$ 1.4	$ 465.3
Impact of foreign exchange	1	8.6	—	27.0	2.0	—	37.6
Change excluding foreign exchange		$ (33.8)	$ 497.3	$39.7	$ (1.7)	$ 1.4	$ 502.9
Percentage change in revenue		(5.8)%	— %	4.6%	(11.2)%	(11.5)%	45.4%
Percentage change in revenue excluding foreign exchange		(4.6)%	— %	14.5%	(5.1)%	(11.5)%	49.1%
Impact of DSS Acquisition		$ (1.6)	$(497.3)	$ —	$ —	$ 1.6	$(497.3)
Change excluding foreign exchange and DSS Acquisition		$ (35.4)	$ —	$39.7	$ (1.7)	$ 3.0	$ 5.6
Percentage change in revenue excluding foreign exchange and DSS Acquisition		(4.8)%	— %	14.5%	(5.1)%	(24.6)%	0.5%

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, except percentage amounts)	For the Three Months Ended June 28, 2014				
	North America	U.K.	All Other	Elimination	Total
Change in revenue	$ (44.2)	$ 29.8	$ 0.5	$ (0.7)	$(14.6)
Impact of foreign exchange [1]	2.9	(13.0)	0.3	—	(9.8)
Change excluding foreign exchange	$ (41.3)	$ 16.8	$ 0.8	$ (0.7)	$(24.4)
Percentage change in revenue	(10.4)%	23.3%	2.8%	(13.0)%	(2.6)%
Percentage change in revenue excluding foreign exchange	(9.8)%	13.1%	4.5%	(13.0)%	(4.3)%

(in millions of U.S. dollars, except percentage amounts)	For the Six Months Ended June 28, 2014				
	North America	U.K.	All Other	Elimination	Total
Change in revenue	$ (90.4)	$ 48.0	$ 0.5	$ (3.0)	$(44.9)
Impact of foreign exchange [1]	6.1	(19.7)	0.5	—	(13.1)
Change excluding foreign exchange	$ (84.3)	$ 28.3	$ 1.0	$ (3.0)	$(58.0)
Percentage change in revenue	(11.0)%	21.3%	1.5%	(32.6)%	(4.2)%
Percentage change in revenue excluding foreign exchange	(10.3)%	12.6%	3.1%	(32.6)%	(5.4)%

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 and six months ended July 4, 2015 and June 28, 2014, respectively:

(in millions of U.S. dollars)	For the Three Months Ended July 4, 2015	For the Three Months Ended June 28, 2014	For the Six Months Ended July 4, 2015	For the Six Months Ended June 28, 2014
Net income (loss) attributed to Cott Corporation	**$ 2.2**	$ (5.9)	**$ (3.8)**	$ (10.0)
Interest expense, net	**27.9**	8.4	**55.6**	18.2
Income tax (benefit) expense	**(1.1)**	2.5	**(10.5)**	2.0
Depreciation & amortization	**58.2**	25.8	**115.6**	50.9
Net income attributable to non-controlling interests	**1.7**	1.4	**3.0**	2.8
Accumulated dividends on preferred shares	**2.4**	—	**5.9**	—
Foreign exchange impact on redemption of preferred shares	**12.0**	—	**12.0**	—
EBITDA	**$ 103.3**	$ 32.2	**$ 177.8**	$ 63.9
Restructuring and asset impairments	**—**	0.4	**—**	4.2
Bond redemption and other financing costs	**—**	19.6	**—**	20.5
Tax reorganization and other fees	**—**	0.2	**—**	0.3
Acquisition and integration expenses	**4.1**	1.8	**8.8**	2.9
Purchase accounting adjustments, net	**—**	1.2	**4.2**	1.2
Other adjustments	**1.2**	—	**1.2**	(3.5)
Unrealized commodity hedging gain, net	**(0.9)**	—	**(1.2)**	—
Unrealized foreign exchange and other losses (gains), net	**0.4**	0.7	**(10.5)**	1.3
Loss on disposal of property, plant & equipment	**0.2**	—	**1.7**	0.1
Adjusted EBITDA	**$ 108.3**	$ 56.1	**$ 182.0**	$ 90.9

The following table summarizes our adjusted net income and adjusted net income per common share for the three and six months ended July 4, 2015 and June 28, 2014, respectively:

(in millions of U.S. dollars, except share and per share amounts)	For the Three Months Ended July 4, 2015	For the Three Months Ended June 28, 2014	For the Six Months Ended July 4, 2015	For the Six Months Ended June 28, 2014
Net income (loss) attributed to Cott Corporation	**$ 2.2**	$ (5.9)	**$ (3.8)**	$ (10.0)
Restructuring and asset impairments, net of tax	**—**	0.4	**—**	3.3
Bond redemption and other financing costs, net of tax	**—**	19.6	**—**	20.5
Tax reorganization and other fees, net of tax	**—**	0.2	**—**	0.3
Acquisition and integration, net of tax	**2.7**	1.4	**5.7**	2.4
Purchase accounting adjustments, net of tax	**(0.1)**	1.0	**2.6**	1.0
Other adjustments, net of tax	**1.0**	—	**1.0**	(3.5)
Unrealized commodity hedging gain, net of tax	**(0.6)**	—	**(0.8)**	—
Unrealized foreign exchange and other losses (gains), net of tax	**0.3**	0.5	**(7.8)**	1.0
Foreign exchange impact on redemption of preferred shares	**12.0**	—	**12.0**	—
Loss on disposal of property, plant & equipment, net of tax	**0.1**	—	**1.0**	—
Adjusted net income attributed to Cott Corporation	**$ 17.6**	$ 17.2	**$ 9.9**	$ 15.0
Adjusted net income per common share attributed to Cott Corporation				
Basic	**$ 0.18**	$ 0.18	**$ 0.10**	$ 0.16
Diluted	**$ 0.18**	$ 0.18	**$ 0.10**	$ 0.16
Weighted average outstanding shares (millions) attributed to Cott Corporation				
Basic	**99.6**	94.2	**96.4**	94.3
Diluted	**100.2**	94.6	**96.9**	94.9

The following table summarizes our free cash flow and adjusted free cash flow for the three and six months ended July 4, 2015 and June 28, 2014, respectively:

(in millions of U.S. dollars)	For the Three Months Ended July 4, 2015	For the Three Months Ended June 28, 2014
Net cash provided by operating activities	**$ 75.7**	$ 29.5
Less: Capital expenditures	**(29.9)**	(11.8)
Free Cash Flow	**$ 45.8**	$ 17.7
Plus: Bond redemption cash costs	—	16.4
Adjusted Free Cash Flow	**$ 45.8**	$ 34.1

	For the Six Months Ended July 4, 2015	For the Six Months Ended June 28, 2014
Net cash provided by (used in) operating activities	**$ 74.6**	$ (23.0)
Less: Capital expenditures	**(57.2)**	(20.6)
Free Cash Flow	**$ 17.4**	$ (43.6)
Plus: Bond redemption cash costs	**—**	17.0
Less: Cash collateral [1]	**(29.4)**	—
Adjusted Free Cash Flow	**$ (12.0)**	$ (26.6)

1. In connection with the DSS Acquisition, $29.4 million of cash was required to collateralize certain DSS self-insurance programs. The $29.4 million was funded with borrowings against our ABL facility, and the cash collateral was included within prepaid and other current assets on our Consolidated Balance Sheet at January 3, 2015. Subsequent to January 3, 2015, additional letters of credit were issued from our available ABL facility capacity, and the cash collateral was returned to the Company and used to repay a portion of our outstanding ABL facility.

The following unaudited financial information for the three and six months ended July 4, 2015 represents the activity of Aimia for such periods. Aimia was combined with our U.K. operations as of the date of its acquisition:

(in millions of U.S. dollars)	For the Three Months Ended July 4, 2015	For the Six Months Ended July 4, 2015
Revenue		
U.K.	$ 153.8	$ 286.0
Less: Aimia	(22.7)	(48.6)
U.K. excluding Aimia	$ 131.1	$ 237.4

The following unaudited financial information for the three and six months ended July 4, 2015 represents the activity of DSS for such periods. DSS was combined with our consolidated operations as of the date of its acquisition:

(in millions of U.S. dollars)	For the Three Months Ended July 4, 2015	For the Six Months Ended July 4, 2015
Revenue		
Cott Corporation	$ 779.8	$ 1,489.6
Less: DSS	(257.0)	(497.3)
Cott Corporation excluding DSS	$ 522.8	$ 992.3

Revenue

Revenue increased $230.6 million, or 42.0%, and $465.3 million, or 45.4%, in the second quarter and year to date, respectively, from the comparable prior year periods. Excluding the impact of DSS and foreign exchange, revenue decreased 0.9% in the second quarter and increased 0.5% year to date from the comparable prior year periods.

North America revenue decreased $20.3 million, or 5.4%, and $42.4 million, or 5.8%, in the second quarter and year to date, respectively, from the comparable prior year periods. Excluding the impact of foreign exchange, revenue decreased 4.0% and 4.6% in the second quarter and year to date, respectively, due primarily to lower volumes as a result of a general market decline in CSD and private label shelf stable juice, partially offset by increases in contract manufacturing and other growth areas such as sparkling waters and mixers.

U.K. revenue decreased $3.9 million, or 2.5%, in the second quarter, and increased $12.7 million, or 4.6%, year to date from the comparable prior year periods due primarily to the impact of unfavorable foreign exchange rates and the competitive environment, partially offset by a full quarter of Aimia operations. Excluding the impact of foreign exchange, U.K. revenue increased 6.9% and 14.5% in the second quarter and year to date, respectively.

All Other revenue decreased $1.9 million, or 10.4%, and $3.7 million, or 11.2%, in the second quarter and year to date, respectively, from the comparable prior year periods due primarily to a product mix shift into concentrates which has a lower revenue per case when compared to finished goods.

Cost of Sales

Cost of sales represented 69.1% and 70.3% of revenue in the second quarter and year to date, respectively, compared to 85.6% and 86.8% in the comparable prior year periods. The decrease in cost of sales as a percentage of revenue was due primarily to the addition of the Aimia and DSS businesses and the growth in contract manufacturing.

Gross Profit

Gross profit as a percentage of revenue increased to 30.9% and 29.7% in the second quarter and year to date, respectively, from 14.4% and 13.2% in the comparable prior year periods due primarily to the addition of the higher margin businesses of Aimia and DSS and cost and efficiency savings, offset by the impact of unfavorable foreign exchange rates and the competitive environment in our U.K. reporting segment.

Selling, General and Administrative Expenses

SG&A expenses increased $139.5 million, or 275.1%, and $281.1 million, or 288.0%, in the second quarter and year to date, respectively, from the comparable prior year periods. The increase in SG&A expenses was due primarily to the addition of the DSS business. As a percentage of revenue, SG&A increased to 24.4% and 25.4% in the second quarter and year to date, respectively, from 9.2% and 9.5% in the comparable prior year periods.

Restructuring and Asset Impairments

We implement restructuring programs from time to time that are designed to improve operating effectiveness and lower costs. When we implement these programs, we incur various charges, including severance, asset impairments, and other employment related costs. We had no restructuring activities during the six months ended July 4, 2015. During the first quarter of 2014, we implemented one such program, which involved the closure of two of our smaller plants, one located in North America and another one located in the United Kingdom (the “2014 Restructuring Plan”). For the six months ended June 28, 2014, in connection with the 2014 Restructuring Plan, we incurred charges of approximately $2.3 million related primarily to headcount reductions and $1.9 million related to asset impairments.

Operating Income

Operating income was $46.1 million and $52.8 million in the second quarter and year to date, respectively, compared to $26.2 million and $30.5 million in the comparable prior year periods. The increase was due primarily to higher gross profit as a percentage of revenue and the reduction of restructuring and asset impairment charges incurred in the comparable prior year period, partially offset by higher SG&A expenses and losses on disposal of property, plant and equipment.

Other Expense (Income), Net

Other expense was $1.0 million in the second quarter and other income was $9.4 million year to date, compared to other expense of $19.8 million and $17.5 million in the comparable prior year periods. The decrease in the second quarter compared to the prior year period was due to expenses related to the redemption of our 2018 Notes in the prior year.

Income Taxes

Income tax benefit was $1.1 million and $10.5 million in the second quarter and year to date, respectively, compared to income tax expense of $2.5 million and $2.0 million, respectively, in the comparable prior year periods. With the release of our federal tax valuation allowance in the United States during the fourth quarter of 2014, we are now able to realize tax benefits generated in the United States. For the six months ended July 4, 2015, the income tax rate was (159.0%) compared to (38.0%) in the comparable prior year period. This is due primarily to significant permanent benefits that create additional losses for tax purposes that we have recognized a benefit for during the six months ended July 4, 2015. In the comparable prior year period a federal and partial state valuation allowance was recorded for United States losses.

Liquidity and Capital Resources

The following table summarizes our cash flows for the three and six months ended July 4, 2015 and June 28, 2014, as reported in our Consolidated Statements of Cash Flows in the accompanying Consolidated Financial Statements:

(in millions of U.S. dollars)	For the Three Months Ended July 4, 2015	For the Three Months Ended June 28, 2014	For the Six Months Ended July 4, 2015	For the Six Months Ended June 28, 2014
Net cash provided by (used in) operating activities	**$ 75.7**	$ 29.5	**$ 74.6**	$ (23.0)
Net cash provided by (used in) investing activities	**9.6**	(93.9)	**(19.4)**	(104.2)
Net cash (used in) provided by financing activities	**(41.0)**	113.6	**(61.4)**	169.7
Effect of exchange rate changes on cash	**0.2**	1.1	**(1.0)**	1.2
Net increase (decrease) in cash & cash equivalents	**44.5**	50.3	**(7.2)**	43.7
Cash & cash equivalents, beginning of period	**34.5**	40.6	**86.2**	47.2
Cash & cash equivalents, end of period	**$ 79.0**	$ 90.9	**$ 79.0**	$ 90.9

Financial and Capital Resources and Liquidity

As of July 4, 2015, we had total debt of $1,752.3 million and $79.0 million of cash and cash equivalents compared to $655.7 million of debt and $90.9 million of cash and cash equivalents as of June 28, 2014. The $1,096.6 million increase in debt was primarily due to the issuance of our 2020 Notes and the assumption of the DSS Notes in connection with the DSS Acquisition.

We believe that our level of resources, which includes cash on hand, available borrowings under the ABL facility and funds provided by operations, will be adequate to meet our expenses, capital expenditures, and debt service obligations for the next twelve months. Our ability to generate cash to meet our current expenses and debt service obligations will depend on our future performance. If we do not have enough cash to pay our debt service obligations, or if the ABL facility or the 2020 Notes, the 2022 Notes, or the DSS 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 2020 Notes, 2022 Notes, and DSS Notes, refinancing all or part of our existing debt, selling assets, incurring additional indebtedness or raising equity. The ABL facility and the DSS Notes are secured by substantially all of our assets and those of the respective guarantor subsidiaries. If the ABL facility or the DSS Notes were to become currently due, the lenders or the trustee, as applicable, may have the right to foreclose on such assets subject to the terms of an intercreditor agreement that gives priority to the rights of the ABL lender. If we need to seek additional financing, there is no assurance that this additional financing will be available on favorable terms or at all.

As of July 4, 2015, our total availability under the ABL facility was $386.9 million, which was based on our borrowing base (accounts receivables, inventory, and fixed assets as of the June month end under the terms of the credit agreement governing the ABL facility). We had $198.2 million of outstanding borrowings under the ABL facility and $41.4 million in outstanding letters of credit. As a result, our excess availability under the ABL facility was $147.3 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 earn approximately 100% of our consolidated operating income in subsidiaries located outside of Canada. All of these foreign earnings are considered to be indefinitely reinvested in foreign jurisdictions where we have made, and will continue to make, substantial investments to support the ongoing development and growth of our international operations. Accordingly, no Canadian income taxes have been provided for on these foreign earnings. Cash and cash equivalents held by our foreign subsidiaries are readily convertible into other foreign currencies, including Canadian dollars. We do not intend, nor do we foresee a need, to repatriate these funds into Canada.

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

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

A dividend of $0.06 per common share has been declared during each quarter of 2015 for an aggregate dividend payment of approximately $12.1 million.

Note Redemptions/Repurchases

On February 19, 2014, we redeemed the remaining $15.0 million aggregate principal amount of 2017 Notes at 104.118% of par. The redemption included approximately $0.6 million in premium payments as well as approximately $0.3 million in deferred financing fees and discount charges.

On July 9, 2014 and July 24, 2014, we redeemed the remaining $79.1 million aggregate principal amount of our 2018 Notes. The redemption included approximately $3.8 million in premium payments as well as accrued interest of approximately $2.5 million and the write off of approximately $0.8 million in deferred financing fees.

We may, from time to time, depending on market conditions, including without limitation whether the 2020 Notes, the 2022 Notes, or the DSS Notes are then trading at a discount to their face amount, repurchase the 2020 Notes, the 2022 Notes, or the DSS Notes for cash and/or in exchange for our common shares, 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.

Note Issuances/Assumptions

On June 24, 2014, we issued $525.0 million of the 5.375% senior notes due 2022 to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act. We incurred $9.6 million of financing fees in connection with the issuance of the notes. On May 13, 2015, we exchanged the notes for notes that are registered under the Securities Act and do not contain transfer restrictions, registration rights or additional interest provisions, but otherwise contain identical economic terms.

On December 12, 2014, we issued $625.0 million of our 2020 Notes to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act. We incurred $14.4 million of financing fees in connection with the issuance of the 2020 Notes.

In connection with the DSS Acquisition, we assumed $350.0 million of the DSS Notes. In connection with the DSS Acquisition, we arranged for backstop bridge financing that was not ultimately necessary to utilize to close the transaction. The aggregate amount of fees for the DSS Notes consent solicitation and bridge financing commitment was approximately $26.5 million.

Operating Activities

Cash provided by operating activities was $74.6 million year to date compared to cash used in operating activities of $23.0 million in the comparable prior year period. The $97.6 million increase was due primarily to the increase in net income and the timing of accounts receivable receipts and accounts payable payments in the prior year period.

Investing Activities

Cash used in investing activities was $19.4 million year to date compared to $104.2 million in the comparable prior year period. The $84.8 million decrease in cash used in investing activities was due primarily to proceeds received from the Sale-Leaseback Transaction and a reduction in acquisition activity, partially offset by an increase in fixed asset purchases due primarily to the DSS Acquisition.

Financing Activities

Cash used in financing activities was $61.4 million year to date compared to cash provided by financing activities of $169.7 million in the comparable prior year period. The $231.1 million decrease was due primarily to prior year activity relating to the proceeds received from the issuance of the 2022 Notes, partially offset by the purchase of a portion of the 2018 Notes.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as defined under Item 303(a)(4) of Regulation S-K as of July 4, 2015.

Contractual Obligations

We have no material changes to the disclosure on this matter made in our 2014 Annual Report, other than an increase in our expected future payments related to operating leases as a result of the Sale-Leaseback Transaction. The Sale-Leaseback Transaction will increase our future operating lease payments by approximately $2.8 million on an annual basis over the 20 year term of the agreement.

Debt

Asset-Based Lending Facility

In March 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 operations. We have amended and refinanced the ABL facility from time to time and incurred financing fees in connection therewith, an aggregate of $9.0 million of which have been capitalized and deferred and are being amortized using the straight-line method over the duration of the amended ABL facility.

On December 12, 2014, in connection with the DSS Acquisition, we amended the ABL facility to, among other things, (1) provide for an increase in the lenders' commitments under the ABL facility to $400.0 million (which, with the accordion feature, if used, permits us to increase the lenders' commitments under the ABL facility to $450.0 million, subject to certain conditions), (2) extend the maturity date to the earliest of (i) December 12, 2019, (ii) June 12, 2019, if we have not redeemed, repurchased or refinanced the 2020 Notes by May 28, 2019, or (iii) any earlier date on which the commitments under the ABL facility are reduced to zero or otherwise terminated, (3) include DSS and its subsidiaries as borrowers, (4) permit certain adjustments to the borrowing base calculation, (5) permit the debt, liens and intercreditor arrangements contemplated by the supplemental indenture entered into in connection with the DSS Notes, (6) permit certain other indebtedness that we intend to issue or assume in connection with the DSS Acquisition, and (7) permit certain other changes to dollar thresholds and limitations within our covenants generally reflecting the increased size of the facility. We incurred approximately $1.7 million of financing fees in connection with the amendment of the ABL facility.

On May 26, 2015, we amended the ABL facility to, among other things, (1) increase the maximum annual amount of Preferred Shares that may be redeemed in order to facilitate the redemption in full of the Preferred Shares that was completed in June 2015, (2) modify the sale-leaseback covenant to allow for the inclusion of properties that have been owned by certain subsidiaries of the Company for more than 180 days, and (3) make miscellaneous other technical changes.

As of July 4, 2015, we had $198.2 million of outstanding borrowings under the ABL facility. The commitment fee was 0.375% per annum of the unused commitment, which, taking into account $41.4 million of letters of credit, was $160.4 million as of July 4, 2015.

5.375% Senior Notes due in 2022

On June 24, 2014, we issued $525.0 million of the 5.375% senior notes due 2022 to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act of 1933. The issuer of the notes is our wholly-owned U.S. subsidiary Cott Beverages Inc., and we and most of our U.S., Canadian and U.K. subsidiaries guarantee our obligations under them. The interest is payable semi-annually on January 1st and July 1st of each year commencing on January 1, 2015. On May 13, 2015, we exchanged the notes for notes that are registered under the Securities Act and that do not contain transfer restrictions, registration rights or additional interest provisions, but otherwise contain identical economic terms.

We incurred $9.6 million of financing fees in connection with the issuance of the 2022 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the term to maturity of the 2022 Notes.

10.000% Senior Notes due in 2021

On August 30, 2013, DS Services of America, Inc. (formerly DS Waters of America, Inc.) issued $350.0 million of notes to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act. In July 2014, the notes were exchanged for notes that are registered under the Securities Act and that do not contain transfer restrictions, registration rights, or additional interest provisions, but otherwise contain identical economic terms (the “DSS Notes”). In November 2014, DSS solicited consent from the holders of the DSS Notes to certain modifications and amendments to the August 30, 2013 indenture and related security documents. On December 2, 2014, the requisite consents from the holders of the DSS Notes were obtained, with a consent payment of approximately $19.2 million. At the DSS Acquisition closing, we and most of our U.S., Canadian and U.K. subsidiaries executed a supplemental indenture to be added as guarantors to the DSS Notes. The interest on the DSS Notes is payable semi-annually on March 1st and September 1st of each year.

The DSS Notes were recorded at their fair value of $406.0 million as part of the DSS Acquisition. The difference between the fair value and the principal amount of $350.0 million is amortized as a component of interest expense over the remaining contractual term of the DSS Notes. We incurred approximately $26.5 million of consent solicitation fees and bridge financing commitment fees.

6.750% Senior Notes due in 2020

On December 12, 2014, we issued the 2020 Notes to qualified purchasers in a private placement under Rule 144A and Regulation S under the Securities Act. The issuer of the 2020 Notes is our wholly-owned U.S. subsidiary Cott Beverages Inc., and we and most of our U.S., Canadian and U.K. subsidiaries guarantee the 2020 Notes. The interest on the 2020 Notes is payable semi-annually on January 1st and July 1st of each year commencing on July 1, 2015.

We incurred $14.4 million of financing fees in connection with the issuance of the 2020 Notes. The financing fees are being amortized using the effective interest method over a five-year period, which represents the term to maturity of the 2020 Notes.

8.125% Senior Notes due in 2018

On August 17, 2010, we issued the 2018 Notes. The issuer of the 2018 Notes was our wholly-owned U.S. subsidiary Cott Beverages Inc. We incurred $8.6 million of financing fees in connection with the issuance of the 2018 Notes.

On June 24, 2014, we used a portion of the proceeds from our issuance of the 2022 Notes to purchase $295.9 million aggregate principal amount of our 2018 Notes in a cash tender offer. The tender offer included approximately $16.2 million in premium payments as well as accrued interest of $7.5 million, the write-off of approximately $3.0 million in deferred financing fees, and other costs of approximately $0.2 million.

On July 9, 2014 and July 24, 2014, we redeemed the remaining $79.1 million aggregate principal amount of our 2018 Notes. The redemption included approximately $3.8 million in premium payments as well as accrued interest of approximately $2.5 million and the write-off of approximately $0.8 million in deferred financing fees.

8.375% Senior Notes due in 2017

On November 13, 2009, we issued the 2017 Notes. The 2017 Notes were issued at a $3.1 million discount. The issuer of the 2017 Notes was our wholly-owned U.S. subsidiary Cott Beverages Inc. We incurred $5.1 million of financing fees in connection with the 2017 Notes.

On November 15, 2013, we redeemed $200.0 million aggregate principal amount of our 2017 Notes at 104.118% of par. The redemption included approximately $8.2 million in premium payments, the write-off of approximately $4.0 million in deferred financing fees, and discount charges and other costs of approximately $0.5 million.

On February 19, 2014, we redeemed the remaining $15.0 million aggregate principal amount of the 2017 Notes at 104.118% of par. The redemption included approximately $0.6 million in premium payments as well as the write-off of approximately $0.3 million in deferred financing fees and discount charges.

GE Term Loan

In January 2008, we entered into a capital lease finance arrangement with General Electric Capital Corporation ("GE Capital") for the lease of equipment. In September 2013, we purchased the equipment subject to the lease for an aggregate purchase price of $10.7 million, with the financing for such purchase provided by GE Capital at 5.23% interest.

Credit Ratings and Covenant Compliance

Credit Ratings

We have no material changes to the disclosure on this matter made in our 2014 Annual Report.

Covenant Compliance

Indentures governing 2022 Notes, DSS Notes and 2020 Notes

Under the indentures governing the 2022 Notes, the DSS Notes, and the 2020 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. As of July 4, 2015, we were in compliance with all of the covenants under each series of notes. There have been no amendments to any covenants of the 2022 Notes, the DSS Notes or the 2020 Notes, since the date of their issuance or assumption, as applicable.

The 2018 Notes and the 2017 Notes have been redeemed in full and are no longer outstanding. At all times prior to such redemptions, we were in compliance with all of the covenants under the indentures governing the 2018 Notes and the 2017 Notes.

ABL Facility

Under the credit agreement governing the ABL facility, Cott and its restricted subsidiaries are subject to a number of business and financial covenants, including a covenant requiring a minimum fixed charge coverage ratio of at least 1.1 to 1.0 effective when and if aggregate availability is less than the greater of 10% of the lenders' commitments under the ABL facility or $40.0 million. If excess availability is less than the greater of 12.5% of the aggregate availability under the ABL facility or $50.0 million, the lenders will take dominion over the cash and will apply excess cash to reduce amounts owing under the facility. We were in compliance with all of the applicable covenants under the ABL facility as of July 4, 2015.

Issuer Purchases of Equity Securities

Common Share Repurchase Program

On May 6, 2014, our board of directors renewed our share repurchase program for up to 5% of Cott's outstanding common shares over a 12-month period commencing upon the expiration of the prior share repurchase program on May 21, 2014. In connection with the DSS Acquisition, we suspended our share repurchase program during the fourth quarter of 2014 and did not make any further repurchases of our common shares under the share repurchase program prior to its expiration on May 21, 2015.

Capital structure

Since January 3, 2015, equity has increased by $128.1 million. The increase was primarily the result of net income of $17.1 million and the issuance of common shares as part of the Offering of $142.6 million, partially offset by dividend payments of $18.0 million and an adjustment to retained earnings for the foreign exchange impact upon redemption of Preferred Shares of $12.0 million.

Dividend payments

Common Share Dividend

On May 5, 2015, our board of directors declared a dividend of $0.06 per share on our common shares, payable in cash on June 17, 2015 to shareowners of record at the close of business on June 5, 2015. On July 28, 2015, our board of directors declared a dividend of $0.06 per share on our common shares, payable in cash on September 9, 2015 to shareowners of record at the close of business on August 27, 2015. Cott intends to pay a regular quarterly dividend on its common shares subject to, among other things, the best interests of its shareowners, Cott's results of operations, cash balances and future cash requirements, financial condition, statutory regulations and covenants set forth in the ABL facility and indentures governing the 2020 Notes, 2022 Notes and DSS Notes, as well as other factors that our board of directors may deem relevant from time to time.

Preferred Share Dividend

The terms of the Preferred Shares required us to pay a quarterly dividend to the holders of the Preferred Shares. On April 1, 2015, we paid dividends to holders of record of the Preferred Shares as of March 11, 2015. As of June 11, 2015, the outstanding Preferred Shares were redeemed in full (see Note 14 to the Consolidated Financial Statements), for an aggregate cash payment of $151.3 million, which included payment of $2.5 million of accrued and unpaid dividends.

Equity-Based Plans

During the quarter, with the approval of our shareowners, we (i) amended the Amended and Restated Cott Corporation Equity Incentive Plan (the "Equity Incentive Plan") to, among other things, increase the number of shares that may be issued under the Equity Incentive Plan, and (ii) adopted the Cott Corporation Employee Share Purchase Plan to provide eligible employees of the Company and its designated subsidiaries with an opportunity to acquire an ownership interest in the Company through the purchase of Company common shares.

We also adopted the Cott Corporation Dividend Reinvestment Plan, which allows eligible shareowners to acquire additional common shares via reinvestment of cash dividends paid by Cott.

Critical Accounting Policies

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 actual amounts become known. Historically, differences between estimates and actual amounts 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 2014 Annual Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

In the ordinary course of business, we are exposed to foreign currency, interest rate and commodity price risks. We hedge firm commitments or anticipated transactions and do not enter into derivatives for speculative purposes. We do not hold financial instruments for trading purposes.

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, typically have maturities of less than eighteen months. We had outstanding foreign exchange forward contracts with notional amounts of $19.7 million and $22.5 million as of July 4, 2015 and January 3, 2015, respectively.

Debt Obligations and Interest Rates

We have exposure to interest rate risk from the outstanding principal amounts of our short-term borrowings on our ABL facility. Interest rates on our long-term debt are fixed and not subject to interest rate volatility. Our ABL facility is vulnerable to fluctuations in the U.S. short-term base rate and the LIBOR rate. Because we had $198.2 million of ABL borrowings outstanding as of July 4, 2015, a 100 basis point increase in the current per annum interest rate for our ABL facility (excluding the $41.4 million of outstanding letters of credit) would result in additional interest expense of approximately $2.0 million during the next year. The weighted average interest rate of outstanding debt under our ABL facility at July 4, 2015 was 1.9%.

Commodity Price Risk

We have entered into commodity swaps on aluminum to mitigate the price risk associated with forecasted purchases of materials used in our manufacturing process. These derivative instruments have been designated and qualify as a part of our commodity cash flow hedging program. The objective of this hedging program is to reduce the variability of cash flows associated with future purchases of aluminum. The total notional values of derivatives that were designated and qualified for our commodity cash flow hedging program were $55.6 million and $55.4 million as of July 4, 2015 and January 3, 2015, respectively.

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 July 4, 2015. Based upon this evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that, as of July 4, 2015, the Company’s disclosure controls and procedures are functioning effectively to ensure that information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

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

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to the legal proceedings described in our 2014 Annual Report.

Item 1A. Risk Factors

There have been no material changes in our risk factors since January 3, 2015. Please refer to our 2014 Annual Report.

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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 filed February 28, 2007)(file no. 001-31410).
3.2	Articles of Amendment to Articles of Amalgamation of Cott Corporation (incorporated by reference to Exhibit 3.1 to our Form 8-K filed December 15, 2014).
3.3	Second Amended and Restated By-laws of Cott Corporation, as amended (incorporated by reference to Exhibit 3.2 to our Form 10-Q filed May 8, 2014).
4.1	Third Supplemental Indenture, dated as of June 25, 2015, by and among Cott Beverages, Inc., the guarantors party thereto and Wells Fargo Bank, National Association, as trustee, in connection with the 5.375% Senior Notes due 2022 (incorporated by reference to Exhibit 4.1 to our Form 8-K filed June 25, 2015).
4.2	Supplemental Indenture, dated as of June 25, 2015, by and among Cott Beverages, Inc., the guarantors party thereto and Wells Fargo Bank, National Association, as trustee, in connection with the 6.75% Senior Notes due 2020 (incorporated by reference to Exhibit 4.1 to our Form 8-K filed June 26, 2015).
10.1	Amendment No. 6 to Credit Agreement, dated as of May 26, 2015, by and among Cott Corporation, Cott Beverages Inc., Cliffstar LLC, Cott Beverages Limited and DS Services of America, Inc., as Borrowers, the other Loan Parties party thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (filed herewith).
10.2	Employment Offer Letter to Jason Ausher dated May 6, 2015 (filed herewith).
10.3	Amended and Restated Employment Offer Letter to Steven Kitching dated May 18, 2015 (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 July 4, 2015 (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 July 4, 2015 (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 July 4, 2015 (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 July 4, 2015 (furnished herewith).
101	The following financial statements from Cott Corporation's Quarterly Report on Form 10-Q for the quarter ended July 4, 2015, filed on August 5, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, (vi) Notes to the Consolidated Financial Statements (filed herewith).

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SIGNATURES

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

COTT CORPORATION

(Registrant)

Date: August 5, 2015	*/s/ Jay Wells* Jay Wells Chief Financial Officer (On behalf of the Company)
Date: August 5, 2015	*/s/ Jason Ausher* Jason Ausher Chief Accounting Officer (Principal Accounting Officer)

Number	Description
3.1	Articles of Amalgamation of Cott Corporation (incorporated by reference to Exhibit 3.1 to our Form 10-K filed February 28, 2007)(file no. 001-31410).
3.2	Articles of Amendment to Articles of Amalgamation of Cott Corporation (incorporated by reference to Exhibit 3.1 to our Form 8-K filed December 15, 2014).
3.3	Second Amended and Restated By-laws of Cott Corporation, as amended (incorporated by reference to Exhibit 3.2 to our Form 10-Q filed May 8, 2014).
4.1	Third Supplemental Indenture, dated as of June 25, 2015, by and among Cott Beverages Inc., the guarantors party thereto and Wells Fargo Bank, National Association, as trustee, in connection with the 5.375% Senior Notes due 2022 (incorporated by reference to Exhibit 4.1 to our Form 8-K filed June 25, 2015).
4.2	Supplemental Indenture, dated as of June 25, 2015, by and among Cott Beverages Inc., the guarantors party thereto and Wells Fargo Bank, National Association, as trustee, in connection with the 6.75% Senior Notes due 2020 (which is incorporated by reference to Exhibit 4.1 to our Form 8-K filed June 26, 2015).
10.1	Amendment No. 6 to Credit Agreement, dated as of May 26, 2015, by and among Cott Corporation, Cott Beverages Inc., Cliffstar LLC, Cott Beverages Limited and DS Services of America, Inc., as Borrowers, the other Loan Parties party thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (filed herewith).
10.2	Employment Offer Letter to Jason Ausher dated May 6, 2015 (filed herewith).
10.3	Amended and Restated Employment Offer Letter to Steve Kitching dated May 18, 2015 (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 July 4, 2015 (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 July 4, 2015 (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 July 4, 2015 (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 July 4, 2015 (furnished herewith).
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Exhibit 10.1

Execution Version

AMENDMENT NO. 6 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 6 TO CREDIT AGREEMENT, dated as of May 26, 2015 (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, Cott Beverages Limited, a company organized under the laws of England and Wales, and DS Services of America, Inc., a Delaware corporation, as Borrowers, the other Loan Parties party hereto, the Lenders party hereto, JPMorgan Chase Bank, N.A., London Branch, as UK Security Trustee, JPMorgan Chase Bank, N.A., as Administrative Agent and Administrative Collateral Agent, and General Electric Capital Corporation, as Co-Collateral Agent, and each of the other parties party hereto. Each capitalized term used herein and not defined herein shall have the meaning ascribed thereto in the Amended Credit Agreement referred to below.

WITNESSETH

WHEREAS, the Borrowers, the other Loan Parties, the Lenders, the Administrative Agent, the UK Security Trustee, the Administrative Collateral Agent, the Co-Collateral Agent, and the other parties party thereto, are parties to that certain Credit Agreement, dated as of August 17, 2010 (as amended by that certain Amendment No. 1 to Credit Agreement, dated as of April 19, 2012, as further amended by that certain Amendment No. 2 to Credit Agreement, dated as of July 19, 2012, as further amended by that certain Amendment No. 3 to Credit Agreement, dated as of October 22, 2013, as further amended by that certain Amendment No. 4 to Credit Agreement, dated as of May 28, 2014, as further amended by Amendment No. 5 dated as of December 12, 2014 and as may be further amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the " Credit Agreement "; and as amended by this Amendment, the " Amended 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, each party hereto is willing to agree to amend certain provisions of the Credit Agreement on the terms and subject to the conditions expressly set forth herein.

I. Amendments to Credit Agreement . Effective as of the Amendment No. 6 Effective Date (as defined below), each party hereto hereby agrees that the Credit Agreement shall be and hereby is amended as follows:

1. The introductory paragraph to the Credit Agreement is hereby amended by deleting the phrase "and as further amended by Amendment No. 5, dated as of December 12, 2014" and replacing it with the phrase "as further amended by Amendment No. 5, dated as of December 12, 2014, and as further amended by Amendment No. 6 dated as of May 26, 2015".

2. The definition of " Canadian Prime Rate " is hereby amended by adding the following proviso at the end of such definition:

"; provided that, if any of the foregoing rates described in this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement".

3. The definition of " CDOR Rate " is hereby amended by adding the following proviso at the end of such definition:

"; provided further that, if any of the foregoing rates described in this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement".

4. The definition of " Federal Funds Effective Rate " is hereby amended by adding the following proviso to the end of such definition:

"; provided that, if any of the foregoing rates described in this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement".

5. The definition of " LIBO Rate " is hereby amended by adding the following proviso to the end of such definition:

"; provided further that, if any of the foregoing rates described in this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement".

6. The definition of " Prime Rate " is hereby amended by adding the following proviso at the end of such definition:

"; provided that, if such rate shall be less than zero, the Prime Rate shall be deemed to be zero for purposes of this Agreement".

7. The definition of " Indebtedness " is hereby amended by adding the following language after the phrase "(a) obligations of such Person for borrowed money or with respect to deposits":

"(other than customary customer deposits in the ordinary course of business)".

8. The definition of " Northeast Retail Group " is hereby deleted in its entirety and replaced with the following definition:

" Northeast Retail Group " means (a) prior to the Northeast Transition Date, Northeast Retailer Brands LLC, Cott NE Holding Inc. and Northeast Finco, Inc. and (b) thereafter, Northeast Retailer Brands LLC.

9. The definition of Unrestricted Subsidiary " is hereby amended by adding the following phrase immediately before the period at the end of such definition:

", and provided , further , that on and after the Northeast Transition Date, Cott NE Holding Inc. and Northeast Finco, Inc. shall not constitute Unrestricted Subsidiaries".

10. The definition for " EBITDA " is hereby amended by adding the following language immediately before the phrase " *minus* without duplication":

"and (xi) the amount of any non-recurring restructuring charge, reserve, integration cost, or other business optimization expense or cost (including one-time charges directly related to implementation of cost-savings initiatives), that is deducted (and not added back) in such period in computing Net Income including, without limitation, those one-time charges related to severance, retention, signing bonuses and relocation, in an amount not to exceed $20,000,000 in the aggregate for all such transactions during any four consecutive fiscal quarters,"

11. The following definitions are hereby added to the Credit Agreement in appropriate alphabetical order:

"" 2015 Reorganization Disclosure Letter " means that certain letter, originally dated the Amendment No. 6 Effective Date, from the Company to the Agents and the Lenders, which letter shall (a) attach as Annex A thereto slides detailing the then current draft of each step of the 2015 Reorganization and (b) attach as Annex B thereto the final organizational structure of the Company as of the date that the 2015 Reorganization is completed, as such letter may be amended, with the consent of the Administrative Agent in its sole discretion, and such letter and any such amendments shall be in form and substance satisfactory to the Administrative Agent in its discretion."

"" 2015 Reorganization " means an internal reorganization of the Company and its Subsidiaries, to be completed no later than December 31, 2015 (or such longer period as may be agreed to by the Administrative Agent in its sole discretion), satisfactory to the Administrative Agent in its discretion, and substantially in the order of and substantially in compliance with the steps set forth in, and resulting in a corporate structure of the reorganized entities substantially as set forth in, the 2015 Reorganization Disclosure Letter, which reorganization may include, among other intercompany transactions involving Indebtedness and Equity Interests of the Company and its Subsidiaries, the following intercompany Indebtedness:

(a) certain intercompany promissory notes and intercompany accounts receivable (which intercompany promissory notes and intercompany accounts receivable shall be subordinated to the Secured Obligations to the extent required under Section 6.01(e)) among any or all of (i) the Loan Parties and (ii) direct wholly-owned Subsidiaries of any Loan Party that pursuant to the 2015 Reorganization shall be merged into or become Loan Parties within 5 Business Days (or such longer period as may be agreed to by the Administrative Agent in its sole discretion) of the date such Person is formed or acquired as a direct wholly-owned Subsidiary of a Loan Party, in each case as substantially set forth in the 2015 Reorganization Disclosure Letter, each in approximately the amounts set forth in the 2015 Reorganization Disclosure Letter, and each of which shall be transferred to or held by a Loan Party and pledged and delivered to the Administrative Collateral Agent in accordance with the terms of the Loan Documents, or cancelled prior to the completion of the 2015 Reorganization, in each case in form and substance satisfactory to the Administrative Agent in its discretion; and

(b) certain other intercompany promissory notes among the Loan Parties specified in the 2015 Reorganization Disclosure Letter in approximately the amounts set forth in the 2015 Reorganization Disclosure Letter, each of which shall be owned by a Loan Party and pledged and delivered to the Administrative Collateral Agent in accordance with the terms of the Loan Documents or cancelled prior to the completion of the 2015 Reorganization, in each case in form and substance satisfactory to the Administrative Agent in its discretion;

provided that, both before and after giving effect to the 2015 Reorganization, and at all times during the 2015 Reorganization, the following conditions shall be satisfied:

(i) no Default shall have occurred and be continuing;

(ii) subject to Section IV of Amendment No. 6 and clauses (iii) and (vi) of this definition, any Collateral (including cash) shall remain subject to (or, in the case of Collateral created as part of any step of the 2015 Reorganization, shall become subject to, at or prior to the time such step is effected) a perfected security interest of the Administrative Collateral Agent, subject to the Permitted Perfection Limitations, in accordance with the terms of the Loan Documents, and the validity, perfection and priority of such security interest shall not be impaired by or in connection with the 2015 Reorganization;

(iii) no Person involved in any step of the 2015 Reorganization that is not a Loan Party, solely for the period of time that such Person is not a Loan Party, shall hold or own any assets or any Collateral other than Equity Interests of a Loan Party and intercompany promissory notes and intercompany accounts receivable (which intercompany promissory notes and intercompany accounts receivable shall be subordinated to the Secured Obligations to the extent required under Section 6.01(e)), in each case solely to the extent in compliance with and required to complete the 2015 Reorganization;

(iv) the 2015 Reorganization shall be completed no later than the close of business on the 15th Business Day after the initiation of the first step of the 2015 Reorganization (or such longer period as may be (x) required by Governmental Authority or applicable law for a direct wholly-owned UK or Luxembourgian

Subsidiary of a Loan Party to comply with UK or Luxembourgian corporate formalities, as applicable, in order to complete any step of the 2015 Reorganization or (y) agreed to by the Administrative Agent in its sole discretion) substantially as set forth in the 2015 Reorganization Disclosure Letter;

(v) the 2015 Reorganization shall be permitted under the Water Preferred Shares Documents, the 2014 Indenture, the Water Secured Notes Indenture, the Cott Unsecured Notes Indenture and any Replacement Indenture;

(vi) subject to Section IV.1 of Amendment No. 6, the Company shall have provided all notices and certificates required to be delivered, within the time period required to be delivered, to the applicable Agent, under the Loan Documents (including, but not limited to, Section 4.15 of the U.S. Security Agreement); provided that the Administrative Agent may, in its sole discretion, waive in writing in advance any such notice period as permitted by Section VII(9) of Amendment No. 6; and

(vii) each Person involved in any step of the 2015 Reorganization shall be a Loan Party at all times during such step and at all times thereafter as is required pursuant to the terms of the Loan Documents (without regard to any grace periods set forth in Section 5.13) and otherwise at all times during which such Person holds or owns any Collateral; provided that if any such step involves the merger, dissolution or similar transaction that results in such Person ceasing to exist, then such transaction shall be permitted so long as any Collateral held or owned by such person immediately prior to such transaction is transferred to or becomes property of a Loan Party (that will be a Loan Party during and after such step) prior to or as part of such transaction; provided , further , that each Person involved in any step of the 2015 Reorganization that is (i) not a Loan Party and (ii) a direct wholly-owned Subsidiary of any Loan Party formed for the purpose of the 2015 Reorganization, shall have five (5) Business Days after the date on which such Person was formed or acquired as a direct wholly-owned Subsidiary of a Loan Party to become a Loan Party by, subject to Section IV.2 of Amendment No. 6, executing and delivering to the Administrative Agent a Joinder Agreement and such other documents as are required in connection therewith in accordance with Section 5.13 (without regard to any time periods set forth therein).

The Administrative Collateral Agent or the UK Security Trustee, as applicable, is hereby authorized to file UCC financing statements or similar filings or registrations as the Administrative Agent reasonably determines is advisable in connection with the steps contemplated by the 2015 Reorganization."

““ Amendment No. 6 ” means Amendment No. 6 to Credit Agreement, dated as of May 26, 2015, among the Loan Parties party thereto, the Lenders party thereto, the Agents, and the Swingline Lenders and Issuing Banks party thereto.”

““ Amendment No. 6 Effective Date ” has the meaning assigned to such term in Amendment No. 6.”

““ Northeast Transition Date ” means the date that Cott NE Holding Inc. transfers any or all of the Equity Interests that it owns in Northeast Retailer Brands LLC to Cott Beverages pursuant to a transaction or series of transactions permitted under this Agreement.”

““ Specified 2015 Sale and Leaseback Transaction ” means (a) a sale to a Person who is not an Affiliate of the Borrowers of one or more parcels of real estate located in the United States and owned by a Loan Party that (i) are not subject to a Mortgage in favor of a Collateral Agent and (ii) are included on the list set forth on Exhibit H, or otherwise are reasonably acceptable to Administrative Agent in its discretion, and (b) the subsequent leasing of such parcels by one or more Loan Parties from the purchaser, and in each case that otherwise complies with Section 6.06 and the other terms of the Loan Documents.”

12. Section 2.11(c)(3)(iii) of the Credit Agreement is hereby amended by adding the following phrase immediately after the phrase “3 Business Days”:

“(or, in the case of Net Proceeds arising from the issuance of Qualified Equity Interests that have been designated in the officer’s certificate described in this clause (3) to be applied to voluntarily redeem or repurchase all or a portion of the Water Preferred Shares, 30 Business Days (or such longer period as may be agreed to by the Administrative Agent))”.

13. Section 6.02 of the Credit Agreement is hereby amended by (a) deleting the word “and” at the end of the clause (n) thereof, (b) by deleting the period at the end of the clause (o) thereof, replacing it with a semicolon and adding the word “and” at the end thereof, and (c) adding the following clause (p) immediately after clause (o) thereof:

“(p) Liens on Net Proceeds received from the issuance by the Company of Qualified Equity Interests (in an aggregate amount at any time not to exceed the amount required to redeem in full the Water Preferred Shares at such time) or other cash of the Loan Parties which does not constitute Borrowings or proceeds thereof (in an aggregate amount at any time, when combined with the aggregate amount of Net Proceeds from the issuance of Qualified Equity Interests referenced above, not to exceed the amount required to redeem in full the Water Preferred Shares at such time), which Net Proceeds or other cash shall be maintained in a trust or escrow account of Computershare Limited solely for the purpose of redeeming the Water Preferred Shares in accordance with the redemption provisions set forth in the amendment to the Company’s articles referred to in clause (i) of the definition of Water Preferred Share Documents; provided that (i) a notice of redemption has been delivered to the holders of the

Water Preferred Shares for the redemption of a portion of the Water Preferred Shares in an amount equal to such Net Proceeds or such other cash, as applicable, and such notice remains effective or (ii) such portion of the Water Preferred Shares has been purchased or redeemed in full by the Company and is no longer outstanding or is no longer deemed outstanding pursuant to the redemption provisions of such amendment to the Company's articles."

14. Section 6.04(u) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(u) investments, loans and advances described in the 2015 Reorganization Disclosure Letter solely to the extent in compliance with and required to complete the 2015 Reorganization;".

15. Section 6.05(l) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(l) the conveyance, sale, assignment, transfer or other disposition by Cott NE Holding Inc. of any or all of the Equity Interests that it owns in Northeast Retailer Brands LLC to Cott Beverages;".

16. Section 6.06 of the Credit Agreement is hereby amended by adding the following phrase immediately before the period at the end of such Section:

"; provided that such 180 day requirement shall not apply to the Specified 2015 Sale and Leaseback Transaction".

17. Section 6.09(a) of the Credit Agreement is hereby amended by:

(a) deleting the first reference in clause (iv) of the phrase "calendar year" and replacing it with the phrase "twelve month period";

(b) in clause (iv) thereof, (i) adding the phrase "unless all outstanding Water Preferred Shares are repurchased or redeemed in such twelve month period; provided that no Borrowing or any proceeds thereof shall be used for any such repurchase or redemption)" immediately after the phrase "shall not exceed $100,000,000", (ii) deleting the phrase ", except in the case of a repurchase or redemption of Water Preferred Shares," from subclause (B) thereof, and (iii) adding the following phrase at the end of clause (iv):

"; provided that, solely with respect to the Water Preferred Shares, at least 3 Business Days (or such shorter period as the Administrative Agent may agree in its discretion) prior to depositing any amount into an escrow account that complies with the requirements in Section 6.02(p), the Company shall have delivered to the Administrative Agent a written notice setting forth the amount to be deposited and certifying that such deposit shall be in accordance with Section 6.02(p), and that at the time of such deposit, each of the requirements set forth in subclauses (A), (B) (without regard to the thirty day lookback) and (C) of this clause (iv) shall be satisfied as though such repurchase or redemption has occurred on the date of such deposit".

(c) deleting the word “and” immediately before the phrase “(v) any Restricted Subsidiary”;

(d) adding the phrase “, and (vi) the Restricted Payments described in the 2015 Reorganization Disclosure Letter shall be permitted to the extent in compliance with and required to complete the 2015 Reorganization” immediately before the phrase “; provided that in the event that any Restricted Payment is made to any Interim Holdco”; and

(e) adding the phrase “such Restricted Payment is in compliance with and required to complete the 2015 Reorganization or” immediately before the phrase “the Administrative Agent and the Co-Collateral Agent” in the proviso to such Section 6.09 (a).

18. Section 6.10 of the Credit Agreement is hereby amended by (a) adding the phrase “, (u)” immediately after the phrase “(p), (q), (r)” in clause (c) thereof, (b) deleting the word “and” immediately before the phrase “(h) any issuances of securities”, and (c) adding the phrase “and (i) transactions made between or among any Loan Party and any direct wholly-owned Subsidiary of a Loan Party solely to the extent in compliance with and required to complete the 2015 Reorganization” at the end of such Section 6.10.

19. Section 6.15 of the Credit Agreement is hereby amended by adding the following phrase at the end thereof:

> “Notwithstanding anything in this Section 6.15 to the contrary, each Interim Holdco may own the assets and incur the liabilities described in the 2015 Reorganization Disclosure Letter solely to the extent in compliance with and required to complete the 2015 Reorganization.”

20. The Exhibits of the Credit Agreement are hereby amended by adding Exhibit H attached to this Amendment as Exhibit H to the Amended Credit Agreement.

II. Conditions Precedent to Effectiveness . This Amendment shall become effective as of the first date (the “ Amendment No. 6 Effective Date ”) on which each of the following conditions precedent have been satisfied:

1. The Administrative Agent (or its counsel) shall have received either (A) a counterpart of this Amendment signed by each Borrower, each other Loan Party, the Agents, the Issuing Banks, the Swingline Lenders, and the Required Lenders or (B) written evidence satisfactory to the Administrative Agent (which may include facsimile or pdf transmission of a signed signature page of this Amendment) that such Person has signed a counterpart of this Amendment.

2. The Administrative Agent and the Collateral Agents shall have received copies of the most recent financial statements, projections and reports required to be delivered pursuant to Section 5.01 of the Credit Agreement.

3. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Amendment No. 6 Effective Date and executed by its Secretary, Assistant Secretary or Director, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of this Amendment and the other Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers, as applicable, and any other officers of such Loan Party authorized to sign this Amendment and the Loan Documents to which it is a party, and (C) to the extent not previously delivered to the Administrative Agent attached to a similar certificate, contain appropriate attachments, including the certificate or articles of incorporation, articles of association or organization of each Loan Party, together with all amendments thereto except in the case where consolidated articles of association are provided, certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of its by-laws, memorandum and articles of association or operating, management or partnership agreement (or other equivalent organizational documents), together with all amendments thereto, and (ii) a short form or long form certificate of good standing, status or compliance (or confirmation that telephonic and online searches have been conducted at the English Central Index of Winding Up Petitions and UK Companies House respectively on the Amendment No. 6 Effective Date with respect to the Loan Parties organized under the laws of England and Wales), as applicable, together with any bring-down certificates, confirmations or facsimiles, if any, for each Loan Party from its jurisdiction of organization, each dated a recent date on or prior to the Amendment No. 6 Effective Date.

4. The Administrative Agent shall have received a certificate, signed by the chief financial officer or treasurer of the Borrower Representative on behalf of each Borrower on the Amendment No. 6 Effective Date certifying, as of the Amendment No. 6 Effective Date, after giving effect to this Amendment, that: (i) no Default has occurred and is continuing under any Loan Document, (ii) the representations and warranties contained in the Loan Documents and in Section III of this Amendment, in each case are true and correct in all material respects as of such date (or, if such representations and warranties are as of a prior date, were true and correct in all material respects as of such prior date), (iii) the amendments contemplated by this Amendment are permitted pursuant to each of the 2014 Indenture, the 2014 Notes, the Cott Unsecured Notes, the Water Secured Notes, and the Water Preferred Shares, and (iv) certifying any other factual matters as may be reasonably requested by the Administrative Agent (including as to the matter set forth in clause 7 of this Section II).

5. The Lenders, the Collateral Agents and the Administrative Agent shall have received all fees required to be paid, including pursuant to Section VI hereof, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Amendment No. 6 Effective Date.

6. The Administrative Agent shall have received a solvency certificate, in form and substance satisfactory to the Administrative Agent, from a Financial Officer.

7. At the time of and immediately after giving effect to this Amendment, the Borrowers' Aggregate Availability shall not be less than 15% of the Line Cap.

8. The Administrative Agent shall have received such other documents as the Administrative Agent, the Disbursement Agent, any Issuing Bank, any Lender or their respective counsel may have reasonably requested.

III. 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:

1. 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.

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

3. This Amendment and the Amended Credit 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.

4. The execution and delivery by each Loan Party of this Amendment, the performance by each Loan Party of its obligations under this Amendment, the Amended Credit Agreement and under the other Loan Documents to which it is a party and the consummation of the transactions contemplated by this Amendment, the Amended Credit 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, (ii) will not violate any Requirement of Law or conflict with any Certificate of Incorporation, By-Laws, or other organizational or governing documents (including, without limitation, the Memorandum and Articles of Association), in each case 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.

5. Each Borrower and each other Loan Party hereby reaffirms all covenants and the representations and warranties contained in the Loan Documents and in this Section III 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.

IV. Post-Closing Covenants .

1. Notwithstanding anything to the contrary in the Amended Credit Agreement, no later than 15 days following the Northeast Transition Date (or such longer period as may be agreed to by the Administrative Agent in its sole discretion), to the extent not previously provided to the Administrative Agent or Administrative Collateral Agent, as applicable, such Agent shall have received from Cott NE Retail Holding Inc. and Northeast Finco, Inc. (the " Joining Companies ") (i) a Joinder Agreement, together with such other agreements, security documents, secretary's certificates, officer's certificates, resolutions and opinions of counsel, in each case as may be reasonably required by the Administrative Agent, (ii) certificates representing the shares of Equity Interests owned by any Joining Companies together with undated stock powers for such certificates executed in blank by a duly authorized officer of the pledgor thereof, and (iii) promissory notes, if any, owned or held by any Joining Company, endorsed without recourse in blank or accompanied by an executed transfer form in blank by the pledgor thereof; provided , however , that no Joining Company shall be required to pledge any Equity Interests that it owns in Northeast Retailer Brands LLC so long as such Equity Interests constitute Excluded Assets (as defined in the U.S. Security Agreement) under clause (f) of such definition. For purposes of this Section IV, an officer is duly authorized to execute such stock power, allonge or transfer form if he or she is serving in the capacity set forth on such power or transfer form at the time such power or transfer form is delivered to the Administrative Collateral Agent.

2. Notwithstanding anything to the contrary in any other Loan Document, no later than 30 days following the completion of the 2015 Reorganization (or such longer period as may be agreed to by the Administrative Agent and each Collateral Agent, each in its sole discretion), to the extent not previously provided to the Administrative Collateral Agent or the UK Security Trustee, as applicable, such Agent shall have received (i) stock certificates and stock powers or stock transfer forms, as applicable, for each certificate representing the shares of Equity Interests transferred or created and in existence upon the completion of the 2015 Reorganization, in the case of each stock power or stock transfer form, executed in blank by a duly authorized officer of the pledgor thereof, (ii) promissory notes and allonges or transfer forms, as applicable, for each promissory note transferred or created and in existence upon the completion of the 2015 Reorganization, in the case of each allonge or transfer form, executed in blank by a duly authorized officer of the pledgor thereof, (iii) a certificate of the Loan Parties signed by an authorized officer of the Company certifying as to the accuracy and completeness of, and attaching, an updated Schedule 3.15 to the Credit Agreement together with a redline against the original Schedule 3.15 to the Credit Agreement solely reflecting changes to the ownership of the Equity Interests and intercompany Indebtedness of the Loan Parties and their respective Restricted Subsidiaries resulting from the 2015 Reorganization (such updated Schedule 3.15, the " Reorganization Schedule "), and (iv) to the extent not previously required to be provided, such security agreements, control agreements and other documents as may be reasonably requested by the Administrative Agent in order to create and perfect a security interest in favor of the Administrative Collateral Agent, subject to the Permitted Perfection Limitations, in accordance with the terms of the Loan Documents.

V. Reference to and Effect on the Credit Agreement .

1. Upon the effectiveness of this Amendment pursuant to Section II 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.

2. Except as specifically amended or modified by this Amendment, the Reaffirmation Agreements executed in connection herewith, the Credit Agreement, the other Loan Documents 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.

3. 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, the Issuing Banks, the Swingline Lenders, or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, any other Loan Document, or any other documents, instruments and agreements executed and/or delivered in connection therewith.

VI. 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 and the Co-Collateral 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. To the extent invoiced on or before the Amendment No. 6 Effective Date, all costs and expenses in connection with this Amendment are due on or prior to the Amendment No. 6 Effective Date.

VII. Miscellaneous.

1. 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, THE AMENDED 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).

2. Waiver . To induce the Administrative Agent, the other Agents, the Issuing Banks, the Swingline Lenders and the Lenders to enter into this Amendment, each Loan Party further acknowledges that it has no actual or potential defense, offset, claim, counterclaim or cause of action against the Administrative Agent or any other Agent or Lender for any actions or events occurring on or before the date hereof, and each Loan Party hereby waives and releases any right to assert same.

3. 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.

4. Terms Generally. References in this Amendment, the Credit Agreement and the Amended Credit Agreement to the words "clause" and "paragraph" shall be construed to have the same meaning.

5. 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 (i.e., "pdf" or "tif") 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.

6. No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Amendment, the Amended Credit Agreement and the other Loan Documents. In the event an ambiguity or question of intent or interpretation arises, this Amendment, the Amended 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 Amended Credit Agreement or any of the other Loan Documents.

7. Amendment Constitutes Loan Document. This Amendment and each Reaffirmation Agreement executed in connection herewith shall constitute a "Loan Document" for purposes of the Credit Agreement, the Amended Credit Agreement and the other Loan Documents.

8. FATCA. For purposes of determining withholding Taxes imposed under FATCA, from and after the Amendment No. 6 Effective Date, the Loan Parties and the Administrative Agent shall treat (and the Lenders hereby authorize the administrative agent to treat the Amended Credit Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

9. Lender Authorization. The Required Lenders and each Agent (other than the Administrative Agent), hereby authorizes the Administrative Agent, on its behalf and on behalf of the Lenders or other Agent, in the Administrative Agent's sole discretion, to waive in advance any prior notice requirements under the Loan Documents in respect of any merger, conversion, dissolution, or other transaction effected pursuant to the 2015 Reorganization, to the extent that the reorganization steps are described in the 2015 Reorganization Disclosure Letter on the date hereof or are amended after the date hereof to reflect such transaction with the consent of the Administrative Agent in its sole discretion.

VIII. Reaffirmation

1. Reaffirmation of Obligations and Liabilities. Each Loan Party hereby acknowledges and agrees that, after giving effect to this Amendment No. 5 on the Amendment No. 6 Effective Date, all of its respective obligations under each of the Loan Documents to which such Loan Party is a party are reaffirmed, and remain in full force and effect on a continuous basis, without novation. Each Loan Party acknowledges that the guarantees, obligations and liabilities of such Loan Party under the Credit Agreement continue in full force and effect on a continuous basis without novation, unpaid and undischarged, except as expressly provided in the Amended Credit Agreement, pursuant to the Amended Credit Agreement.

2. Reaffirmation of Liens. As of the Amendment No. 6 Effective Date, each Loan Party reaffirms each Lien it granted in favor of the Administrative Collateral Agent or UK Security Trustee, as applicable for the benefit of the Secured Parties and any Liens that were otherwise created or arose in favor of the Administrative Collateral Agent for the benefit of the Secured Parties, and reaffirms each other right and obligation, in each case, under or as set forth in each of the Loan Documents to which such Loan Party is a party, which shall continue in full force and effect during the term of the Amended Credit Agreement and any amendments, amendments and restatements, supplements or other modifications thereof and shall continue to secure the Secured Obligations of the Loan Parties, including, without limitation, all Obligations as defined in the Amended Credit Agreement, and secure the obligations of the other Loan Parties under each Loan Document, in each case, on and subject to the terms and conditions set forth in the Amended Credit Agreement and the other Loan Documents.

[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: Chief Accounting Officer and Vice President

COTT BEVERAGES INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

CLIFFSTAR LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

COTT BEVERAGES LIMITED

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

DS SERVICES OF AMERICA, INC.

By /s/ Jason Ausher

Name: Jason Ausher

Title: Chief Accounting Officer and Vice President

OTHER LOAN PARTIES:

156775 CANADA INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

967979 ONTARIO LIMITED

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

804340 ONTARIO LIMITED

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

2011438 ONTARIO LIMITED

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

COTT RETAIL BRANDS LIMITED

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

COTT LIMITED

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

COTT EUROPE TRADING LIMITED

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

COTT PRIVATE LABEL LIMITED

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

COTT NELSON (HOLDINGS) LIMITED

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

COTT (NELSON) LIMITED

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

COTT USA FINANCE LLC

By /s/ Ceaser Gonzalez
Name: Ceaser Gonzalez
Title: President

COTT HOLDINGS INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

INTERIM BCB, LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

COTT VENDING INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

COTT INVESTMENT, L.L.C.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

COTT U.S. ACQUISITION LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

COTT ACQUISITION LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

STAR REAL PROPERTY LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

CAROLINE LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

COTT UK ACQUISITION LIMITED

By /s/ Joanne Lloyd-Davies
Name: Joanne Lloyd-Davies
Title: Director

COTT ACQUISITION LIMITED

By /s/ Joanne Lloyd-Davies
Name: Joanne Lloyd-Davies
Title: Director

COTT LUXEMBOURG S.A R.L.
a company incorporated in Luxembourg, with a share capital of USD 3,536,337.84, having its registered office at

595, rue de Neudorf, L-2220 Luxembourg, RCS Luxembourg B 162397

By /s/ Joanne Lloyd-Davies
Name: Joanne Lloyd-Davies
Title: Class A Manager

COTT DEVELOPMENTS LIMITED

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

COOKE BROS HOLDINGS LIMITED

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

COOKE BROS. (TATTENHALL) LIMITED

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

CALYPSO SOFT DRINKS LIMITED

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

TT CALCO LIMITED

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

MR FREEZE (EUROPE) LIMITED

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

COTT VENTURES UK LIMITED

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

COTT VENTURES LIMITED

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

AIMIA FOODS HOLDINGS LIMITED

By /s/ Joanne Lloyd-Davies
Name: Joanne Lloyd-Davies
Title: Director

AIMIA FOODS LIMITED

By /s/ Joanne Lloyd-Davies
Name: Joanne Lloyd-Davies
Title: Director

AIMIA FOODS GROUP LIMITED

By /s/ Joanne Lloyd-Davies
Name: Joanne Lloyd-Davies
Title: Director

STOCKPACK LIMITED

By /s/ Joanne Lloyd-Davies
Name: Joanne Lloyd-Davies
Title: Director

AIMIA FOODS EBT COMPANY LIMITED

By /s/ Joanne Lloyd-Davies
Name: Joanne Lloyd-Davies
Title: Director

DS SERVICES HOLDINGS, INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

DS Customer Care, LLC

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

DSS GROUP, INC.

By /s/ Jason Ausher
Name: Jason Ausher
Title: Chief Accounting Officer and Vice President

JPMORGAN CHASE BANK, N.A.,
individually, as an Issuing Bank, as a Swingline Lender and as a Lender

By /s/ Lisa A. Morrison
Name: Lisa A. Morrison
Title: Authorized Officer

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

By /s/ Lisa A. Morrison
Name: Lisa A. Morrison
Title: Authorized Officer

JPMORGAN CHASE BANK, N.A.,
TORONTO BRANCH, as an Issuing Bank, as a Swingline Lender and as a Lender

By /s/ Agostino A. Marchetti
Name: Agostino A. Marchetti
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A.,
LONDON BRANCH, as an Issuing Bank, as a Swingline Lender and as a Lender

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

JPMORGAN CHASE BANK, N.A.,
LONDON BRANCH, as UK Security
Trustee

By /s/ Timothy I. Jacob

Name: Timothy I. Jacob
Title: Senior Vice President

BANK OF AMERICA, N.A.,
as Documentation Agent and as a Lender

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

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

By /s/ Sylwia Durkiewicz
Name: Sylwia Durkiewicz
Title: Vice President

GENERAL ELECTRIC CAPITAL CORPORATION,
as Co-Collateral Agent and as a Lender

By /s/ Steven B. Flowers
Name: Steven B. Flowers
Title: Duly Authorized Signatory

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By /s/ Peter Cucchiara
Name: Peter Cucchiara
Title: Vice President

By /s/ Kirk L. Tashjian
Name: Kirk L. Tashjian
Title: Director

WELLS FARGO CAPITAL FINANCE, LLC,
as a Lender

By /s/ Mark Bradford
Name: Mark Bradford
Title: Vice President

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA,
as a Lender

By /s/ David G. Phillips
Name: David G. Phillips
Title: Senior Vice President
Credit Officer, Canada
Wells Fargo Capital Finance
Corporation Canada

WELLS FARGO BANK, N.A.
(LONDON BRANCH), as a Lender

By /s/ N B Hogan
Name: N B Hogan
Title: Authorized Signatory

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By /s/ Todd Milenius
Name: Todd Milenius
Title: Vice President

PNC BANK, CANADA BRANCH,
as a Lender

By /s/ Michael Etienne
Name: Michael Etienne
Title: Senior Vice President

Exhibit H

Sale and Leaseback Properties

Address	**City / State**	**Owner**
11811 Highway 67	Lakeside, CA	DS Services of America, Inc.
1761 Newport Road	Ephrata, PA	DS Services of America, Inc.
27815 Highway Blvd	Katy, TX	DS Services of America, Inc.
6055 South Harlem Avenue	Chicago, IL	DS Services of America, Inc.
6155 South Harlem Avenue	Chicago, IL	DS Services of America, Inc.
6750 Discovery Boulevard	Mableton, GA	DS Services of America, Inc.
193 Mauney Road	Blairsville, GA	Cott Beverages Inc.
1001 10th Avenue	Columbus, GA	Cott Beverages Inc.
1990 Hood Road	Greer, SC	Cliffstar LLC
One Cliffstar Avenue	Dunkirk, NY	Star Real Property LLC
3502 Enterprise Avenue	Joplin, MO	Cliffstar LLC

Exhibit 10.2

May 6th, 2015
Jason Ausher
18636 Avenue Capri
Lutz, FL
33558

Dear Jason:

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 Accounting 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; 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 Accounting Officer, effective as of May 15th, 2015 (the " **Employment Date** ").

1.2 Responsibilities .

(a) As the Company's Chief Accounting Officer, you will report to the Chief Financial Officer and have such duties and responsibilities as may be assigned to you from time to time by the Chief Financial 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 Accounting Officer.

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

2. Remuneration .

2.1 Base Salary . Your annual base salary will initially be at the rate of US $250,000 (" **Annual Base Salary** "), paid on a bi-weekly basis, pro-rated for any partial periods based on the actual number of days in the applicable period. Your performance will be evaluated at least annually, and any increase to the level of your Annual Base Salary will be determined as part of the regular annual review process.

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 50% of your Annual Base Salary. Currently the maximum potential payout permitted under the bonus plan is two (2) times the applicable target bonus for achievement of performance goals significantly in excess of the target goals, as established by the Human Resources and Compensation Committee of 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.

3. Benefits .

3.1 Benefit Program . 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, you will continue to 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 in 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 Financial 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.

4. Termination; Payments and Entitlements Upon a Termination .

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

4.2 Involuntary Termination . Subject to Sections 4.3, 8.9, and 10.11, if your employment is terminated following the date of this Offer Letter (i) by the Company without Cause other than by reason of your Disability or (ii) by you for Good Reason (either (i) or (ii), 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 six 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.

(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 4.2(a) and 4.2(b), the Company shall have no further liability hereunder.

4.3 Release Required . You will not be entitled to receive the payment set forth in Section 4.2(a) and, if applicable, Section 7, unless you execute, at least seven days before the date payment is due to be made, and do not revoke, a release in the form of Exhibit B in favor of the Company and related parties relating to all claims or liabilities of any kind relating to your employment with the Company and the Involuntary Termination of such employment.

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

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

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

8. <u>Restrictive Covenants</u> .

8.1 <u>Confidentiality</u> .

(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 may be required to be publicly disclosed on an annual basis.

8.2 <u>Inventions</u> . 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 Financial Officer from time to time.

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

8.4 Non-Competition and Non-Solicitation .

(a) You will not at any time, without the prior written consent of the Company, during your employment with the Company and for a period after the termination of your employment that is equal to the number of months used in the calculation of the Severance Payment under Section 4.2(a) (regardless of the reason for such termination 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 8.4, then each time limitation set forth in this Section 8.4 shall be extended for a period of time equal to the period of time during which such violation or violations occur. If the Company seeks injunctive relief from any such violation, then the covenants set forth shall be extended for a period of time equal to the pendency of the proceeding in which relief is sought, including all appeals therefrom.

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

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

8.7 Injunctive Relief .

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

(b) The parties acknowledge that the restrictions in this Section 8 are reasonable in all of the circumstances and you acknowledge that the operation of restrictions contained in this Section 8 may seriously constrain your freedom to seek other remunerative employment. If any of the restrictions are determined to be unenforceable as going beyond what is reasonable in the circumstances for the protection of the interests of the Company but would be valid, for example, if the scope of their time periods or geographic areas were limited, the parties consent to the court making such modifications as may be required and such restrictions shall apply with such modifications as may be necessary to make them valid and effective.

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

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

9. Code Section 409A .

9.1 In General . This Section 9 shall apply to you if you are subject to Section 409A of the United States Internal Revenue Code of 1986 (the “Code”), but only with respect to any payment due hereunder that is subject to Section 409A of the Code.

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

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

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

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

9.4 Reimbursements . The following shall apply to any reimbursement that is a payment described in Section 9.1: (a) with respect to any such reimbursement under Section 10.8, reimbursement shall not be made unless the expense is incurred during the period beginning on your effective hire date and ending on the sixth anniversary of your death; (b) the amount of expenses eligible for reimbursement during your taxable year shall not affect the expenses eligible for reimbursement in any other year; and (c) the timing of all such reimbursements shall be as provided herein, but not later than the last day of your taxable year following the taxable year in which the expense was incurred.

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

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

10. General Provisions .

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

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

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

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

10.5 **Severability .** The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Offer Letter shall not affect the enforceability of the remaining portions of the Offer Letter or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses or sections contained in the Offer Letter shall be declared invalid, the Offer Letter shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted.

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

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

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

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

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

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

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

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

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

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

Yours truly,

Jay Wells, CFO Cott Corporation

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

Jason Ausher	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; or

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

" **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.

Exhibit B
Form of Release

In consideration of the mutual promises, payments and benefits provided for in the Offer Letter between COTT Corporation (the " **Corporation** ") and Jason Ausher (the " **Employee** ") dated May 6 th , 2015 the Corporation and the Employee agree to the terms of this Release Agreement. Capitalized terms used and not defined in this Release Agreement shall have the meanings assigned thereto in the Offer Letter.

1. The Employee acknowledges and agrees that the Corporation is under no obligation to offer the Employee the payments and benefits set forth in Section 4.2 of the Offer Letter unless the Employee consents to the terms of this Release Agreement. The Employee further acknowledges that he/she is under no obligation to consent to the terms of this Release Agreement and that the Employee has entered into this agreement freely and voluntarily.

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

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

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

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

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

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

Dated:

____
Jason Ausher (Employee)

COTT CORPORATION

Per: ______________________________
Name:
Title:

Exhibit 10.3

May 18th, 2015

Dear Steve:

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

1. Position and Duties .

1.1 Position . Subject to the terms and conditions hereof, you will be employed by the Company as its President North American Business Unit.

1.2 Responsibilities .

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

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

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

1.4 Term . The term of this Offer Letter is for a period commencing on the date hereof and ending on May 31, 2018. In the event you decide not to remain in the United States during the term of this Offer Letter, the Company will use reasonable commercial efforts to find you a position of similar scope and size to the General Manager UK position you held prior to becoming President North American Business Unit. If no such position is available, you shall be entitled to a cash payment in the amount equal to two weeks of your then-effective Annual Base Salary.

2. Remuneration .

2.1 Base Salary . Your annual base salary will initially be at the rate of US $399,000 per year (“ **Annual Base Salary** ”), paid on a bi-weekly basis, pro-rated for any partial periods based on the actual number of days in the applicable period. Your performance will be evaluated at least annually, and any increase to the level of your Annual Base Salary will be determined as part of the regular annual review process. You will continue to 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. 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 $ 1,000,000 in addition to the previous FY2015-2017 award. The type and mix of grants (and the performance measures for the performance-based RSUs) will be the same as the FY2015-2017 award. The LTI award, including the vesting terms, will be governed by the Amended and Restated Cott Corporation Equity Incentive Plan, as amended and your award agreement.

3. Benefits .

3.1 Benefit Program . You will continue to 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 continue to 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 Vacation . You will be entitled to five (5) 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.

3.3 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, including reimbursement for air travel to the United Kingdom on a monthly basis.

3.4 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.

3.5 Living Expenses . During the term of this Offer Letter, you will be reimbursed for your apartment rental expenses in Tampa, Florida., up to a maximum of $90,000 annually.

4. Termination; Payments and Entitlements Upon a Termination.

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

4.2 Involuntary Termination. Subject to Sections 4.3, 8.9, and 10.11, if your employment is terminated following the date of this Offer Letter as a result of an Involuntary Termination (as defined in the Severance Plan), you will be entitled to the following payments and entitlements:

(a) Cash Severance Payment. You will receive the Severance Amount (as defined in the Severance Plan) associated with a "Level 2 Employee" (as such term is used in the Severance Plan). 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.

(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 4.2(a) and 4.2(b), the Company shall have no further liability hereunder.

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

5. Other Termination. Subject to Section 1.4, 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. If your employment is terminated by your resignation, you agree to give the Company 60 days' prior notice in order to ensure an efficient transition.

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

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

8. Restrictive Covenants .

8.1 Confidentiality .

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

(i) notified the Company;

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

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

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

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

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

8.4 Non-Competition and Non-Solicitation .

(a) You will not at any time, without the prior written consent of the Company, during your employment with the Company and for a period of 9 months after the termination of your employment (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.

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

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

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

8.7 Injunctive Relief .

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

(b) The parties acknowledge that the restrictions in this Section 8 are reasonable in all of the circumstances and you acknowledge that the operation of restrictions contained in this Section 8 may seriously constrain your freedom to seek other remunerative employment. If any of the restrictions are determined to be unenforceable as going beyond what is reasonable in the circumstances for the protection of the interests of the Company but would be valid, for example, if the scope of their time periods or geographic areas were limited, the parties consent to the court making such modifications as may be required and such restrictions shall apply with such modifications as may be necessary to make them valid and effective.

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

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

9. Code Section 409A .

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

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

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

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

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

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

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

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

10. General Provisions .

10.1 Entire Agreement . This Offer Letter, together with the plans and documents referred to herein, constitutes and expresses the whole agreement of the parties hereto with reference to any of the matters or things herein provided for or herein before discussed or mentioned with reference to your employment. All promises, representation, collateral agreements and undertakings not expressly incorporated in this Offer Letter are hereby superseded by this Offer Letter. For the avoidance of doubt, this Offer Letter supersedes and replaces the Offer Letter dated February 14, 2013 between you and the Company.

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

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

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

10.5 **Severability.** The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Offer Letter shall not affect the enforceability of the remaining portions of the Offer Letter or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more of the words, phrases, sentences, clauses or sections contained in the Offer Letter shall be declared invalid, the Offer Letter shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted.

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

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

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

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

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

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

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

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

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

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

Yours truly,

Jerry Fowden, CEO Cott Corporation

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

	26 th Mar 2015
Steven Kitching	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.

" **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.

" **Severance Plan** " shall mean the Cott Corporation Severance and Non-Competition Plan.

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

Exhibit 31.1

CERTIFICATION 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 Rules13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules13a-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.

/s/ Jerry Fowden

Jerry Fowden
Chief Executive Officer
Dated: August 5, 2015

Exhibit 31.2

CERTIFICATION 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 Rules13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules13a-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.

/s/ Jay Wells

Jay Wells
Chief Financial Officer
Dated: August 5, 2015

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 July 4, 2015 (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 5 th day of August, 2015.

/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 July 4, 2015 (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 5 th day of August, 2015.

/s/ Jay Wells

Jay Wells
Chief Financial Officer