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FORM 10-Q
(Quarterly Report)

Filed 11/09/17 for the Period Ending 09/30/17

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

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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: September 30, 2017

☐ **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**
4221 WEST BOY SCOUT BOULEVARD **TAMPA, FLORIDA, UNITED STATES** **(Address of principal executive offices)**	**33607** **(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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the 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 November 2, 2017
Common Shares, no par value per share	139,298,082 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 Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Revenue, net	**$ 580.9**	$ 476.7	**$ 1,698.4**	1,102.0
Cost of sales	**288.1**	229.0	**849.7**	510.4
Gross profit	**292.8**	247.7	**848.7**	591.6
Selling, general and administrative expenses	**262.8**	225.3	**777.8**	547.7
(Gain) loss on disposal of property, plant & equipment, net	**(0.4)**	1.4	**4.8**	4.6
Acquisition and integration expenses	**3.2**	7.4	**17.2**	20.5
Operating income	**27.2**	13.6	**48.9**	18.8
Other expense (income), net	**1.5**	0.2	**(1.1)**	—
Interest expense, net	**23.2**	14.5	**62.1**	29.2
Income (loss) from continuing operations before income taxes	**2.5**	(1.1)	**(12.1)**	(10.4)
Income tax expense (benefit)	**0.9**	2.9	**1.0**	(4.8)
Net income (loss) from continuing operations	**$ 1.6**	$ (4.0)	**$ (13.1)**	$ (5.6)
Net income from discontinued operations, net of income taxes (Note 3)	**43.0**	2.9	**1.0**	12.0
Net income (loss)	**$ 44.6**	$ (1.1)	**$ (12.1)**	$ 6.4
Less: Net income attributable to non-controlling interests - discontinued operations	**2.1**	1.5	**6.4**	4.4
Net income (loss) attributable to Cott Corporation	**$ 42.5**	$ (2.6)	**$ (18.5)**	$ 2.0
Net income (loss) per common share attributable to Cott Corporation				
Basic:				
Continuing operations	**$ 0.01**	$ (0.03)	**$ (0.09)**	$ (0.04)
Discontinued operations	**$ 0.29**	$ 0.01	**$ (0.04)**	$ 0.06
Net income (loss)	**$ 0.30**	$ (0.02)	**$ (0.13)**	$ 0.02
Diluted:				
Continuing operations	**$ 0.01**	$ (0.03)	**$ (0.09)**	$ (0.04)
Discontinued operations	**$ 0.29**	$ 0.01	**$ (0.04)**	$ 0.06
Net income (loss)	**$ 0.30**	$ (0.02)	**$ (0.13)**	$ 0.02
Weighted average common shares outstanding (in thousands)				
Basic	**139,205**	138,195	**138,980**	124,900
Diluted	**141,003**	138,195	**138,980**	124,900
Dividends declared per common share	**$ 0.06**	$ 0.06	**$ 0.18**	$ 0.18

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

Cott Corporation

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net income (loss)	**$ 44.6**	$ (1.1)	**$ (12.1)**	$ 6.4
Other comprehensive income (loss):				
Currency translation adjustment	**3.9**	(5.9)	**26.1**	(23.8)
Pension benefit plan, net of tax [1]	**(0.2)**	—	**(0.4)**	0.2
Gain (loss) on derivative instruments, net of tax [2]	**0.5**	0.7	**(0.5)**	3.8
Total other comprehensive income (loss)	**4.2**	(5.2)	**25.2**	(19.8)
Comprehensive income (loss)	**$ 48.8**	$ (6.3)	**$ 13.1**	$ (13.4)
Less: Comprehensive income attributable to non-controlling interests	**2.1**	1.5	**6.4**	4.4
Comprehensive income (loss) attributable to Cott Corporation	**$ 46.7**	$ (7.8)	**$ 6.7**	$ (17.8)

1. Net of the effect of $0.3 million tax expense for the nine months ended September 30, 2017, and $0.1 million and $0.3 million tax benefit for the three and nine months ended October 1, 2016, respectively.
2. Net of the effect of $0.8 million and $2.3 million tax benefit for the three and nine months ended October 1, 2016, 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

	September 30, 2017	December 31, 2016
ASSETS		
Current assets		
Cash & cash equivalents	**$ 82.0**	$ 78.1
Accounts receivable, net of allowance of $8.1 ($6.3 as of December 31, 2016)	**311.6**	276.7
Inventories	**142.3**	124.6
Prepaid expenses and other current assets	**22.2**	22.1
Current assets of discontinued operations	**426.5**	351.7
Total current assets	**984.6**	853.2
Property, plant & equipment, net	**590.4**	581.8
Goodwill	**1,097.0**	1,048.3
Intangible assets, net	**763.9**	759.0
Deferred tax assets	**2.2**	—
Other long-term assets, net	**36.8**	24.0
Long-term assets of discontinued operations	**673.6**	673.4
Total assets	**$ 4,148.5**	$ 3,939.7
LIABILITIES AND EQUITY		
Current liabilities		
Current maturities of long-term debt	**$ 2.6**	$ 2.9
Accounts payable and accrued liabilities	**453.1**	368.0
Current liabilities of discontinued operations	**519.1**	439.2
Total current liabilities	**974.8**	810.1
Long-term debt	**1,534.0**	851.4
Deferred tax liabilities	**131.9**	155.0
Other long-term liabilities	**67.5**	75.4
Long-term liabilities of discontinued operations	**566.5**	1,174.0
Total liabilities	**3,274.7**	3,065.9
Equity		
Common shares, no par - 139,268,878 (December 31, 2016 -138,591,100) shares issued	**915.5**	909.3
Additional paid-in-capital	**63.3**	54.2
(Accumulated deficit) retained earnings	**(20.7)**	22.9
Accumulated other comprehensive loss	**(92.7)**	(117.9)
Total Cott Corporation equity	**865.4**	868.5
Non-controlling interests	**8.4**	5.3
Total equity	**873.8**	873.8
Total liabilities and equity	**$ 4,148.5**	$ 3,939.7

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

Cott Corporation

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

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Cash flows from operating activities of continuing operations:				
Net income (loss)	**$ 44.6**	$ (1.1)	**$ (12.1)**	$ 6.4
Net income from discontinued operations, net of income taxes	**43.0**	2.9	**1.0**	12.0
Net income (loss) from continuing operations	**1.6**	(4.0)	**(13.1)**	(5.6)
Adjustments to reconcile net income (loss) from continuing operations to cash flows from operating activities:				
Depreciation & amortization	**49.4**	41.2	**141.8**	102.6
Amortization of financing fees	**0.6**	0.3	**1.4**	0.3
Amortization of senior notes premium	**(1.1)**	(1.5)	**(3.9)**	(4.4)
Share-based compensation expense	**2.1**	(0.9)	**11.1**	4.0
Benefit for deferred income taxes	**(3.1)**	1.3	**1.4**	(11.3)
Unrealized commodity hedging gain, net	**(0.4)**	(1.0)	**(1.9)**	(0.8)
Gain on extinguishment of debt, net	**—**	—	**(1.5)**	—
(Gain) loss on disposal of property, plant & equipment, net	**(0.4)**	1.4	**4.8**	4.6
Other non-cash items	**(8.4)**	8.5	**(13.2)**	7.7
Change in operating assets and liabilities, net of acquisitions:				
Accounts receivable	**(16.4)**	4.6	**(36.7)**	(18.5)
Inventories	**(4.9)**	7.4	**(14.5)**	10.6
Prepaid expenses and other current assets	**2.5**	1.6	**(0.3)**	(3.5)
Other assets	**0.7**	(1.0)	**4.8**	0.6
Accounts payable and accrued liabilities and other liabilities	**24.0**	(6.8)	**58.5**	(14.4)
Net cash provided by operating activities from continuing operations	**46.2**	51.1	**138.7**	71.9
Cash flows from investing activities of continuing operations:				
Acquisitions, net of cash received	**(3.4)**	(912.5)	**(33.4)**	(958.7)
Additions to property, plant & equipment	**(38.2)**	(32.4)	**(97.1)**	(69.3)
Additions to intangible assets	**(3.4)**	(1.2)	**(6.0)**	(2.3)
Proceeds from sale of property, plant & equipment	**3.1**	1.3	**6.0**	1.5
Other investing activities	**0.5**	—	**0.9**	—
Net cash used in investing activities from continuing operations	**(41.4)**	(944.8)	**(129.6)**	(1,028.8)

Cash flows from financing activities of continuing operations:				
Payments of long-term debt	**(0.3)**	(0.8)	**(101.9)**	(0.9)
Issuance of long-term debt	**—**	—	**750.0**	498.7
Premiums and costs paid upon extinguishment of long-term debt	**—**	—	**(7.7)**	—
Issuance of common shares	**2.1**	2.4	**2.9**	366.6
Common shares repurchased and cancelled	**(0.1)**	(3.4)	**(1.9)**	(4.5)
Financing fees	**—**	(9.6)	**(11.1)**	(9.6)
Dividends paid to common shareholders	**(8.4)**	(8.4)	**(25.1)**	(23.1)
Payment of contingent consideration for acquisitions	**—**	(10.8)	**—**	(10.8)
Other financing activities	**—**	—	**0.5**	—
Net cash (used in) provided by financing activities from continuing operations	**(6.7)**	(30.6)	**605.7**	816.4
Cash flows from discontinued operations:				
Operating activities of discontinued operations	**47.4**	44.9	**56.1**	87.5
Investing activities of discontinued operations	**(13.3)**	(8.2)	**(36.7)**	(29.3)
Financing activities of discontinued operations	**(9.2)**	257.9	**(610.5)**	128.3
Net cash provided by (used in) discontinued operations	**24.9**	294.6	**(591.1)**	186.5
Effect of exchange rate changes on cash	**2.0**	(4.0)	**6.4**	(4.2)
Net increase (decrease) in cash, cash equivalents and restricted cash	**25.0**	(633.7)	**30.1**	41.8
Cash, cash equivalents and restricted cash, beginning of period	**123.2**	752.6	**118.1**	77.1
Cash & cash equivalents, end of period	**148.2**	118.9	**148.2**	118.9
Cash & cash equivalents of discontinued operations, end of period	**66.2**	27.5	**66.2**	27.5
Cash & cash equivalents from continuing operations, end of period	**$ 82.0**	$ 91.4	**$ 82.0**	$ 91.4
Supplemental Non-cash Investing and Financing Activities:				
Accrued deferred financing fees	**$ —**	$ 0.7	**$ 0.6**	$ 0.7
Additions to property, plant & equipment through accounts payable and accrued liabilities and other liabilities	**6.8**	5.8	**6.9**	7.1
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	**$ 12.6**	$ 17.5	**$ 45.4**	$ 35.1
Cash (received) paid for income taxes, net	**(0.1)**	0.2	**1.7**	4.2

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

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 Deficit)	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interests	Total Equity
Balance at January 2, 2016	**109,695**	**$ 534.7**	**$ 51.2**	**$ 129.6**	**$ (76.2)**	**$ 6.6**	**$645.9**
Cumulative effect adjustment	—	—	—	2.8	—	—	2.8
Common shares repurchased and cancelled	(302)	(4.5)	—	—	—	—	(4.5)
Common shares issued - Equity Incentive Plan	1,012	12.5	(3.7)	—	—	—	8.8
Common shares issued - Equity issuance	27,853	363.6	—	—	—	—	363.6
Common shares issued - Dividend Reinvestment Plan	14	0.2	—	—	—	—	0.2
Common shares issued - Employee Stock Purchase Plan	74	0.9	(0.1)	—	—	—	0.8
Share-based compensation	—	—	5.7	—	—	—	5.7
Common shares dividends	—	—	—	(23.1)	—	—	(23.1)
Distributions to non-controlling interests	—	—	—	—	—	(5.9)	(5.9)
Comprehensive (loss) income							
Currency translation adjustment	—	—	—	—	(23.8)	—	(23.8)
Pension benefit plan, net of tax	—	—	—	—	0.2	—	0.2
Unrealized gain on derivative instruments, net of tax	—	—	—	—	3.8	—	3.8
Net income	—	—	—	2.0	—	4.4	6.4
Balance at October 1, 2016	**138,346**	**$ 907.4**	**$ 53.1**	**$ 111.3**	**$ (96.0)**	**$ 5.1**	**$980.9**
Balance at December 31, 2016	**138,591**	**$ 909.3**	**$ 54.2**	**$ 22.9**	**$ (117.9)**	**$ 5.3**	**$873.8**
Common shares repurchased and cancelled	(165)	(1.9)	—	—	—	—	(1.9)
Common shares issued - Equity Incentive Plan	708	6.4	(5.0)	—	—	—	1.4
Common shares issued - Dividend Reinvestment Plan	27	0.3	—	—	—	—	0.3
Common shares issued - Employee Stock Purchase Plan	108	1.4	(0.2)	—	—	—	1.2
Share-based compensation	—	—	14.3	—	—	—	14.3
Common shares dividends	—	—	—	(25.1)	—	—	(25.1)
Distributions to non-controlling interests	—	—	—	—	—	(3.3)	(3.3)
Comprehensive income (loss)							
Currency translation adjustment	—	—	—	—	26.1	—	26.1
Pension benefit plan, net of tax	—	—	—	—	(0.4)	—	(0.4)
Loss on derivative instruments, net of tax	—	—	—	—	(0.5)	—	(0.5)
Net (loss) income	—	—	—	(18.5)	—	6.4	(12.1)
Balance at September 30, 2017	**139,269**	**$ 915.5**	**$ 63.3**	**$ (20.7)**	**$ (92.7)**	**$ 8.4**	**$873.8**

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

As used herein, “Cott,” “the Company,” “our Company,” “Cott Corporation,” “we,” “us,” or “our” refers to Cott Corporation, together with its consolidated subsidiaries. Cott is a diversified beverage company with a leading volume-based national presence in the North America and European home and office delivery (“HOD”) industry for bottled water, a leader in custom coffee roasting and blending of iced tea for the U.S. foodservice industry, and a leader in the production of beverages on behalf of retailers, brand owners and distributors. Our platform reaches over 2.3 million customers or delivery points across North America and Europe supported by strategically located sales and distribution facilities and fleets, as well as wholesalers and distributors. This enables us to efficiently service residences, businesses, restaurant chains, hotels and motels, small and large retailers, and healthcare facilities.

On July 24, 2017, we entered into a Share Purchase Agreement (the “Purchase Agreement”) with Refresco Group N.V., a Netherlands limited liability company (“Refresco”), pursuant to which we will sell to Refresco our carbonated soft drinks (“CSDs”) and juice businesses via the sale of our North America, United Kingdom (“U.K.”) and Mexico business units (including the Canadian business) and our Royal Crown International (“RCI”) finished goods export business (collectively, “Traditional Business”). Accordingly, as a result of the sale of the Traditional Business representing a strategic shift in our operations, those businesses are presented herein as discontinued operations. See Note 3 to the consolidated financial statements for additional information on discontinued operations. The Traditional Business excludes our Route Based Services and Coffee, Tea and Extract Solutions reporting segments, and RCI concentrate business, the Columbus manufacturing facility and our Aimia Foods (“Aimia”) business.

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. In the opinion of management, all adjustments (consisting of normal recurring adjustments) 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. The consolidated balance sheet as of December 31, 2016 included herein was derived from the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (“2016 Annual Report”). This Quarterly Report on Form 10-Q should be read in conjunction with the annual audited consolidated financial statements and accompanying notes in our 2016 Annual Report. 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 GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. During the third quarter of 2017, we reviewed our reporting segments as a result of the Refresco transaction. Following such review, we reorganized our reporting segments into three reporting segments: Route Based Services (which includes our DS Services of America, Inc. (“DSS”), Aquaterra Corporation (“Aquaterra”) and Eden Springs Europe B.V. (“Eden”) businesses), Coffee, Tea & Extract Solutions (which includes our S. & D. Coffee, Inc. (“S&D”) business) and All Other (which includes our Aimia and RCI concentrate businesses, the Columbus manufacturing facility and other miscellaneous expenses). Segment reporting results have been recast to reflect these changes for all periods presented.

Changes in Presentation

Certain prior period amounts have been reclassified to conform to current period presentation in the accompanying consolidated statements of operations, consolidated balance sheets and consolidated statements of cash flows. These reclassifications had no effect on operations, results of operations or net cash provided by operating activities.

Significant Accounting Policies

Included in Note 1 of the 2016 Annual Report is a summary of the Company’s significant accounting policies. Provided below is a summary of additional accounting policies that are significant to the financial results of the Company.

Cost of sales

We record costs associated with the manufacturing of our products in costs of sales. Shipping and handling costs incurred to store, prepare and move products between production facilities or from production facilities to branch locations or storage facilities are recorded in cost of sales. Costs incurred in shipment of products from our production facilities to customer locations are also reflected in cost of sales, with the exception of shipping and handling costs incurred to deliver products from our Route Based Services and Coffee, Tea and Extract Solutions segment branch locations to the end-user consumer of those products, which are recorded in selling, general and administrative (“SG&A”) expenses. These shipping and handling costs totaled $123.2 million and $339.0 million for the three and nine months ended September 30, 2017, respectively, and $92.4 million and $240.3 million for the three and nine months ended October 1, 2016, respectively. Finished goods inventory costs include the cost of direct labor and materials and the applicable share of overhead expense chargeable to production.

Goodwill

Goodwill represents the excess purchase price of acquired businesses over the fair value of the net assets acquired. Goodwill is not amortized, but instead is tested for impairment at least annually. The following table summarizes our goodwill on a reporting segment basis as of September 30, 2017:

	Reporting Segment			
(in millions of U.S. dollars)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Balance December 31, 2016	$ 886.5	$ 117.1	$ 44.7	$1,048.3
Goodwill acquired during the year	7.0	—	1.3	8.3
Adjustments [1]	0.1	0.7	—	0.8
Foreign exchange	35.6	—	4.0	39.6
Balance September 30, 2017	$ 929.2	$ 117.8	$ 50.0	$1,097.0

1. During the nine months ended September 30, 2017, we recorded adjustments to goodwill allocated to the Route Based Services and the Coffee, Tea and Extract Solutions segments in connection with the acquisitions of Eden and S&D (see Note 4 to the consolidated financial statements).

Discontinued Operations

In July 2017, the Company’s Board of Directors committed to a plan to sell our Traditional Business. The closing of the transaction is subject to certain customary closing conditions, including regulatory approval from the United Kingdom. Approval from Refresco’s stockholders was received in September 2017 and accordingly, the Company has presented this portion of our business as discontinued operations beginning in the third quarter of 2017. The Company has reclassified the financial results of the Traditional Business to net income from discontinued operations, net of income taxes in the consolidated statements of operations for all periods presented. The Company has also reclassified the related assets and liabilities as current and long-term assets and liabilities of discontinued operations on the accompanying consolidated balance sheets as of September 30, 2017 and December 31, 2016. Cash flows from the Company’s discontinued operations are presented in the consolidated statements of cash flows for all periods presented. See Note 3 to the consolidated financial statements for additional information on discontinued operations.

Recently adopted accounting pronouncements

In July 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2015-11 – Inventory (Topic 330) to simplify the accounting for inventory. The guidance requires entities to measure most inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The Company adopted the provisions of this guidance effective January 1, 2017, and applied it prospectively to all periods presented. The adoption of this standard did not have a material impact on the Company’s financial statements.

In March 2016, the FASB issued ASU 2016-09—Compensation – Stock Compensation (Topic 718). We elected to early adopt this standard in the fourth quarter of 2016, effective as of the beginning of the Company’s 2016 fiscal year. Amendments requiring the recognition of excess tax benefits and tax deficiencies within the consolidated statements of operations were adopted prospectively and resulted in an increase of $1.0 million and $1.2 million in income tax benefit and net income (loss) from continuing operations for the three and nine months ended October 1, 2016.

Recently issued accounting pronouncements

Changes to GAAP are established by the FASB in the form of 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 our 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.

During the first half of 2017, we hired a third-party consultant to assist in the adoption of this standard, developed a scoping phase project plan, identified an inventory of revenue streams and are currently in the contract review phase. We are continuing our progress in the contract review phase and are identifying gaps between our current revenue recognition policies and the new standard so that we can quantify and assess the impact to our consolidated financial statements.

Update ASU 2016-02 – Leases (Topic 842)

In February 2016, the FASB issued an update to its guidance on lease accounting. This update revises accounting for operating leases by a lessee, among other changes, and requires a lessee to recognize a liability to make lease payments and an asset representing its right to use the underlying asset for the lease term in the balance sheet. The distinction between finance and operating leases has not changed and the update does not significantly change the effect of finance and operating leases on the consolidated statements of operations and the consolidated statements of cash flows. Additionally, this update requires both qualitative and specific quantitative disclosures. For public entities, the amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. At adoption, this update will be applied using a modified retrospective approach. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Update ASU 2016-13 – Financial Instruments—Credit Losses (Topic 326)

In June 2016, the FASB amended its guidance to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Entities will now use forward-looking information to better form their credit loss estimates. The amended guidance also requires enhanced disclosures to help financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption will be permitted for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. This guidance will be applied using a prospective or modified retrospective transition method, depending on the area covered in this update. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Update ASU 2017-01 – Business Combinations (Topic 805)

In January 2017, the FASB amended its guidance regarding business combinations. The amendment clarified the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The amendments provide an analysis of fair value of assets acquired to determine when a set of assets is not a business, and uses more stringent criteria related to inputs, substantive process, and outputs to determine if a business exists. The amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. The amendments in this update should be applied prospectively on or after the effective date with no requirement for disclosures at transition. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Update ASU 2017-04 – Intangibles—Goodwill and Other (Topic 350)

In January 2017, the FASB amended its guidance regarding goodwill impairment. The amendments remove certain conditions of the goodwill impairment test and simplify the computation of impairment. The amendments in this update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted for any tests performed after January 1, 2017. The amendments in this update should be applied prospectively, with disclosure required as to the nature of and reason for the change in accounting principle upon transition. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Update ASU 2017-07 – Compensation—Retirement Benefits (Topic 715)

In March 2017, the FASB issued an update to its guidance on presentation of net periodic pension cost and net periodic post-retirement pension cost, and requires the service cost component to be presented in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations. The amendments in this update also allow only the service cost component to be eligible for capitalization when applicable. For public entities, the amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, with early adoption permitted. At adoption, this update will be applied retrospectively for the presentation of the service cost component and other components of net periodic pension cost and net periodic post-retirement benefit cost in the income statement and prospectively, on or after the effective date, for the capitalization of the service cost component of net periodic pension cost and net periodic post-retirement benefit in assets. Additionally, in the period of adoption, an entity should provide disclosures about a change in accounting principle. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Update ASU 2017-08 – Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20)

In March 2017, the FASB amended its guidance on accounting for debt securities. The amendments shorten the amortization period for certain callable debt securities held at a premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. For public entities, the amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. At adoption, this update will be applied using a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. Additionally, in the period of adoption, an entity should provide disclosures about a change in accounting principle. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Update ASU 2017-09 – Stock Compensation – Scope of Modification Accounting (Topic 718)

In May 2017, the FASB amended its guidance regarding the scope of modification accounting for share-based compensation arrangements. The amendments provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. For public entities, the amendments in this update are effective for fiscal years beginning after December 15, 2017. Early adoption is permitted, including adoption in any interim period, for public entities for reporting periods for which financial statements have not yet been issued. The amendments in this update should be applied prospectively to an award modified on or after the adoption date. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Update ASU 2017-12 – Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities

In August 2017, the FASB amended its guidance regarding the improvement of accounting for hedging transactions. This new standard simplifies and expands the eligible hedging strategies for financial and non-financial risks. It also enhances the transparency of how hedging results are presented and disclosed. Further, the new standard provides partial relief on the timing of certain aspects of hedge documentation and eliminates the requirement to recognize hedge ineffectiveness separately in earnings. The guidance is designed to align hedge accounting with a company's risk management activities and simplifies its application through targeted improvements by expanding the list of items eligible to be hedged and amending the methods used to measure the effectiveness of hedging relationships. Additionally it prescribes how hedging results should be presented and requires incremental disclosures. The amendments in this update are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early application is permitted in any interim period after issuance of this update. We are currently assessing the impact of adoption of this standard on our consolidated financial statements.

Note 2 – Revision of Previously Reported Financial Information

During the fourth quarter of 2016, the Company adopted ASU 2016-18 – Statement of Cash Flows (Topic 230): Restricted Cash, which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and restricted cash, and that adoption be applied retrospectively. During the second quarter of 2017, we failed to retrospectively adjust our 2016 comparative consolidated statements of cash flows for the second quarter 2016 issuance of $498.7 million of our 5.500% senior notes due 2024 (the “2024 Notes”), the cash proceeds of which were restricted for a subsequent acquisition. Prior to the adoption of ASU 2016-18, this restricted use financing was disclosed as a non-cash investing and financing activity. In connection with this revision, we are also correcting other immaterial cash flow errors. For the three and six months ended July 2, 2016, these errors resulted in our cash provided from operating activities being overstated by $2.6 and $5.5 million, our cash used in investing activities being overstated by $4.1 and $7.0 million, and our cash provided from financing activities being understated by $498.7 and $498.7 million. As a result of this error, cash, cash equivalents and restricted cash, end of period, was understated by $503.1 million as of July 2, 2016 in the consolidated statement of cash flows.

We have also corrected other immaterial items in the consolidated statements of cash flows for the three and nine months ended October 1, 2016, as presented herein. These corrections increase cash provided by operating activities from continuing operations and cash flows used in investing activities from continuing operations by $3.1 million for the three months ended October 1, 2016 and decreased cash flows provided by operating activities from continuing operations and cash flows used in investing activities from continuing operations by $1.1 million for the nine months ended October 1, 2016. These corrections also impacted the supplemental disclosure of additions to property, plant & equipment through accounts payable and accrued liabilities by $1.1 million for the nine months ended October 1, 2016.

As a result of the revision, our ending cash, cash equivalents and restricted cash in the statements of cash flows for the three and six months ended July 2, 2016, now reconcile to the ending cash and restricted cash as presented on the consolidated balance sheet as of July 2, 2016, within the Form 10-Q filed August 9, 2016.

We have evaluated these errors and determined they are not material to the previously issued financial statements and have elected to revise our previously issued consolidated statements of cash flows for the three and six months ended July 2, 2016 as follows:

	For the Three Months Ended July 2, 2016		
(in millions of U.S. dollars)	As Previously Reported	Adjustments	As Revised
Other non-cash items	$ 2.6	$ (1.3)	$ 1.3
Accounts payable and accrued liabilities and other liabilities	44.6	(1.3)	43.3
Net cash provided by operating activities	**87.6**	**(2.6)**	**85.0**
Additions to property, plant & equipment	(33.2)	1.3	(31.9)
Other investing activities	(2.8)	2.8	—
Net cash used in investing activities	**(38.6)**	**4.1**	**(34.5)**
Issuance of long-term debt	—	498.7	498.7
Net cash provided by financing activities	**147.5**	**498.7**	**646.2**
Effect of exchange rate changes on cash	(2.1)	2.9	0.8
Net (decrease) increase in cash, cash equivalents, and restricted cash	**194.4**	**503.1**	**697.5**
Cash & cash equivalents, beginning of period	55.1	—	55.1
Cash, cash equivalents and restricted cash, end of period	249.5	503.1	752.6
Supplemental Non-cash Investing and Financing Activities:			
Long-term debt funded to escrow	498.7	(498.7)	—
Additions to property, plant & equipment through accounts payable and accrued liabilities	10.2	1.3	11.5

(in millions of U.S. dollars)	For the Six Months Ended July 2, 2016 As Previously Reported	Adjustments	As Revised
Other non-cash items	$ 0.9	$ (1.3)	$ (0.4)
Accounts payable and accrued liabilities and other liabilities	11.1	(4.2)	6.9
Net cash provided by operating activities	**68.9**	**(5.5)**	**63.4**
Additions to property, plant & equipment	(62.7)	4.2	(58.5)
Other investing activities	(2.8)	2.8	—
Net cash used in investing activities	**(112.1)**	**7.0**	**(105.1)**
Issuance of long-term debt	—	498.7	498.7
Net cash provided by financing activities	**218.7**	**498.7**	**717.4**
Effect of exchange rate changes on cash	(3.1)	2.9	(0.2)
Net (decrease) increase in cash, cash equivalents, and restricted cash	**172.4**	**503.1**	**675.5**
Cash & cash equivalents, beginning of period	77.1	—	77.1
Cash, cash equivalents and restricted cash, end of period	249.5	503.1	752.6
Supplemental Non-cash Investing and Financing Activities:			
Long-term debt funded to escrow	498.7	(498.7)	—
Additions to property, plant & equipment through accounts payable and accrued liabilities	11.4	4.2	15.6

Note 3 — Discontinued Operations

On July 24, 2017, the Company entered into a Purchase Agreement with Refresco, pursuant to which the Company will sell to Refresco its Traditional Business. The transaction is structured as a sale of the assets of the Canadian business and a sale of the stock of the operating subsidiaries engaged in the Traditional Business in the other jurisdictions after the Company completes an internal reorganization. The Traditional Business excludes our Route Based Services and Coffee, Tea and Extract Solutions reporting segments, and RCI's concentrate business, the Columbus manufacturing facility and our Aimia business. The Traditional Business produces, either directly or through third-party manufacturers through co-packing arrangements, CSDs, 100% shelf stable juice and juice-based products, clear, still and sparkling flavored waters, energy drinks and shots, sports drinks, new age beverages, ready-to-drink teas, liquid enhancers, freezables, and ready-to-drink alcoholic beverages. The closing of the transaction is subject to receipt of regulatory approval in the United Kingdom. The aggregate deal consideration is $1.25 billion, is payable at closing in cash, subject to adjustment for indebtedness, working capital, and other items, and is expected to close near the end of 2017. The Company intends to use the proceeds of the transaction to repay indebtedness and reduce overall leverage.

Upon closing of the sale of the Traditional Business, the Company and Refresco will enter into a Transition Services Agreement pursuant to which the Company and Refresco will provide certain services to each other for various service periods, with the longest service period being 18 months, including tax and accounting services, certain human resources services, communications systems and support, and insurance/risk management. Each party will be compensated for services rendered as set forth in the Transition Services Agreement. Each service period may be extended as set forth in the Transition Services Agreement, up to a maximum extension of 180 days.

In addition, upon closing the Company and Refresco will enter into certain Co-pack Manufacturing Agreements pursuant to which the Company and Refresco will manufacture and supply certain beverage products for each other and a Concentrate Supply Agreement pursuant to which the Company will supply concentrates to Refresco. Each party will be compensated for the products they supply as set forth in the applicable agreements. The Co-pack Manufacturing Agreements provide for a term of 36 months and the Concentrate Supply Agreement provides for a term that is coterminous with the term of the Transition Services Agreement.

For all periods presented, the operating results associated with the Traditional Business have been reclassified into net income from discontinued operations, net of income taxes in the consolidated statements of operations and the assets and liabilities associated with this business have been reflected as assets and liabilities of discontinued operations in the consolidated balance sheets.

The major components of net income from discontinued operations, net of income taxes in the consolidated statements of operations include the following:

	For the Three Months Ended		For the Nine Months Ended	
(in millions of U.S. dollars)	**September 30, 2017**	**October 1, 2016**	**September 30, 2017**	**October 1, 2016**
Revenue, net	**$ 425.6**	$ 419.3	**$ 1,244.7**	$ 1,282.7
Cost of sales	**371.3**	361.3	**1,093.4**	1,102.0
Operating income from discontinued operations	**13.9**	21.0	**33.6**	67.1
Income (loss) from discontinued operations, before income taxes	**12.1**	4.5	**(27.5)**	9.5
Income tax (benefit) expense [1]	**(30.9)**	1.6	**(28.5)**	(2.5)
Net income from discontinued operations, net of income taxes	**43.0**	2.9	**1.0**	12.0
Less: Net income attributable to non-controlling interests	**2.1**	1.5	**6.4**	4.4
Net income (loss) attributable to Cott Corporation – discontinued operations	**$ 40.9**	$ 1.4	**$ (5.4)**	$ 7.6

1. The pending transaction with Refresco is anticipated to result in a gain on sale which led to certain U.S. deferred tax liabilities being considered as a source of future taxable income. As a result, we recognized a tax benefit of approximately $26.9 million related to a corresponding U.S. valuation allowance release.

Assets and liabilities of discontinued operations presented in the consolidated balance sheets as of September 30, 2017 and December 31, 2016 include the following:

(in millions of U.S. dollars)	September 30, 2017	December 31, 2016
ASSETS		
Cash & cash equivalents	$ **66.2**	$ 40.0
Accounts receivable, net	**165.2**	127.2
Inventories	**184.7**	176.8
Prepaid expenses and other current assets	**10.4**	7.7
Current assets of discontinued operations	**426.5**	351.7
Property, plant & equipment, net	**341.9**	348.1
Goodwill	**136.9**	127.1
Intangible assets, net	**175.7**	180.7
Other long-term assets, net	**19.1**	17.5
Long-term assets of discontinued operations	$ **673.6**	$ 673.4
LIABILITIES		
Short-term borrowings	**247.6**	207.0
Current maturities of long-term debt	**2.9**	2.8
Accounts payable and accrued liabilities	**268.6**	229.4
Current liabilities of discontinued operations	**519.1**	439.2
Long-term debt	**519.8**	1,136.6
Deferred tax liabilities	**0.8**	2.8
Other long-term liabilities	**45.9**	34.6
Long-term liabilities of discontinued operations	$ **566.5**	$ 1,174.0

Note 4—Acquisitions

S&D Acquisition

On August 11, 2016, the Company acquired S. & D. Coffee, Inc. ("S&D"), a premium coffee roaster and provider of customized coffee, tea and extract solutions pursuant to a Stock and Membership Interest Purchase Agreement dated August 3, 2016 (the "S&D Acquisition"). The purchase price consideration of $353.6 million was allocated to the assets acquired and liabilities assumed based on their fair values as of the acquisition date. Measurement period adjustments recorded during the nine months ended September 30, 2017 included adjustments to property, plant & equipment and a related adjustment to deferred taxes based on the results of the validation procedures performed as well as an adjustment to income taxes payable existing at the acquisition date. The measurement period adjustments did not have a material effect on our results of operations in prior periods.

The table below summarizes the originally reported estimated acquisition date fair values, measurement period adjustments recorded and the final purchase price allocation of the assets acquired and liabilities assumed:

(in millions of U.S. dollars)	Originally Reported	Measurement Period Adjustments	Acquired Value
Cash	$ 1.7	$ —	$ 1.7
Accounts receivable	51.4	—	51.4
Inventory	62.5	—	62.5
Prepaid expenses and other assets	2.3	—	2.3
Property, plant & equipment	92.9	(0.7)	92.2
Goodwill	117.1	0.7	117.8
Intangible assets	119.0	—	119.0
Other assets	2.2	—	2.2
Accounts payable and accrued liabilities	(46.7)	(0.2)	(46.9)
Deferred tax liabilities	(43.3)	0.2	(43.1)
Other long-term liabilities	(5.5)	—	(5.5)
Total	$ 353.6	$ —	$ 353.6

Eden Acquisition

On August 2, 2016, the Company acquired Eden Springs Europe B.V., a leading provider of water and coffee solutions in Europe (“Eden”), pursuant to a Share Purchase Agreement dated June 7, 2016 (the “Eden Acquisition”). The purchase price consideration of €515.9 million (U.S. $576.3 million at the exchange rate in effect on the acquisition date), was allocated to the assets acquired and liabilities assumed based on their fair values as of the acquisition date. Measurement period adjustments recorded during the nine months ended September 30, 2017 included adjustments to property, plant & equipment and a related adjustment to deferred taxes based on the results of the validation procedures performed, adjustments to accounts receivable, intangible assets and accrued liabilities based on a final review of fair values, and an adjustment to other long-term liabilities based on a final analysis of certain tax positions. The measurement period adjustments did not have a material effect on our results of operations in prior periods.

The table below summarizes the originally reported estimated acquisition date fair values, measurement period adjustments recorded and the final purchase price allocation of the assets acquired and liabilities assumed:

(in millions of U.S. dollars)	Originally Reported	Measurement Period Adjustments	Acquired Value
Cash & cash equivalents	$ 19.6	$ —	$ 19.6
Accounts receivable	95.4	(1.0)	94.4
Inventories	17.7	—	17.7
Prepaid expenses and other current assets	6.2	—	6.2
Property, plant & equipment	107.1	(8.2)	98.9
Goodwill	299.7	0.1	299.8
Intangible assets	213.2	(0.7)	212.5
Other assets	2.8	—	2.8
Deferred tax assets	19.5	—	19.5
Current maturities of long-term debt	(2.7)	—	(2.7)
Accounts payable and accrued liabilities	(128.3)	(0.5)	(128.8)
Long-term debt	(3.1)	—	(3.1)
Deferred tax liabilities	(49.5)	3.5	(46.0)
Other long-term liabilities	(21.3)	6.8	(14.5)
Total	$ 576.3	$ —	$ 576.3

Supplemental Pro Forma Data (unaudited)

The following unaudited pro forma financial information for the three and nine months ended October 1, 2016, represent the combined results of operations as if the S&D Acquisition and Eden Acquisition had occurred on January 4, 2015. Unaudited pro forma consolidated results of operations for the acquisition of Aquaterra Corporation (“Aquaterra”) in

January 2016 were not included in the combined results of our operations for the three and nine months ended October 1, 2016 because the Company determined they were immaterial. The unaudited pro forma financial information results reflect certain adjustments related to these acquisitions such as increased amortization expense on acquired intangible assets resulting from the preliminary fair valuation of assets acquired. 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 per share amounts)	For the Three Months Ended October 1, 2016	For the Nine Months Ended October 1, 2016
Revenue	$ 588.6	$ 1,664.3
Net income from continuing operations	12.8	18.0
Net income attributable to Cott Corporation	13.9	23.4
Net income per common share from continuing operations	$ 0.08	$ 0.13
Net income per common share attributable to Cott Corporation, diluted	$ 0.09	$ 0.17

Note 5—Share-based Compensation

During the nine months ended September 30, 2017, the Company granted 84,060 common shares to the non-management members of our board of directors under the Amended and Restated Cott Corporation Equity Incentive Plan with an aggregate grant date fair value of approximately $1.1 million. The common shares were issued in consideration of the directors' annual board retainer fee and vest upon issuance.

Note 6—Income Taxes

Income tax expense was $0.9 million on pre-tax income from continuing operations of $2.5 million and income tax expense was $1.0 million on pre-tax loss from continuing operations of $12.1 million for the three and nine months ended September 30, 2017, as compared to income tax expense of $2.9 million on pre-tax loss from continuing operations of $1.1 million and an income tax benefit of $4.8 million on pre-tax loss from continuing operations of $10.4 million in the comparable prior year periods. The effective income tax rates for the three and nine months ended September 30, 2017 were 36.0% and (8.3%), respectively, compared to (263.6%) and 46.2% in the comparable prior year periods.

The effective tax rates for the three and nine months ended September 30, 2017 varied from the effective tax rates for the three and nine months ended October 1, 2016 primarily due to losses incurred in the United States for which we have not recognized a tax benefit in 2017, partially offset by tax expense related to the Canadian valuation allowance recorded in the third quarter of 2016.

The effective tax rate differs from the Canadian statutory rate during the three and nine months ended September 30, 2017 and October 1, 2016, primarily due to: (a) losses incurred in tax jurisdictions for which we have not recognized a tax benefit; (b) permanent differences for which we recognized a tax benefit; (c) income in tax jurisdictions with lower statutory tax rates than Canada; and (d) the Canadian valuation allowance recorded in the third quarter of 2016.

The pending transaction with Refresco is anticipated to generate a gain on sale which could result in a U.S. valuation allowance release and recognition of a material income tax benefit within the next twelve months.

Note 7—Net Income (Loss) per Common Share

Basic net income (loss) per common share is calculated by dividing net income (loss) attributable 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) attributable 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, and

Time-based RSUs during the periods presented. Set forth below is a reconciliation of the numerator and denominator for the diluted net income (loss) per common share computations for the periods indicated:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Numerator (in millions):				
Net income (loss) attributable to Cott Corporation				
Continuing operations	**$ 1.6**	$ (4.0)	**$ (13.1)**	$ (5.6)
Discontinued operations	**40.9**	1.4	**(5.4)**	7.6
Net earnings	**42.5**	**(2.6)**	**(18.5)**	**2.0**
Basic Earnings Per Share				
Denominator (in thousands):				
Weighted average common shares outstanding - basic	**139,205**	138,195	**138,980**	124,900
Basic Earnings Per Share:				
Continuing operations	**0.01**	(0.03)	**(0.09)**	(0.04)
Discontinued operations	**0.29**	0.01	**(0.04)**	0.06
Net earnings	**0.30**	(0.02)	**(0.13)**	0.02
Diluted Earnings Per Share				
Denominator (in thousands):				
Weighted average common shares outstanding - basic	**139,205**	138,195	**138,980**	124,900
Dilutive effect of Stock Options	**1,158**	—	**—**	—
Dilutive effect of Performance based RSUs	**154**	—	**—**	—
Dilutive effect of Time-based RSUs	**486**	—	**—**	—
Weighted average common shares outstanding - diluted	**141,003**	**138,195**	**138,980**	**124,900**
Diluted Earnings Per Share:				
Continued operations	**0.01**	(0.03)	**(0.09)**	(0.04)
Discontinued operations	**0.29**	0.01	**(0.04)**	0.06
Net earnings	**0.30**	(0.02)	**(0.13)**	0.02

The following table summarizes anti-dilutive securities excluded from the computation of diluted net income (loss) per common share for the periods indicated:

	For the Three Months Ended		For the Nine Months Ended	
(in thousands)	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Stock Options	**198**	2,846	**4,286**	2,846
Performance-based RSUs [1]	**—**	1,574	**1,703**	1,574
Time-based RSUs	**—**	882	**660**	882

1. Performance-based RSUs represent the number of shares expected to be issued based primarily on the estimated achievement of cumulative pre-tax income targets for these awards.

Note 8—Segment Reporting

Our broad portfolio of products include bottled water, coffee, brewed tea, water dispensers, coffee and tea brewers, filtration equipment, clear, still and sparkling flavored waters, hot chocolate and beverage concentrates.

During the third quarter of 2017, we reviewed our reporting segments as a result of the Refresco transaction. Following such review, we reorganized our reporting segments into three reporting segments: Route Based Services (which includes our DSS, Aquaterra and Eden businesses), Coffee, Tea & Extract Solutions (which includes our S&D business) and All Other

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(which includes our Aimia and RCI concentrate businesses, the Columbus manufacturing facility and other miscellaneous expenses). Our corporate oversight function is not treated as a segment. This function includes certain general and administrative costs that are not allocated to any of the reporting segments. Segment reporting results have been recast to reflect these changes for all periods presented.

(in millions of U.S. dollars)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Corporate	Total
For the Three Months Ended September 30, 2017					
Revenue, net [1]	**$ 397.3**	**$ 143.4**	**$ 40.2**	**$ —**	**$ 580.9**
Depreciation and amortization	**41.7**	**6.0**	**1.7**	**—**	**49.4**
Operating income (loss)	**34.6**	**3.7**	**4.7**	**(15.8)**	**27.2**
Additions to property, plant & equipment	**34.8**	**3.3**	**0.1**	**—**	**38.2**
For the Nine Months Ended September 30, 2017					
Revenue, net [1]	**$1,134.9**	**$ 440.2**	**$123.3**	**$ —**	**$1,698.4**
Depreciation and amortization	**119.1**	**17.2**	**5.5**	**—**	**141.8**
Operating income (loss)	**66.3**	**13.3**	**6.9**	**(37.6)**	**48.9**
Additions to property, plant & equipment	**85.9**	**10.6**	**0.6**	**—**	**97.1**
As of September 30, 2017					
Total assets [2]	**$2,370.3**	**$ 471.8**	**$206.3**	**$ —**	**$3,048.4**

1. All Other includes $9.5 million and $31.4 million of related party concentrate sales to discontinued operations for the three and nine months ended September 30, 2017.
2 Excludes intersegment receivables, investments and notes receivable.

(in millions of U.S. dollars)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Corporate	Total
For the Three Months Ended October 1, 2016					
Revenue, net [1]	$ 349.2	$ 87.3	$ 40.2	$ —	**$ 476.7**
Depreciation and amortization	36.9	2.8	1.5	—	**41.2**
Operating income (loss)	21.2	(0.1)	0.7	(8.2)	**13.6**
Additions to property, plant & equipment	30.4	1.8	0.2	—	**32.4**
For the Nine Months Ended October 1, 2016					
Revenue, net [1]	$ 882.3	$ 87.3	$132.4	$ —	**$1,102.0**
Depreciation and amortization	94.6	2.8	5.2	—	**102.6**
Operating income (loss)	44.7	(0.1)	7.5	(33.3)	**18.8**
Additions to property, plant & equipment	66.6	1.8	0.9	—	**69.3**
As of December 31, 2016					
Total assets [2]	**$2,287.1**	**$ 463.2**	**$164.3**	**$ —**	**$2,914.6**

1. All Other includes $9.0 million and $29.7 million of related party concentrate sales to discontinued operations for the three and nine months ended October 1, 2016.
2 Excludes intersegment receivables, investments and notes receivable.

Reconciliation of Segment Assets to Total Assets (in millions of U.S. dollars)	September 30, 2017	December 31, 2016
Segment assets [1]	**$ 3,048.4**	$ 2,914.6
Assets of discontinued operations [1]	**1,100.1**	1,025.1
Total assets	**$ 4,148.5**	$ 3,939.7

1. Excludes intersegment receivables, investments and notes receivable.

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 by channel by reporting segment were as follows:

	For the Three Months Ended September 30, 2017			
(in millions of U.S. dollars)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Revenue, net				
Home and office bottled water delivery	**$ 268.0**	**$ —**	**$ —**	**$ 268.0**
Coffee and tea services	**44.2**	**120.9**	**0.7**	**165.8**
Retail	**43.5**	**—**	**11.7**	**55.2**
Other	**41.6**	**22.5**	**27.8**	**91.9**
Total	**$ 397.3**	**$ 143.4**	**$ 40.2**	**$ 580.9**

	For the Nine Months Ended September 30, 2017			
(in millions of U.S. dollars)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Revenue, net				
Home and office bottled water delivery	**$ 753.7**	**$ —**	**$ —**	**$ 753.7**
Coffee and tea services	**134.9**	**369.6**	**2.0**	**506.5**
Retail	**127.8**	**—**	**33.9**	**161.7**
Other	**118.5**	**70.6**	**87.4**	**276.5**
Total	**$ 1,134.9**	**$ 440.2**	**$ 123.3**	**$ 1,698.4**

	For the Three Months Ended October 1, 2016			
(in millions of U.S. dollars)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Revenue, net				
Home and office bottled water delivery	$ 235.9	$ —	$ —	$ 235.9
Coffee and tea services	38.9	72.0	2.0	112.9
Retail	42.9	—	10.0	52.9
Other	31.5	15.3	28.2	75.0
Total	$ 349.2	$ 87.3	$ 40.2	$ 476.7

(in millions of U.S. dollars)	For the Nine Months Ended October 1, 2016 Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Revenue, net				
Home and office bottled water delivery	$ 575.1	$ —	$ —	$ 575.1
Coffee and tea services	100.4	72.0	2.0	174.4
Retail	127.7	—	37.8	165.5
Other	79.1	15.3	92.6	187.0
Total	$ 882.3	$ 87.3	$ 132.4	$ 1,102.0

Note 9—Inventories

The following table summarizes inventories as of September 30, 2017 and December 31, 2016:

(in millions of U.S. dollars)	September 30, 2017	December 31, 2016
Raw materials	**$ 80.5**	$ 56.5
Finished goods	**37.5**	42.7
Resale items	**21.1**	22.0
Other	**3.2**	3.4
Total	**$ 142.3**	$ 124.6

Note 10—Intangible Assets, Net

The following table summarizes intangible assets, net as of September 30, 2017 and December 31, 2016:

(in millions of U.S. dollars)	September 30, 2017 Cost	September 30, 2017 Accumulated Amortization	September 30, 2017 Net	December 31, 2016 Cost	December 31, 2016 Accumulated Amortization	December 31, 2016 Net
Intangible Assets						
Not subject to amortization						
Rights [1]	**$ 24.5**	**$ —**	**$ 24.5**	$ 24.5	$ —	$ 24.5
Trademarks	**263.1**	**—**	**263.1**	257.1	—	257.1
Total intangible assets not subject to amortization	**287.6**	**—**	**287.6**	281.6	—	281.6
Subject to amortization						
Customer relationships	**580.8**	**138.9**	**441.9**	552.3	94.3	458.0
Patents	**15.2**	**0.6**	**14.6**	—	—	—
Trademarks	**1.2**	**0.2**	**1.0**	1.1	0.1	1.0
Information technology	**27.4**	**11.8**	**15.6**	20.5	6.3	14.2
Other	**6.7**	**3.5**	**3.2**	6.2	2.0	4.2
Total intangible assets subject to amortization	**631.3**	**155.0**	**476.3**	580.1	102.7	477.4
Total intangible assets	**$918.9**	**$ 155.0**	**$763.9**	$861.7	$ 102.7	$759.0

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 intangible assets was $17.9 million and $50.7 million for the three and nine months ended September 30, 2017, respectively, compared to $14.5 million and $36.6 million for the three and nine months ended October 1, 2016, respectively.

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

(in millions of U.S. dollars)	
Remainder of 2017	**$ 18.1**
2018	**66.7**
2019	**59.2**
2020	**50.2**
2021	**44.0**
Thereafter	**238.1**
Total	**$476.3**

Note 11—Accounts Payable and Accrued Liabilities

The following table summarizes accounts payable and accrued liabilities as of September 30, 2017 and December 31, 2016:

(in millions of U.S. dollars)	September 30, 2017	December 31, 2016
Trade payables	**$ 218.0**	$ 185.9
Accrued compensation	**48.5**	38.4
Accrued sales incentives	**6.9**	1.0
Accrued interest	**30.9**	11.6
Payroll, sales and other taxes	**13.3**	9.0
Accrued deposits	**65.8**	51.9
Other accrued liabilities	**69.7**	70.2
Total	**$ 453.1**	$ 368.0

Note 12—Debt

Our total debt as of September 30, 2017 and December 31, 2016 was as follows:

	September 30, 2017			December 31, 2016		
(in millions of U.S. dollars)	Principal	Unamortized Debt Issuance Costs	Net	Principal	Unamortized Debt Issuance Costs	Net
10.000% senior notes due in 2021 [1]	**271.1**	—	**271.1**	384.2	—	384.2
5.500% senior notes due in 2024	**531.1**	**9.8**	**521.3**	474.1	9.8	464.3
5.500% senior notes due in 2025	**750.0**	**11.2**	**738.8**	—	—	—
Capital leases	**5.4**	—	**5.4**	5.8	—	5.8
Total debt	**1,557.6**	**21.0**	**1,536.6**	864.1	9.8	854.3
Capital leases - current maturities	**2.6**	—	**2.6**	2.9	—	2.9
Total current debt	**2.6**	—	**2.6**	2.9	—	2.9
Total long-term debt	**$1,555.0**	**$ 21.0**	**$1,534.0**	$ 861.2	$ 9.8	$851.4

1. Includes unamortized premium of $21.1 million and $34.2 million at September 30, 2017 and December 31, 2016, respectively. The effective interest rate is 7.515%.

5.500% Senior Notes due in 2025 (the "2025 Notes")

On March 22, 2017, we issued $750.0 million of 2025 Notes to qualified purchasers in a private placement offering under Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2025 Notes were issued by our wholly-owned subsidiary Cott Holdings Inc., and most of our U.S., Canadian, U.K., Luxembourg and Dutch subsidiaries guarantee the 2025 Notes. The 2025 Notes will mature on April 1, 2025 and interest is payable semi-annually on April 1st and October 1st of each year commencing on October 1, 2017.

We incurred $11.7 million of financing fees in connection with the issuance of the 2025 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 2025 Notes.

10.000% Senior Notes due in 2021 (the "DSS Notes")

On May 5, 2017, we used a portion of the proceeds from the issuance of the 2025 Notes to purchase $100.0 million in aggregate principal amount of the DSS Notes. The redemption included $7.7 million in premium payments, accrued interest of $1.8 million, and the write-off of $9.2 million of unamortized premium.

Note 13—Accumulated Other Comprehensive (Loss) Income

Changes in accumulated other comprehensive (loss) income ("AOCI") by component for the nine months ended September 30, 2017 and October 1, 2016 were as follows:

(in millions of U.S. dollars) [1]	Gains and Losses on Derivative Instruments	Pension Benefit Plan Items	Currency Translation Adjustment Items	Total
Beginning balance January 2, 2016	$ (4.7)	$ (10.1)	$ (61.4)	$ (76.2)
OCI before reclassifications	7.4	—	(23.8)	(16.4)
Amounts reclassified from AOCI	(3.6)	0.2	—	(3.4)
Net current-period OCI	3.8	0.2	(23.8)	(19.8)
Ending balance October 1, 2016	$ (0.9)	$ (9.9)	$ (85.2)	$ (96.0)
Beginning balance December 31, 2016	$ (0.1)	$ (14.4)	$ (103.4)	$(117.9)
OCI before reclassifications	1.2	(0.5)	26.1	26.8
Amounts reclassified from AOCI	(1.7)	0.1	—	(1.6)
Net current-period OCI	(0.5)	(0.4)	26.1	25.2
Ending balance September 30, 2017	$ (0.6)	$ (14.8)	$ (77.3)	$ (92.7)

1. All amounts are net of tax.

The following table summarizes the amounts reclassified from AOCI for the three and nine months ended September 30, 2017 and October 1, 2016, respectively.

(in millions of U.S. dollars) Details About AOCI Components [1]	For the Three Months Ended September 30, 2017	For the Three Months Ended October 1, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended October 1, 2016	Affected Line Item in the Statement Where Net Income Is Presented
Gains and losses on derivative instruments					
Foreign currency and commodity hedges	$ 0.2	$ 1.5	$ 1.7	$ 5.5	Cost of sales
	—	(0.6)	—	(1.9)	Tax expense
	$ 0.2	$ 0.9	$ 1.7	$ 3.6	Net of tax
Amortization of pension benefit plan items					
Prior service costs [2]	$ (0.3)	$ —	$ (0.1)	$ (0.2)	Cost of sales
	(0.3)	—	(0.1)	(0.2)	Total before taxes
	—	—	—	—	Tax expense
	$ (0.3)	$ —	$ (0.1)	$ (0.2)	Net of tax
Total reclassifications for the period	$ (0.1)	$ 0.9	$ 1.6	$ 3.4	Net of tax

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

Note 14—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 $40.1 million in standby letters of credit outstanding as of September 30, 2017 ($42.4 million—December 31, 2016).

Note 15—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, futures contracts and swap agreements for certain commodities. Forward and futures contracts are agreements to buy or sell a quantity of a commodity at a predetermined future date, and at a predetermined rate or price. Forward contracts are traded over-the-counter whereas future contracts are traded on an exchange. 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 master netting agreements with each counterparty. 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. We classify cash inflows and outflows related to derivative and hedging instruments within the appropriate cash flows section associated with the item being hedged.

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 16 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 or exchange traded 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 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 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 nine months ended September 30, 2017 or October 1, 2016. Substantially all outstanding hedges as of September 30, 2017 are expected to settle in the next twelve months.

We have entered into coffee futures contracts to hedge exposure to price fluctuations on green coffee associated with fixed-price sales contracts with customers, which generally range from three to 18 months in length. These derivatives have been designated and qualified as a part of our commodity cash flow hedging program effective January 1, 2017. The objective of this hedging program is to reduce the variability of cash flows associated with future purchases of green coffee.

We did not elect hedge accounting for our coffee futures contracts in 2016. The notional amount for the coffee futures contracts that were designated and qualified for our commodity cash flow hedging program was 32.1 million pounds as of September 30, 2017. The notional amounts for the coffee futures contracts not designated or qualifying as hedging instruments was 44.9 million pounds as of December 31, 2016. The effective portion of the cash-flow hedge recognized in AOCI during the nine months ended September 30, 2017 was $1.6 million. Approximately $0.2 million and $1.7 million of realized gains, representing the effective portion of the cash-flow hedge, were subsequently reclassified from AOCI to earnings and recognized in cost of sales in the consolidated statements of operations for the three and nine months ended September 30, 2017, respectively. The hedge ineffectiveness for these cash flow hedging instruments was nil and $0.1 million for the three and nine months ended September 30, 2017, respectively.

The fair value of the Company's derivative assets included within other receivables as a component of accounts receivable, net was nil as of September 30, 2017 and December 31, 2016. The fair value of the Company's derivative liabilities included in accrued liabilities was $1.9 million and $6.1 million as of September 30, 2017 and December 31, 2016, 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)	September 30, 2017		December 31, 2016	
Derivative Contract	Assets	Liabilities	Assets	Liabilities
Coffee futures [1]	**$ —**	**$ 1.9**	$ —	$ 6.1
	$ —	**$ 1.9**	$ —	$ 6.1

1. The fair value of the coffee futures excludes amounts in the related margin accounts. As of September 30, 2017 and December 31, 2016, the aggregate margin account balances were $4.1 million and $9.2 million, respectively, and are included in cash & cash equivalents on the consolidated balance sheets.

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

(in millions of U.S. dollars)	September 30, 2017	December 31, 2016
Coffee futures assets	**$ 0.1**	$ 1.4
Coffee futures liabilities	**(2.0)**	(7.5)
Net liability	**$ (1.9)**	$ (6.1)

The settlement of our derivative instruments resulted in a credit to cost of sales of $0.2 million and $1.7 million for the three and nine months ended September 30, 2017, respectively, and nil and nil for the three and nine months ended October 1, 2016, respectively.

Note 16—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 GAAP.

Our derivative assets and liabilities 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 September 30, 2017 and December 31, 2016 was nil. The fair value for the derivative liabilities as of September 30, 2017 and December 31, 2016 was $1.9 million and $6.1 million, respectively.

Fair Value of Financial Instruments

The carrying amounts reflected in the consolidated balance sheets for cash & 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 September 30, 2017 and December 31, 2016 were as follows:

	September 30, 2017		December 31, 2016	
(in millions of U.S. dollars)	Carrying Value	Fair Value	Carrying Value	Fair Value
10.000% senior notes due in 2021 [1, 2]	**271.1**	**264.4**	384.2	383.7
5.500% senior notes due in 2024 [1, 3]	**521.3**	**584.9**	464.3	505.5
5.500% senior notes due in 2025 [1, 3]	**738.8**	**781.9**	—	—
Total	**$1,531.2**	**$1,631.2**	$ 848.5	$889.2

1. The fair values were based on the trading levels and bid/offer prices observed by a market participant and are considered Level 2 financial instruments.
2. Includes unamortized premium of $21.1 million and $34.2 million at September 30, 2017 and December 31, 2016, respectively.
3. The carrying value of our significant outstanding debt is net of unamortized debt issuance costs of $21.0 million and $9.8 million as of September 30, 2017 and December 31, 2016, respectively.

Note 17—Guarantor Subsidiaries

Guarantor Subsidiaries for DSS Notes

The DSS Notes assumed as part of the acquisition of DSS are guaranteed on a senior secured basis by Cott Corporation and certain of its 100% owned direct and indirect subsidiaries (the "DSS Guarantor Subsidiaries"). DSS and each DSS Guarantor Subsidiary is 100% owned by Cott Corporation. The DSS Notes are fully and unconditionally, jointly and severally, guaranteed by Cott Corporation and the DSS Guarantor Subsidiaries. The Indenture governing the DSS Notes ("DSS Indenture") requires any 100% owned domestic restricted subsidiary (i) that guarantees or becomes a borrower under the Credit Agreement (as defined in the DSS Indenture) or the asset-based lending facility (the "ABL facility") or (ii) that guarantees any other indebtedness of Cott Corporation, DSS or any of the DSS Guarantor Subsidiaries (other than junior lien obligations) secured by collateral (other than Excluded Property (as defined in the DSS Indenture)) to guarantee on a secured basis the DSS Notes. The guarantees of Cott Corporation and the DSS Guarantor Subsidiaries may be released in limited circumstances only upon the occurrence of certain customary conditions set forth in the Indenture governing the DSS Notes.

We have not presented separate financial statements and separate disclosures have not been provided concerning the DSS Guarantor Subsidiaries due to the presentation of condensed consolidating financial information set forth in this Note, consistent with Securities and Exchange Commission ("SEC") rules governing reporting of subsidiary financial information.

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

The €450.0 million (U.S. $531.1 million at the exchange rate in effect on September 30, 2017) of the 2024 Notes were initially issued on June 30, 2016 by Cott Finance Corporation, which was not a DSS Guarantor Subsidiary. Cott Finance Corporation was declared an unrestricted subsidiary under the DSS Indenture. As a result, such entity is reflected as a DSS Non-Guarantor Subsidiary in the following summarized condensed consolidating financial information through August 2, 2016. Substantially simultaneously with the closing of the Eden Acquisition on August 2, 2016, we assumed all of the obligations of Cott Finance Corporation as issuer under the 2024 Notes, and Cott Corporation's U.S., Canadian, U.K., Luxembourg and Dutch subsidiaries that are currently obligors under the 5.375% senior notes due 2022 ("2022 Notes") and the 6.75% senior notes due 2020 ("2020 Notes") (including Cott Beverages Inc.) entered into a supplemental indenture to guarantee the 2024 Notes. Currently, the obligors under the 2024 Notes are different than the obligors under the DSS Notes, but identical to the obligors under the 2020 Notes and the 2022 Notes. The 2024 Notes are listed on the official list of the Irish Stock Exchange and are traded on the Global Exchange Market thereof.

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Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended September 30, 2017					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ —	$ 271.9	$ 198.7	$ 110.3	$ —	$ 580.9
Cost of sales	—	105.4	145.9	36.8	—	288.1
Gross profit	—	166.5	52.8	73.5	—	292.8
Selling, general and administrative expenses	1.2	143.7	57.0	60.9	—	262.8
Loss (gain) on disposal of property, plant & equipment, net	—	0.3	(0.6)	(0.1)	—	(0.4)
Acquisition and integration expenses	—	2.5	2.2	(1.5)	—	3.2
Operating (loss) income	(1.2)	20.0	(5.8)	14.2	—	27.2
Other expense (income), net	—	0.3	1.3	(0.1)	—	1.5
Intercompany interest expense (income), net	—	54.2	(33.4)	(12.8)	(8.0)	—
Interest expense, net	7.5	5.2	10.5	—	—	23.2
(Loss) income before income tax expense, equity income and discontinued operations	(8.7)	(39.7)	15.8	27.1	8.0	2.5
Income tax expense	—	0.4	0.5	—	—	0.9
Equity income	43.4	—	0.1	—	(43.5)	—
Net income (loss) from continuing operations	$ 34.7	$ (40.1)	$ 15.4	$ 27.1	$ (35.5)	$ 1.6
Net income from discontinued operations, net of income taxes	7.8	—	32.8	3.3	(0.9)	43.0
Net income (loss)	42.5	(40.1)	48.2	30.4	(36.4)	44.6
Less: Net income attributable to non-controlling interests	—	—	—	2.1	—	2.1
Net income (loss) attributable to Cott Corporation	$ 42.5	$ (40.1)	$ 48.2	$ 28.3	$ (36.4)	$ 42.5
Comprehensive income (loss) attributable to Cott Corporation	$ 46.7	$ (40.1)	$ 27.4	$ 23.0	$ (10.3)	$ 46.7

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Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Nine Months Ended September 30, 2017					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	**$ —**	**$ 786.3**	**$ 607.6**	**$ 304.5**	**$ —**	**$ 1,698.4**
Cost of sales	—	305.9	443.8	100.0	—	849.7
Gross profit	**—**	**480.4**	**163.8**	**204.5**	**—**	**848.7**
Selling, general and administrative expenses	4.1	423.4	171.6	178.7	—	777.8
Loss (gain) on disposal of property, plant & equipment, net	—	6.3	(1.5)	—	—	4.8
Acquisition and integration expenses	—	5.9	6.9	4.4	—	17.2
Operating (loss) income	**(4.1)**	**44.8**	**(13.2)**	**21.4**	**—**	**48.9**
Other (income) expense, net	—	(1.4)	0.9	(0.6)	—	(1.1)
Intercompany interest expense (income), net	—	32.5	(21.6)	(7.6)	(3.3)	—
Interest expense, net	21.6	18.4	22.1	—	—	62.1
(Loss) income before income tax (benefit) expense, equity income and discontinued operations	**(25.7)**	**(4.7)**	**(14.6)**	**29.6**	**3.3**	**(12.1)**
Income tax (benefit) expense	—	1.2	(5.3)	5.1	—	1.0
Equity income	0.6	—	0.1	—	(0.7)	—
Net (loss) income from continuing operations	**$ (25.1)**	**$ (5.9)**	**$ (9.2)**	**$ 24.5**	**$ 2.6**	**$ (13.1)**
Net income (loss) from discontinued operations, net of income taxes	6.6	—	(7.4)	10.8	(9.0)	1.0
Net (loss) income	**(18.5)**	**(5.9)**	**(16.6)**	**35.3**	**(6.4)**	**(12.1)**
Less: Net income attributable to non-controlling interests	—	—	—	6.4	—	6.4
Net (loss) income attributable to Cott Corporation	**$ (18.5)**	**$ (5.9)**	**$ (16.6)**	**$ 28.9**	**$ (6.4)**	**$ (18.5)**
Comprehensive income (loss) attributable to Cott Corporation	**$ 6.7**	**$ (5.9)**	**$ (81.3)**	**$ 28.5**	**$ 58.7**	**$ 6.7**

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Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended October 1, 2016					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ —	$ 262.2	$ 144.6	$ 69.9	$ —	$ 476.7
Cost of sales	—	101.2	103.0	24.8	—	229.0
Gross profit	—	161.0	41.6	45.1	—	247.7
Selling, general and administrative expenses	1.6	143.9	38.7	41.1	—	225.3
Loss (gain) on disposal of property, plant & equipment, net	—	1.6	(0.2)	—	—	1.4
Acquisition and integration expenses	—	(1.4)	7.4	1.4	—	7.4
Operating (loss) income	(1.6)	16.9	(4.3)	2.6	—	13.6
Other (income) expense, net	—	(0.3)	(0.6)	1.1	—	0.2
Intercompany interest expense (income), net	—	10.8	(0.6)	(4.2)	(6.0)	—
Interest expense (income), net	7.4	7.4	—	(0.3)	—	14.5
(Loss) income before income tax expense (benefit), equity income and discontinued operations	(9.0)	(1.0)	(3.1)	6.0	6.0	(1.1)
Income tax expense (benefit)	7.6	(0.2)	(4.9)	0.4	—	2.9
Equity income	8.7	—	—	—	(8.7)	—
Net (loss) income from continuing operations	$ (7.9)	$ (0.8)	$ 1.8	$ 5.6	$ (2.7)	$ (4.0)
Net income from discontinued operations, net of income taxes	5.3	—	5.0	3.2	(10.6)	2.9
Net (loss) income	(2.6)	(0.8)	6.8	8.8	(13.3)	(1.1)
Less: Net income attributable to non-controlling interests	—	—	—	1.5	—	1.5
Net (loss) income attributable to Cott Corporation	$ (2.6)	$ (0.8)	$ 6.8	$ 7.3	$ (13.3)	$ (2.6)
Comprehensive (loss) income attributable to Cott Corporation	$ (7.8)	$ (0.8)	$ 110.4	$ 11.2	$ (120.8)	$ (7.8)

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Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Nine Months Ended October 1, 2016					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	**$ —**	**$ 764.3**	**$ 267.8**	**$ 69.9**	**$ —**	**$ 1,102.0**
Cost of sales	—	297.5	188.1	24.8	—	510.4
Gross profit	**—**	**466.8**	**79.7**	**45.1**	**—**	**591.6**
Selling, general and administrative expenses	12.6	422.3	71.7	41.1	—	547.7
Loss (gain) on disposal of property, plant & equipment, net	—	4.8	(0.2)	—	—	4.6
Acquisition and integration expenses	—	0.6	18.5	1.4	—	20.5
Operating (loss) income	**(12.6)**	**39.1**	**(10.3)**	**2.6**	**—**	**18.8**
Other (income) expense, net	—	(1.6)	0.5	1.1	—	—
Intercompany interest expense (income), net	—	32.4	0.4	(13.3)	(19.5)	—
Interest expense (income), net	7.4	22.0	—	(0.2)	—	29.2
(Loss) income before income tax expense (benefit), equity income and discontinued operations	**(20.0)**	**(13.7)**	**(11.2)**	**15.0**	**19.5**	**(10.4)**
Income tax expense (benefit)	7.4	(4.8)	(7.6)	0.2	—	(4.8)
Equity income	22.9	—	—	—	(22.9)	—
Net (loss) income from continuing operations	**$ (4.5)**	**$ (8.9)**	**$ (3.6)**	**$ 14.8**	**$ (3.4)**	**$ (5.6)**
Net income from discontinued operations, net of income taxes	6.5	—	26.7	9.4	(30.6)	12.0
Net income (loss)	**2.0**	**(8.9)**	**23.1**	**24.2**	**(34.0)**	**6.4**
Less: Net income attributable to non-controlling interests	—	—	—	4.4	—	4.4
Net income (loss) attributable to Cott Corporation	**$ 2.0**	**$ (8.9)**	**$ 23.1**	**$ 19.8**	**$ (34.0)**	**$ 2.0**
Comprehensive (loss) income attributable to Cott Corporation	**$ (17.8)**	**$ (8.9)**	**$ 211.2**	**$ 23.8**	**$ (226.1)**	**$ (17.8)**

Consolidating Balance Sheets

(in millions of U.S. dollars)
Unaudited

	As of September 30, 2017					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ —	$ 20.8	$ 34.4	$ 26.8	$ —	$ 82.0
Accounts receivable, net of allowance	—	137.4	89.0	93.9	(8.7)	311.6
Inventories	—	30.2	96.5	15.6	—	142.3
Prepaid expenses and other current assets	0.1	8.5	7.1	6.5	—	22.2
Current assets of discontinued operations	63.2	—	563.4	28.9	(229.0)	426.5
Total current assets	**63.3**	**196.9**	**790.4**	**171.7**	**(237.7)**	**984.6**
Property, plant & equipment, net	—	371.2	112.2	107.0	—	590.4
Goodwill	—	587.2	189.6	320.2	—	1,097.0
Intangible assets, net	—	353.1	203.6	207.2	—	763.9
Deferred tax assets	—	—	—	2.2	—	2.2
Other long-term assets, net	0.4	14.6	5.6	16.2	—	36.8
Due from affiliates	—	—	1.1	371.8	(372.9)	—
Investments in subsidiaries	—	—	3.9	—	(3.9)	—
Long-term assets of discontinued operations	1,425.1	—	1,546.1	6.9	(2,304.5)	673.6
Total assets	**$ 1,488.8**	**$ 1,523.0**	**$ 2,852.5**	**$ 1,203.2**	**$ (2,919.0)**	**$ 4,148.5**
LIABILITIES AND EQUITY						
Current liabilities						
Current maturities of long-term debt	$ —	$ 0.1	$ —	$ 2.5	$ —	$ 2.6
Accounts payable and accrued liabilities	8.6	275.6	187.1	136.8	(155.0)	453.1
Current liabilities of discontinued operations	91.6	—	500.2	10.0	(82.7)	519.1
Total current liabilities	**100.2**	**275.7**	**687.3**	**149.3**	**(237.7)**	**974.8**
Long-term debt	521.3	271.2	738.8	2.7	—	1,534.0
Deferred tax liabilities	—	82.6	18.6	30.7	—	131.9
Other long-term liabilities	—	39.5	17.2	10.8	—	67.5
Due to affiliates	—	543.3	424.8	858.6	(1,826.7)	—
Long-term liabilities of discontinued operations	1.9	—	655.4	28.1	(118.9)	566.5
Total liabilities	**623.4**	**1,212.3**	**2,542.1**	**1,080.2**	**(2,183.3)**	**3,274.7**
Equity						
Common shares, no par	915.5	355.5	752.1	144.5	(1,252.1)	915.5
Additional paid-in-capital	63.3	—	—	—		63.3
(Accumulated deficit) retained earnings	(20.7)	(44.6)	(534.8)	(38.6)	618.0	(20.7)
Accumulated other comprehensive (loss) income	(92.7)	(0.2)	93.1	8.7	(101.6)	(92.7)
Total Cott Corporation equity	865.4	310.7	310.4	114.6	(735.7)	865.4
Non-controlling interests	—	—	—	8.4	—	8.4
Total equity	**865.4**	**310.7**	**310.4**	**123.0**	**(735.7)**	**873.8**
Total liabilities and equity	**$ 1,488.8**	**$ 1,523.0**	**$ 2,852.5**	**$ 1,203.2**	**$ (2,919.0)**	**$ 4,148.5**

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Consolidating Balance Sheets

(in millions of U.S. dollars)

	As of December 31, 2016					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ —	$ 22.7	$ 23.6	$ 31.8	$ —	$ 78.1
Accounts receivable, net of allowance	—	121.7	82.6	84.0	(11.6)	276.7
Inventories	—	29.2	79.9	15.5	—	124.6
Prepaid expenses and other current assets	1.7	7.1	10.0	4.2	(0.9)	22.1
Current assets of discontinued operations	47.2	—	346.6	23.2	(65.3)	351.7
Total current assets	**48.9**	**180.7**	**542.7**	**158.7**	**(77.8)**	**853.2**
Property, plant & equipment, net	—	364.5	115.8	101.5	—	581.8
Goodwill	—	582.0	183.6	282.7	—	1,048.3
Intangible assets, net	—	356.8	204.4	197.8	—	759.0
Other long-term assets, net	0.5	14.6	6.6	2.3	—	24.0
Due from affiliates	—	—	—	329.6	(329.6)	—
Investments in subsidiaries	—	—	—	—	—	—
Long-term assets of discontinued operations	1,353.7	—	1,548.9	4.2	(2,233.4)	673.4
Total assets	**$ 1,403.1**	**$ 1,498.6**	**$ 2,602.0**	**$ 1,076.8**	**$ (2,640.8)**	**$ 3,939.7**
LIABILITIES AND EQUITY						
Current liabilities						
Current maturities of long-term debt	$ —	$ —	$ 0.1	$ 2.8	$ —	$ 2.9
Accounts payable and accrued liabilities	4.2	135.1	124.9	124.8	(21.0)	368.0
Current liabilities of discontinued operations	63.6	—	423.8	8.5	(56.7)	439.2
Total current liabilities	**67.8**	**135.1**	**548.8**	**136.1**	**(77.7)**	**810.1**
Long-term debt	464.4	384.2	—	2.8	—	851.4
Deferred tax liabilities	0.9	81.2	46.5	26.4	—	155.0
Other long-term liabilities	—	38.0	16.9	20.5	—	75.4
Due to affiliates	—	543.3	390.6	775.1	(1,709.0)	—
Long-term liabilities of discontinued operations	1.5	—	1,255.8	24.6	(107.9)	1,174.0
Total liabilities	**534.6**	**1,181.8**	**2,258.6**	**985.5**	**(1,894.6)**	**3,065.9**
Equity						
Common shares, no par	909.3	355.4	691.5	149.7	(1,196.6)	909.3
Additional paid-in-capital	54.2	—	—	—	—	54.2
Retained earnings (accumulated deficit)	22.9	(38.4)	(505.9)	(72.8)	617.1	22.9
Accumulated other comprehensive (loss) income	(117.9)	(0.2)	157.8	9.1	(166.7)	(117.9)
Total Cott Corporation equity	868.5	316.8	343.4	86.0	(746.2)	868.5
Non-controlling interests	—	—	—	5.3	—	5.3
Total equity	**868.5**	**316.8**	**343.4**	**91.3**	**(746.2)**	**873.8**
Total liabilities and equity	**$ 1,403.1**	**$ 1,498.6**	**$ 2,602.0**	**$ 1,076.8**	**$ (2,640.8)**	**$ 3,939.7**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended September 30, 2017					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Net cash (used in) provided by operating activities from continuing operations	**$ (0.1)**	**$ (88.0)**	**$ 17.4**	**$ 14.7**	**$ 102.2**	**$ 46.2**
Investing Activities						
Acquisitions, net of cash received	—	(1.1)	—	(2.3)	—	(3.4)
Additions to property, plant & equipment	—	(22.1)	(7.9)	(8.2)	—	(38.2)
Additions to intangible assets	—	(0.4)	(2.7)	(0.3)	—	(3.4)
Proceeds from sale of property, plant & equipment	—	0.2	0.9	2.0	—	3.1
Other investing activities	—	—	0.5	—	—	0.5
Net cash used in investing activities from continuing operations	—	(23.4)	(9.2)	(8.8)	—	(41.4)
Financing Activities						
Payments of long-term debt	—	—	(0.2)	(0.1)	—	(0.3)
Issuance of common shares	2.1	—	—	—	—	2.1
Common shares repurchased and cancelled	(0.1)	—	—	—	—	(0.1)
Dividends paid to common shareowners	(8.4)	—	—	—	—	(8.4)
Proceeds from intercompany loan from affiliate	—	109.5	—	—	(109.5)	—
Net cash (used in) provided by financing activities from continuing operations	(6.4)	109.5	(0.2)	(0.1)	(109.5)	(6.7)
Cash Flows from Discontinued Operations						
Net cash provided by operating activities from discontinued operations	7.6	—	137.5	6.1	(103.8)	47.4
Net cash used in investing activities from discontinued operations	(0.5)	—	(121.8)	(0.5)	109.5	(13.3)
Net cash used in financing activities from discontinued operations	—	—	(7.9)	(2.9)	1.6	(9.2)
Net cash provided by discontinued operations	7.1	—	7.8	2.7	7.3	24.9
Effect of exchange rate changes on cash	0.1	—	1.1	0.8	—	2.0
Net increase (decrease) in cash & cash equivalents	**0.7**	**(1.9)**	**16.9**	**9.3**	**—**	**25.0**
Cash & cash equivalents, beginning of period	**5.1**	**22.7**	**67.3**	**28.1**	**—**	**123.2**
Cash & cash equivalents, end of period	**5.8**	**20.8**	**84.2**	**37.4**	**—**	**148.2**
Cash & cash equivalents from discontinued operations, end of period	**5.8**	**—**	**49.8**	**10.6**	**—**	**66.2**
Cash & cash equivalents from continuing operations, end of period	**$ —**	**$ 20.8**	**$ 34.4**	**$ 26.8**	**$ —**	**$ 82.0**

Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Nine Months Ended September 30, 2017					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Net cash provided by operating activities from continuing operations	**$ 0.5**	**$ 84.0**	**$ 34.4**	**$ 29.8**	**$ (10.0)**	**$ 138.7**
Investing Activities						
Acquisitions, net of cash received	—	(27.9)	(2.1)	(3.4)	—	(33.4)
Additions to property, plant & equipment	—	(59.8)	(13.3)	(24.0)	—	(97.1)
Additions to intangible assets	—	(2.4)	(2.7)	(0.9)	—	(6.0)
Proceeds from sale of property, plant & equipment	—	2.4	0.9	2.7	—	6.0
Intercompany loan to affiliate	—	—	(750.0)	—	750.0	—
Other investing activities	—	—	0.9	—	—	0.9
Net cash used in investing activities from continuing operations	—	(87.7)	(766.3)	(25.6)	750.0	(129.6)
Financing Activities						
Payments of long-term debt	—	(100.0)	(0.2)	(1.7)	—	(101.9)
Issuance of long-term debt	—	—	750.0	—	—	750.0
Premiums and costs paid upon extinguishment of long-term debt	—	(7.7)	—	—	—	(7.7)
Financing fees	—	—	(11.1)	—	—	(11.1)
Issuance of common shares	2.9	—	—	—	—	2.9
Common shares repurchased and cancelled	(1.9)	—	—	—	—	(1.9)
Dividends paid to common shareowners	(25.1)	—	—	—	—	(25.1)
Proceeds from intercompany loan from affiliate	—	109.5	—	—	(109.5)	—
Other financing activities	—	—	—	0.5	—	0.5
Intercompany dividends	—	—	—	(10.9)	10.9	—
Net cash (used in) provided by financing activities from continuing operations	(24.1)	1.8	738.7	(12.1)	(98.6)	605.7
Cash Flows from Discontinued Operations						
Net cash provided by operating activities from discontinued operations	27.0	—	21.8	11.6	(4.3)	56.1
Net cash used in investing activities from discontinued operations	(1.9)	—	(142.9)	(1.4)	109.5	(36.7)
Net cash provided by (used in) financing activities from discontinued operations	—	—	142.4	(6.3)	(746.6)	(610.5)
Net cash provided by (used in) discontinued operations	25.1	—	21.3	3.9	(641.4)	(591.1)
Effect of exchange rate changes on cash	(0.5)	—	4.0	2.9	—	6.4
Net increase (decrease) in cash & cash equivalents	**1.0**	**(1.9)**	**32.1**	**(1.1)**	**—**	**30.1**
Cash & cash equivalents, beginning of period	**4.8**	**22.7**	**52.1**	**38.5**	**—**	**118.1**
Cash & cash equivalents, end of period	**5.8**	**20.8**	**84.2**	**37.4**	**—**	**148.2**
Cash & cash equivalents from discontinued operations, end of period	**5.8**	**—**	**49.8**	**10.6**	**—**	**66.2**
Cash & cash equivalents from continuing operations, end of period	**$ —**	**$ 20.8**	**$ 34.4**	**$ 26.8**	**$ —**	**$ 82.0**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended October 1, 2016					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Net cash (used in) provided by operating activities from continuing operations	**$ (0.3)**	**$ 35.6**	**$ 17.8**	**$ 52.5**	**$ (54.5)**	**$ 51.1**
Investing Activities						
Acquisitions, net of cash received	(911.3)	(1.2)	—	—	—	(912.5)
Additions to property, plant & equipment	—	(24.2)	(4.1)	(4.1)	—	(32.4)
Additions to intangible assets	—	(1.2)	—	—	—	(1.2)
Proceeds from sale of property, plant & equipment	—	—	0.9	0.4	—	1.3
Net cash used in investing activities from continuing operations	(911.3)	(26.6)	(3.2)	(3.7)	—	(944.8)
Financing Activities						
Payments of long-term debt	—	—	(0.2)	(0.6)	—	(0.8)
Financing fees	(9.6)	—	—	—	—	(9.6)
Issuance of common shares	2.4	—	—	—	—	2.4
Common shares repurchased and cancelled	(3.4)	—	—	—	—	(3.4)
Dividends paid to common shareowners	(8.4)	—	—	—	—	(8.4)
Payment of deferred consideration for acquisitions	—	—	(10.8)	—	—	(10.8)
Intercompany dividends	—	—	—	(13.9)	13.9	—
Net cash used in financing activities from continuing operations	(19.0)	—	(11.0)	(14.5)	13.9	(30.6)
Cash Flows from Discontinued Operations						
Net cash provided by (used in) operating activities from discontinued operations	252.2	—	(250.4)	5.3	37.8	44.9
Net cash provided by (used in) investing activities from discontinued operations	0.4	—	(8.5)	(0.1)	—	(8.2)
Net cash (used in) provided by financing activities from discontinued operations	(2.3)	—	262.9	(5.5)	2.8	257.9
Net cash provided by (used in) discontinued operations	250.3	—	4.0	(0.3)	40.6	294.6
Effect of exchange rate changes on cash	(4.1)	—	(0.5)	0.6	—	(4.0)
Net (decrease) increase in cash, cash equivalents and restricted cash	**(684.4)**	**9.0**	**7.1**	**34.6**	**—**	**(633.7)**
Cash, cash equivalents and restricted cash, beginning of period	**685.7**	**26.4**	**33.2**	**7.3**	**—**	**752.6**
Cash & cash equivalents, end of period	**1.3**	**35.4**	**40.3**	**41.9**	**—**	**118.9**
Cash & cash equivalents from discontinued operations, end of period	**1.3**	**—**	**19.2**	**7.0**	**—**	**27.5**
Cash & cash equivalents from continuing operations, end of period	**$ —**	**$ 35.4**	**$ 21.1**	**$ 34.9**	**$ —**	**$ 91.4**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Nine Months Ended October 1, 2016					
	Cott Corporation	DS Services of America, Inc.	DSS Guarantor Subsidiaries	DSS Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Net cash provided by operating activities from continuing operations	**$ 1.4**	**$ 87.4**	**$ 34.2**	**$ 52.6**	**$ (103.7)**	**$ 71.9**
Investing Activities						
Acquisitions, net of cash received	(954.0)	(4.7)	—	—	—	(958.7)
Additions to property, plant & equipment	—	(58.0)	(7.2)	(4.1)	—	(69.3)
Additions to intangible assets	—	(2.3)	—	—	—	(2.3)
Proceeds from sale of property, plant & equipment	—	0.2	0.9	0.4	—	1.5
Net cash used in investing activities from continuing operations	(954.0)	(64.8)	(6.3)	(3.7)	—	(1,028.8)
Financing Activities						
Payments of long-term debt	—	—	(0.3)	(0.6)	—	(0.9)
Issuance of long-term debt	498.7	—	—	—	—	498.7
Financing fees	(9.6)	—	—	—	—	(9.6)
Issuance of common shares	366.6	—	—	—	—	366.6
Common shares repurchased and cancelled	(4.5)	—	—	—	—	(4.5)
Dividends paid to common shareowners	(23.1)	—	—	—	—	(23.1)
Payment of deferred consideration for acquisitions	—	—	(10.8)	—	—	(10.8)
Intercompany dividends	—	—	(12.2)	(13.9)	26.1	—
Net cash provided by (used in) financing activities from continuing operations	828.1	—	(23.3)	(14.5)	26.1	816.4
Cash Flows from Discontinued Operations						
Net cash provided by (used in) operating activities from discontinued operations	112.2	—	(98.4)	15.1	58.6	87.5
Net cash used in investing activities from discontinued operations	(0.6)	—	(28.0)	(0.7)	—	(29.3)
Net cash (used in) provided by financing activities from discontinued operations	(5.2)	—	127.0	(12.5)	19.0	128.3
Net cash provided by discontinued operations	106.4	—	0.6	1.9	77.6	186.5
Effect of exchange rate changes on cash	(1.4)	—	(3.3)	0.5	—	(4.2)
Net (decrease) increase in cash & cash equivalents	**(19.5)**	**22.6**	**1.9**	**36.8**	**—**	**41.8**
Cash & cash equivalents, beginning of period	**20.8**	**12.8**	**38.4**	**5.1**	**—**	**77.1**
Cash & cash equivalents, end of period	**1.3**	**35.4**	**40.3**	**41.9**	**—**	**118.9**
Cash & cash equivalents from discontinued operations, end of period	**1.3**	**—**	**19.2**	**7.0**	**—**	**27.5**
Cash & cash equivalents from continuing operations, end of period	**$ —**	**$ 35.4**	**$ 21.1**	**$ 34.9**	**$ —**	**$ 91.4**

Guarantor Subsidiaries for 2020 Notes, 2022 Notes, and 2024 Notes

The 2020 Notes and the 2022 Notes, each issued by Cott Corporation's 100% owned subsidiary Cott Beverages Inc. ("CBI"), are fully and unconditionally, jointly and severally guaranteed on a senior basis by Cott Corporation and certain of its 100% owned direct and indirect subsidiaries (the "Cott Guarantor Subsidiaries"). The Indentures governing the 2020 Notes and the 2022 Notes require (i) any 100% owned direct and indirect restricted subsidiary that guarantees any indebtedness of CBI or any guarantor and (ii) any non-100% owned subsidiary that guarantees any other capital markets debt of CBI or any guarantor to guarantee the 2020 Notes and the 2022 Notes. No non-100% owned subsidiaries guarantee the 2020 Notes or the 2022 Notes. The guarantees of Cott Corporation and the Cott Guarantor Subsidiaries may be released in limited circumstances only upon the occurrence of certain customary conditions set forth in the Indentures governing the 2020 Notes and the 2022 Notes. In April 2017, the entire aggregate principal amount of our 2020 Notes were redeemed.

The 2024 Notes were initially issued on June 30, 2016 by Cott Finance Corporation, which was not a Cott Guarantor Subsidiary. Cott Finance Corporation was declared an unrestricted subsidiary under the Indentures governing the 2022 Notes and the 2020 Notes. As a result, such entity is reflected as a Cott Non-Guarantor Subsidiary in the following summarized condensed consolidating financial information through August 2, 2016. Substantially simultaneously with the closing of the Eden Acquisition on August 2, 2016, we assumed all of the obligations of Cott Finance Corporation as issuer under the 2024 Notes, and Cott Corporation's U.S., Canadian, U.K., Luxembourg and Dutch subsidiaries that are currently obligors under the 2022 Notes and the 2020 Notes (including CBI) entered into a supplemental indenture to guarantee the 2024 Notes. The Indenture governing the 2024 Notes requires (i) any 100% owned domestic restricted subsidiary that guarantees any debt of the issuer or any guarantor and (ii) and any non-100% owned subsidiary that guarantees any other capital markets debt of Cott Corporation or any other guarantor to guarantee the 2024 Notes. No non-100% owned subsidiaries guarantee the 2024 Notes. The guarantees of CBI and the Cott Guarantor Subsidiaries may be released in limited circumstances only upon the occurrence of certain customary conditions set forth in the Indenture governing the 2024 Notes. Currently, the obligors under the 2024 Notes are identical to the obligors under the 2020 Notes and the 2022 Notes, but different than the obligors under the DSS Notes. The 2024 Notes are listed on the official list of the Irish Stock Exchange and are traded on the Global Exchange Market thereof.

We have not presented separate financial statements and separate disclosures have not been provided concerning the Cott Guarantor Subsidiaries due to the presentation of condensed consolidating financial information set forth in this Note, consistent with the SEC rules governing reporting of subsidiary financial information.

The following summarized condensed consolidating financial information of the Company sets forth on a consolidating basis: our Balance Sheets, Statements of Operations and Cash Flows for Cott Corporation, CBI, the Cott Guarantor Subsidiaries and our other non-guarantor subsidiaries (the "Cott Non-Guarantor Subsidiaries"). This 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 Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended September 30, 2017					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ —	$ 15.8	$ 454.8	$ 110.3	$ —	$ 580.9
Cost of sales	—	13.2	238.1	36.8	—	288.1
Gross profit	—	2.6	216.7	73.5	—	292.8
Selling, general and administrative expenses	1.2	10.4	190.3	60.9	—	262.8
Gain on disposal of property, plant & equipment, net	—	—	(0.3)	(0.1)	—	(0.4)
Acquisition and integration expenses	—	2.5	2.2	(1.5)	—	3.2
Operating (loss) income	(1.2)	(10.3)	24.5	14.2	—	27.2
Other expense (income), net	—	0.1	1.5	(0.1)	—	1.5
Intercompany interest expense (income), net	—	—	20.8	(12.8)	(8.0)	—
Interest expense, net	7.5	—	15.7	—	—	23.2
(Loss) income before income tax expense (benefit), equity income and discontinued operations	(8.7)	(10.4)	(13.5)	27.1	8.0	2.5
Income tax expense (benefit)	—	0.2	0.7	—	—	0.9
Equity income	43.4	—	0.1	—	(43.5)	—
Net income (loss) from continuing operations	$ 34.7	$ (10.6)	$ (14.1)	$ 27.1	$ (35.5)	$ 1.6
Net income (loss) from discontinued operations, net of income taxes	7.8	33.5	(0.7)	3.3	(0.9)	43.0
Net income (loss)	42.5	22.9	(14.8)	30.4	(36.4)	44.6
Less: Net income attributable to non-controlling interests	—	—	—	2.1	—	2.1
Net income (loss) attributable to Cott Corporation	$ 42.5	$ 22.9	$ (14.8)	$ 28.3	$ (36.4)	$ 42.5
Comprehensive income (loss) attributable to Cott Corporation	$ 46.7	$ 22.5	$ (36.5)	$ 23.0	$ (9.0)	$ 46.7

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Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Nine Months Ended September 30, 2017					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ —	$ 52.1	$ 1,341.8	$ 304.5	$ —	$ 1,698.4
Cost of sales	—	43.8	705.9	100.0	—	849.7
Gross profit	—	8.3	635.9	204.5	—	848.7
Selling, general and administrative expenses	4.1	30.8	564.2	178.7	—	777.8
Loss on disposal of property, plant & equipment, net	—	—	4.8	—	—	4.8
Acquisition and integration expenses	—	5.9	6.9	4.4	—	17.2
Operating (loss) income	(4.1)	(28.4)	60.0	21.4	—	48.9
Other expense (income), net	—	0.1	(0.6)	(0.6)	—	(1.1)
Intercompany interest expense (income), net	—	—	10.9	(7.6)	(3.3)	—
Interest expense, net	21.6	—	40.5	—	—	62.1
(Loss) income before income tax expense (benefit), equity income and discontinued operations	(25.7)	(28.5)	9.2	29.6	3.3	(12.1)
Income tax expense (benefit)	—	0.3	(4.4)	5.1	—	1.0
Equity income	0.6	—	0.1	—	(0.7)	—
Net (loss) income from continuing operations	$ (25.1)	$ (28.8)	$ 13.7	$ 24.5	$ 2.6	$ (13.1)
Net income (loss) from discontinued operations, net of income taxes	6.6	(7.3)	(0.1)	10.8	(9.0)	1.0
Net (loss) income	(18.5)	(36.1)	13.6	35.3	(6.4)	(12.1)
Less: Net income attributable to non-controlling interests	—	—	—	6.4	—	6.4
Net (loss) income attributable to Cott Corporation	$ (18.5)	$ (36.1)	$ 13.6	$ 28.9	$ (6.4)	$ (18.5)
Comprehensive income (loss) attributable to Cott Corporation	$ 6.7	$ (34.3)	$ (44.1)	$ 28.5	$ 49.9	$ 6.7

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Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended October 1, 2016					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	**$ —**	**$ 15.4**	**$ 391.4**	**$ 69.9**	**$ —**	**$ 476.7**
Cost of sales	—	13.0	191.2	24.8	—	229.0
Gross profit	**—**	**2.4**	**200.2**	**45.1**	**—**	**247.7**
Selling, general and administrative expenses	1.6	4.5	178.1	41.1	—	225.3
Loss on disposal of property, plant & equipment, net	—	—	1.4	—	—	1.4
Acquisition and integration expenses	—	3.2	2.8	1.4	—	7.4
Operating (loss) income	**(1.6)**	**(5.3)**	**17.9**	**2.6**	**—**	**13.6**
Other (income) expense, net	—	—	(0.8)	1.0	—	0.2
Intercompany interest expense (income), net	—	—	55.4	(22.4)	(33.0)	—
Interest expense (income), net	7.4	—	7.3	(0.2)	—	14.5
(Loss) income before income tax expense (benefit), equity income and discontinued operations	**(9.0)**	**(5.3)**	**(44.0)**	**24.2**	**33.0**	**(1.1)**
Income tax expense (benefit)	7.6	(1.9)	(3.2)	0.4	—	2.9
Equity income	8.7	—	—	—	(8.7)	—
Net (loss) income from continuing operations	**$ (7.9)**	**$ (3.4)**	**$ (40.8)**	**$ 23.8**	**$ 24.3**	**$ (4.0)**
Net income (loss) from discontinued operations, net of income taxes	5.3	7.7	(2.8)	3.2	(10.5)	2.9
Net (loss) income	**(2.6)**	**4.3**	**(43.6)**	**27.0**	**13.8**	**(1.1)**
Less: Net income attributable to non-controlling interests	—	—	—	1.5	—	1.5
Net (loss) income attributable to Cott Corporation	**$ (2.6)**	**$ 4.3**	**$ (43.6)**	**$ 25.5**	**$ 13.8**	**$ (2.6)**
Comprehensive (loss) income attributable to Cott Corporation	**$ (7.8)**	**$ 3.7**	**$ 60.6**	**$ 29.4**	**$ (93.7)**	**$ (7.8)**

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Condensed Consolidating Statements of Operations

(in millions of U.S. dollars)
Unaudited

	For the Nine Months Ended October 1, 2016					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Revenue, net	$ —	$ **52.2**	$ **979.9**	$ **69.9**	$ —	$ **1,102.0**
Cost of sales	—	42.5	443.1	24.8	—	510.4
Gross profit	**—**	**9.7**	**536.8**	**45.1**	**—**	**591.6**
Selling, general and administrative expenses	12.6	13.8	480.2	41.1	—	547.7
Loss on disposal of property, plant & equipment, net	—	—	4.6	—	—	4.6
Acquisition and integration expenses	—	14.2	4.9	1.4	—	20.5
Operating (loss) income	**(12.6)**	**(18.3)**	**47.1**	**2.6**	**—**	**18.8**
Other (income) expense, net	—	—	(1.0)	1.0	—	—
Intercompany interest expense (income), net	—	—	32.8	(13.3)	(19.5)	—
Interest expense (income), net	7.4	—	22.0	(0.2)	—	29.2
(Loss) income before income tax expense (benefit), equity income and discontinued operations	**(20.0)**	**(18.3)**	**(6.7)**	**15.1**	**19.5**	**(10.4)**
Income tax expense (benefit)	7.4	(4.0)	(8.4)	0.2	—	(4.8)
Equity income	22.9	—	—	—	(22.9)	—
Net (loss) income from continuing operations	$ **(4.5)**	$ **(14.3)**	$ **1.7**	$ **14.9**	$ **(3.4)**	$ **(5.6)**
Net income from discontinued operations, net of income taxes	6.5	16.2	12.0	9.4	(32.1)	12.0
Net income (loss)	**2.0**	**1.9**	**13.7**	**24.3**	**(35.5)**	**6.4**
Less: Net income attributable to non-controlling interests	—	—	—	4.4	—	4.4
Net income (loss) attributable to Cott Corporation	$ **2.0**	$ **1.9**	$ **13.7**	$ **19.9**	$ **(35.5)**	$ **2.0**
Comprehensive (loss) income attributable to Cott Corporation	$ **(17.8)**	$ **—**	$ **203.7**	$ **23.9**	$ **(227.6)**	$ **(17.8)**

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Consolidating Balance Sheets

(in millions of U.S. dollars)
Unaudited

	As of September 30, 2017					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ —	$ —	$ 55.2	$ 26.8	$ —	$ 82.0
Accounts receivable, net of allowance	—	8.1	216.5	93.9	(6.9)	311.6
Inventories	—	15.5	111.2	15.6	—	142.3
Prepaid expenses and other current assets	0.1	0.4	15.2	6.5	—	22.2
Current assets of discontinued operations	63.2	324.4	415.2	28.9	(405.2)	426.5
Total current assets	**63.3**	**348.4**	**813.3**	**171.7**	**(412.1)**	**984.6**
Property, plant & equipment, net	—	3.7	479.7	107.0	—	590.4
Goodwill	—	4.5	772.3	320.2	—	1,097.0
Intangible assets, net	—	24.5	532.2	207.2	—	763.9
Deferred tax assets	—	—	—	2.2	—	2.2
Other long-term assets, net	0.4	1.1	19.1	16.2	—	36.8
Due from affiliates	—	—	893.2	371.8	(1,265.0)	—
Investments in subsidiaries	—	—	1,038.7	—	(1,038.7)	—
Long-term assets of discontinued operations	1,425.1	1,847.4	414.1	6.9	(3,019.9)	673.6
Total assets	**$ 1,488.8**	**$ 2,229.6**	**$ 4,962.6**	**$ 1,203.2**	**$ (5,735.7)**	**$ 4,148.5**
LIABILITIES AND EQUITY						
Current liabilities						
Current maturities of long-term debt	$ —	$ —	$ 0.1	$ 2.5	$ —	$ 2.6
Accounts payable and accrued liabilities	8.6	27.8	385.1	136.8	(105.2)	453.1
Current liabilities of discontinued operations	91.6	580.3	144.1	10.0	(306.9)	519.1
Total current liabilities	**100.2**	**608.1**	**529.3**	**149.3**	**(412.1)**	**974.8**
Long-term debt	521.3	—	1,010.0	2.7	—	1,534.0
Deferred tax liabilities	—	11.5	89.7	30.7	—	131.9
Other long-term liabilities	—	10.9	45.8	10.8	—	67.5
Due to affiliates	—	—	1,208.3	858.6	(2,066.9)	—
Long-term liabilities of discontinued operations	1.9	1,427.6	119.9	28.1	(1,011.0)	566.5
Total liabilities	**623.4**	**2,058.1**	**3,003.0**	**1,080.2**	**(3,490.0)**	**3,274.7**
Equity						
Common shares, no par	915.5	1,034.7	1,574.1	144.5	(2,753.3)	915.5
Additional paid-in-capital	63.3	—	—	—	—	63.3
(Accumulated deficit) retained earnings	(20.7)	(844.9)	265.5	(38.6)	618.0	(20.7)
Accumulated other comprehensive (loss) income	(92.7)	(18.3)	120.0	8.7	(110.4)	(92.7)
Total Cott Corporation equity	865.4	171.5	1,959.6	114.6	(2,245.7)	865.4
Non-controlling interests	—	—	—	8.4	—	8.4
Total equity	**865.4**	**171.5**	**1,959.6**	**123.0**	**(2,245.7)**	**873.8**
Total liabilities and equity	**$ 1,488.8**	**$ 2,229.6**	**$ 4,962.6**	**$ 1,203.2**	**$ (5,735.7)**	**$ 4,148.5**

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Consolidating Balance Sheets

(in millions of U.S. dollars)

	As of December 31, 2016					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	$ —	$ —	$ 46.3	$ 31.8	$ —	$ 78.1
Accounts receivable, net of allowance	—	8.6	198.0	84.0	(13.9)	276.7
Inventories	—	13.2	95.9	15.5	—	124.6
Prepaid expenses and other current assets	1.7	0.8	15.4	4.2	—	22.1
Current assets of discontinued operations	47.2	126.9	360.5	23.2	(206.1)	351.7
Total current assets	**48.9**	**149.5**	**716.1**	**158.7**	**(220.0)**	**853.2**
Property, plant & equipment, net	—	4.0	476.3	101.5	—	581.8
Goodwill	—	4.5	761.1	282.7	—	1,048.3
Intangible assets, net	—	24.5	536.7	197.8	—	759.0
Deferred tax assets	—	6.0	—	—	(6.0)	—
Other long-term assets, net	0.5	1.3	19.9	2.3	—	24.0
Due from affiliates	—	—	143.1	329.6	(472.7)	—
Investments in subsidiaries	—	—	975.0	—	(975.0)	—
Long-term assets of discontinued operations	1,353.7	1,635.4	411.3	4.2	(2,731.2)	673.4
Total assets	**$ 1,403.1**	**$ 1,825.2**	**$ 4,039.5**	**$ 1,076.8**	**$ (4,404.9)**	**$ 3,939.7**
LIABILITIES AND EQUITY						
Current liabilities						
Current maturities of long-term debt	$ —	$ —	$ 0.1	$ 2.8	$ —	$ 2.9
Accounts payable and accrued liabilities	4.2	30.5	229.7	124.8	(21.2)	368.0
Current liabilities of discontinued operations	63.6	437.7	128.2	8.5	(198.8)	439.2
Total current liabilities	**67.8**	**468.2**	**358.0**	**136.1**	**(220.0)**	**810.1**
Long-term debt	464.4	—	384.2	2.8	—	851.4
Deferred tax liabilities	0.9	—	133.7	26.4	(6.0)	155.0
Other long-term liabilities	—	11.3	43.6	20.5	—	75.4
Due to affiliates	—	—	970.8	775.1	(1,745.9)	—
Long-term liabilities of discontinued operations	1.5	1,290.7	107.4	24.6	(250.2)	1,174.0
Total liabilities	**534.6**	**1,770.2**	**1,997.7**	**985.5**	**(2,222.1)**	**3,065.9**
Equity						
Common shares, no par	909.3	834.8	1,648.7	149.7	(2,633.2)	909.3
Additional paid-in-capital	54.2	—	—	—	—	54.2
Retained earnings (accumulated deficit)	22.9	(759.7)	215.4	(72.8)	617.1	22.9
Accumulated other comprehensive (loss) income	(117.9)	(20.1)	177.7	9.1	(166.7)	(117.9)
Total Cott Corporation equity	868.5	55.0	2,041.8	86.0	(2,182.8)	868.5
Non-controlling interests	—	—	—	5.3	—	5.3
Total equity	**868.5**	**55.0**	**2,041.8**	**91.3**	**(2,182.8)**	**873.8**
Total liabilities and equity	**$ 1,403.1**	**$ 1,825.2**	**$ 4,039.5**	**$ 1,076.8**	**$ (4,404.9)**	**$ 3,939.7**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended September 30, 2017					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Net cash (used in) provided by operating activities from continuing operations	**$ (0.1)**	**$ —**	**$ (70.6)**	**$ 14.7**	**$ 102.2**	**$ 46.2**
Investing Activities						
Acquisitions, net of cash received	—	—	(1.1)	(2.3)	—	(3.4)
Additions to property, plant & equipment	—	—	(30.0)	(8.2)	—	(38.2)
Additions to intangible assets	—	—	(3.1)	(0.3)	—	(3.4)
Proceeds from sale of property, plant & equipment	—	—	1.1	2.0	—	3.1
Other investing activities	—	—	0.5	—	—	0.5
Net cash used in investing activities from continuing operations	—	—	(32.6)	(8.8)	—	(41.4)
Financing Activities						
Payments of long-term debt	—	—	(0.2)	(0.1)	—	(0.3)
Issuance of common shares	2.1	—	—	—	—	2.1
Common shares repurchased and cancelled	(0.1)	—	—	—	—	(0.1)
Dividends paid to common shareowners	(8.4)	—	—	—	—	(8.4)
Proceeds from intercompany loan from affiliate	—	—	109.5	—	(109.5)	—
Net cash (used in) provided by financing activities from continuing operations	(6.4)	—	109.3	(0.1)	(109.5)	(6.7)
Cash Flows from Discontinued Operations						
Net cash provided by operating activities from discontinued operations	7.6	132.8	4.7	6.1	(103.8)	47.4
Net cash used in investing activities from discontinued operations	(0.5)	(117.7)	(4.1)	(0.5)	109.5	(13.3)
Net cash used in financing activities from discontinued operations	—	(7.8)	(0.1)	(2.9)	1.6	(9.2)
Net cash provided by discontinued operations	7.1	7.3	0.5	2.7	7.3	24.9
Effect of exchange rate changes on cash	0.1	—	1.1	0.8	—	2.0
Net increase in cash & cash equivalents	**0.7**	**7.3**	**7.7**	**9.3**	**—**	**25.0**
Cash & cash equivalents, beginning of period	**5.1**	**16.1**	**73.9**	**28.1**	**—**	**123.2**
Cash & cash equivalents, end of period	**5.8**	**23.4**	**81.6**	**37.4**	**—**	**148.2**
Cash & cash equivalents from discontinued operations, end of period	**5.8**	**23.4**	**26.4**	**10.6**	**—**	**66.2**
Cash & cash equivalents from continuing operations, end of period	**$ —**	**$ —**	**$ 55.2**	**$ 26.8**	**$ —**	**$ 82.0**

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Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Nine Months Ended September 30, 2017					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Net cash provided by operating activities from continuing operations	**$ 0.5**	**$ —**	**$ 118.4**	**$ 29.8**	**$ (10.0)**	**$ 138.7**
Investing Activities						
Acquisitions, net of cash received	—	—	(30.0)	(3.4)	—	(33.4)
Additions to property, plant & equipment	—	—	(73.1)	(24.0)	—	(97.1)
Additions to intangible assets	—	—	(5.1)	(0.9)	—	(6.0)
Proceeds from sale of property, plant & equipment	—	—	3.3	2.7	—	6.0
Intercompany loan to affiliate	—	—	(750.0)	—	750.0	—
Other investing activities	—	—	0.9	—	—	0.9
Net cash used in investing activities from continuing operations	—	—	(854.0)	(25.6)	750.0	(129.6)
Financing Activities						
Payments of long-term debt	—	—	(100.2)	(1.7)	—	(101.9)
Issuance of long-term debt	—	—	750.0	—	—	750.0
Premiums and costs paid upon extinguishment of long-term debt	—	—	(7.7)	—	—	(7.7)
Financing fees	—	—	(11.1)	—	—	(11.1)
Issuance of common shares	2.9	—	—	—	—	2.9
Common shares repurchased and cancelled	(1.9)	—	—	—	—	(1.9)
Dividends paid to common shareowners	(25.1)	—	—	—	—	(25.1)
Proceeds from intercompany loan from affiliate	—	—	109.5	—	(109.5)	—
Other financing activities	—	—	—	0.5	—	0.5
Intercompany dividends	—	—	—	(10.9)	10.9	—
Net cash (used in) provided by financing activities from continuing operations	(24.1)	—	740.5	(12.1)	(98.6)	605.7
Cash Flows from Discontinued Operations						
Net cash provided by operating activities from discontinued operations	27.0	15.7	6.1	11.6	(4.3)	56.1
Net cash used in investing activities from discontinued operations	(1.9)	(138.0)	(4.9)	(1.4)	109.5	(36.7)
Net cash provided by (used in) financing activities from discontinued operations	—	142.6	(0.2)	(6.3)	(746.6)	(610.5)
Net cash provided by (used in) discontinued operations	25.1	20.3	1.0	3.9	(641.4)	(591.1)
Effect of exchange rate changes on cash	(0.5)	—	4.0	2.9	—	6.4
Net increase (decrease) in cash & cash equivalents	**1.0**	**20.3**	**9.9**	**(1.1)**	**—**	**30.1**
Cash & cash equivalents, beginning of period	**4.8**	**3.1**	**71.7**	**38.5**	**—**	**118.1**
Cash & cash equivalents, end of period	**5.8**	**23.4**	**81.6**	**37.4**	**—**	**148.2**
Cash & cash equivalents from discontinued operations, end of period	**5.8**	**23.4**	**26.4**	**10.6**	**—**	**66.2**
Cash & cash equivalents from continuing operations, end of period	**$ —**	**$ —**	**$ 55.2**	**$ 26.8**	**$ —**	**$ 82.0**

Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)
Unaudited

	For the Three Months Ended October 1, 2016					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Net cash (used in) provided by operating activities from continuing operations	**$ (0.3)**	**$ 0.4**	**$ 53.0**	**$ 52.5**	**$ (54.5)**	**$ 51.1**
Investing Activities						
Acquisitions, net of cash received	(911.3)	—	(1.2)	—	—	(912.5)
Additions to property, plant & equipment	—	(0.4)	(27.9)	(4.1)	—	(32.4)
Additions to intangible assets	—	—	(1.2)	—	—	(1.2)
Proceeds from sale of property, plant & equipment	—	—	0.9	0.4	—	1.3
Net cash used in investing activities from continuing operations	(911.3)	(0.4)	(29.4)	(3.7)	—	(944.8)
Financing Activities						
Payments of long-term debt	—	—	(0.2)	(0.6)	—	(0.8)
Financing fees	(9.6)	—		—	—	(9.6)
Issuance of common shares	2.4	—	—	—	—	2.4
Common shares repurchased and cancelled	(3.4)	—	—	—	—	(3.4)
Dividends paid to common shareowners	(8.4)	—	—	—	—	(8.4)
Payment of deferred consideration for acquisitions	—	—	(10.8)	—	—	(10.8)
Intercompany dividends	—	—	—	(13.9)	13.9	—
Net cash used in financing activities from continuing operations	(19.0)	—	(11.0)	(14.5)	13.9	(30.6)
Cash Flows from Discontinued Operations						
Net cash provided by (used in) operating activities from discontinued operations	252.2	(258.1)	7.7	5.3	37.8	44.9
Net cash provided by (used in) investing activities from discontinued operations	0.4	(5.0)	(3.5)	(0.1)	—	(8.2)
Net cash (used in) provided by financing activities from discontinued operations	(2.3)	262.9	—	(5.5)	2.8	257.9
Net cash provided by (used in) discontinued operations	250.3	(0.2)	4.2	(0.3)	40.6	294.6
Effect of exchange rate changes on cash	(4.1)	—	(0.5)	0.6	—	(4.0)
Net (decrease) increase in cash, cash equivalents and restricted cash	**(684.4)**	**(0.2)**	**16.3**	**34.6**	**—**	**(633.7)**
Cash, cash equivalents and restricted cash, beginning of period	**685.7**	**2.4**	**57.2**	**7.3**	**—**	**752.6**
Cash & cash equivalents, end of period	**1.3**	**2.2**	**73.5**	**41.9**	**—**	**118.9**
Cash & cash equivalents from discontinued operations, end of period	**1.3**	**2.2**	**17.0**	**7.0**	**—**	**27.5**
Cash & cash equivalents from continuing operations, end of period	**$ —**	**$ —**	**$ 56.5**	**$ 34.9**	**$ —**	**$ 91.4**

Consolidating Statements of Condensed Cash Flows

(in millions of U.S. dollars)

Unaudited

	For the Nine Months Ended October 1, 2016					
	Cott Corporation	Cott Beverages Inc.	Cott Guarantor Subsidiaries	Cott Non-Guarantor Subsidiaries	Elimination Entries	Consolidated
Net cash provided by operating activities from continuing operations	**$ 1.4**	**$ 0.4**	**$ 121.2**	**$ 52.6**	**$ (103.7)**	**$ 71.9**
Investing Activities						
Acquisitions, net of cash received	(954.0)	—	(4.7)	—	—	(958.7)
Additions to property, plant & equipment	—	(0.4)	(64.8)	(4.1)	—	(69.3)
Additions to intangible assets	—	—	(2.3)	—	—	(2.3)
Proceeds from sale of property, plant & equipment	—	—	1.1	0.4	—	1.5
Net cash used in investing activities from continuing operations	(954.0)	(0.4)	(70.7)	(3.7)	—	(1,028.8)
Financing Activities						
Payments of long-term debt	—	—	(0.3)	(0.6)	—	(0.9)
Issuance of long-term debt	498.7	—	—	—	—	498.7
Financing fees	(9.6)	—	—	—	—	(9.6)
Issuance of common shares	366.6	—	—	—	—	366.6
Common shares repurchased and cancelled	(4.5)	—	—	—	—	(4.5)
Dividends paid to common shareowners	(23.1)	—	—	—	—	(23.1)
Payment of deferred consideration for acquisitions	—	—	(10.8)	—	—	(10.8)
Intercompany dividends	—	—	(12.2)	(13.9)	26.1	—
Net cash provided by (used in) financing activities from continuing operations	828.1	—	(23.3)	(14.5)	26.1	816.4
Cash Flows from Discontinued Operations						
Net cash provided by (used in) operating activities from discontinued operations	112.2	(112.3)	13.9	15.1	58.6	87.5
Net cash used in investing activities from discontinued operations	(0.6)	(18.0)	(10.0)	(0.7)	—	(29.3)
Net cash (used in) provided by financing activities from discontinued operations	(5.2)	131.5	(4.5)	(12.5)	19.0	128.3
Net cash provided by (used in) discontinued operations	106.4	1.2	(0.6)	1.9	77.6	186.5
Effect of exchange rate changes on cash	(1.4)	—	(3.3)	0.5	—	(4.2)
Net (decrease) increase in cash, cash equivalents and restricted cash	**(19.5)**	**1.2**	**23.3**	**36.8**	—	41.8
Cash, cash equivalents and restricted cash, beginning of period	**20.8**	**1.0**	**50.2**	**5.1**	—	77.1
Cash & cash equivalents, end of period	**1.3**	**2.2**	**73.5**	**41.9**	—	**118.9**
Cash & cash equivalents from discontinued operations, end of period	**1.3**	**2.2**	**17.0**	**7.0**	—	**27.5**
Cash & cash equivalents from continuing operations, end of period	**$ —**	**$ —**	**$ 56.5**	**$ 34.9**	**$ —**	**$ 91.4**

Note 18—Subsequent Events

On October 26, 2017, the Company's wholly owned subsidiaries CBI and DSS, gave notice to the trustees under the indentures governing the 2022 Notes and DSS Notes of their intent to conditionally redeem all of the outstanding 2022 Notes and DSS Notes on November 27, 2017 (the "Redemption Date"). The redemption price of the 2022 Notes, as set forth in the indenture governing the 2022 Notes, is equal to 104.031% of the principal amount of such 2022 Notes redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date. The redemption price of the DSS Notes, as set forth in the indenture governing the DSS Notes, is equal to 105.000% of the principal amount of such DSS Notes redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date. The redemptions of the 2022 Notes and the DSS Notes are each conditioned upon the closing of the sale of the Company's Traditional Business to Refresco.

On November 7, 2017, our board of directors declared a dividend of $0.06 per share on common shares, payable in cash on December 8, 2017 to shareowners of record at the close of business on November 28, 2017.

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 fiscal year ended December 31, 2016 (our "2016 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 our 2016 Annual Report, our quarterly report on Form 10-Q for the quarter ended July 1, 2017 and in this quarterly report on Form 10-Q under "Risk Factors". As used herein, "Cott," "the Company," "Cott Corporation," "we," "us," or "our" refers to Cott Corporation, together with its consolidated subsidiaries.

Overview

Cott is a diversified beverage company with a leading volume-based national presence in the North America and European home and office delivery ("HOD") industry for bottled water, a leader in custom coffee roasting and blending of iced tea for the U.S. foodservice industry, and a leader in the production of beverages on behalf of retailers, brand owners and distributors. Our platform reaches over 2.3 million customers or delivery points across North America and Europe supported by strategically located sales and distribution facilities and fleets, as well as wholesalers and distributors. This enables us to efficiently service residences, businesses, restaurant chains, hotels and motels, small and large retailers, and healthcare facilities.

On July 24, 2017, we entered into a Share Purchase Agreement with Refresco Group N.V., a Netherlands limited liability company ("Refresco"), pursuant to which we will sell to Refresco our carbonated soft drinks ("CSDs") and juice businesses via the sale of our North America, United Kingdom ("U.K.") and Mexico business units (including the Canadian business) and our Royal Crown International ("RCI") finished goods export business (collectively "Traditional Business"). The transaction is structured as a sale of the assets of our Canadian business and a sale of the stock of the operating subsidiaries engaged in the Traditional Business in the other jurisdictions after we complete an internal reorganization. The Traditional Business excludes our Route Based Services and Coffee, Tea and Extract Solutions reporting segments, and RCI concentrate business, the Columbus manufacturing facility and our Aimia Foods ("Aimia") business. The closing of the transaction is subject to satisfaction of certain customary conditions, including receipt of regulatory approval in the United Kingdom. The aggregate deal consideration is $1.25 billion, payable at closing in cash, subject to adjustment for indebtedness, working capital, and other items, and is expected to close near the end of 2017. As a result of the Refresco transaction, the Company presents the Traditional Business as discontinued operations for all periods presented. The following discussion and analysis of financial condition and results of operations are those of our continuing operations unless otherwise indicated. For additional information regarding our discontinued operations, see Note 3 to the consolidated financial statements.

The beverage market is subject to some seasonal variations. Our purchases of raw materials and related accounts payable fluctuate based upon the demand for our products. The seasonality of our sales volume 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. In addition, our accounts receivable balances decline in the fall as customers pay their higher-than-average outstanding balances from the summer deliveries.

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 green coffee, polyethylene terephthalate ("PET") resin, high-density polyethylene ("HDPE") and fuel. 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 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.

During the third quarter of 2017, we reviewed our reporting segments as a result of the Refresco transaction. Following such review, we reorganized our reporting segments into three reporting segments: Route Based Services (which includes our DS Services of America, Inc. ("DSS"), Aquaterra Corporation ("Aquaterra") and Eden Springs Europe B.V. ("Eden") businesses), Coffee, Tea & Extract Solutions (which includes our S. & D. Coffee, Inc. ("S&D") business) and All Other (which includes our Aimia and RCI concentrate businesses, the Columbus manufacturing facility and other miscellaneous expenses). Our segment reporting results have been recast to reflect these changes for all periods presented.

Financing Transactions

On March 22, 2017, we issued $750.0 million of 5.500% senior notes due April 1, 2025 (the “2025 Notes”) to qualified purchasers in a private placement offering under Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2025 Notes were issued by our wholly-owned subsidiary Cott Holdings Inc., and most of our U.S., Canadian, U.K., Luxembourg and Dutch subsidiaries guarantee the 2025 Notes. The 2025 Notes will mature on April 1, 2025 and interest is payable semi-annually on April 1st and October 1st of each year commencing on October 1, 2017. The proceeds of the 2025 Notes were used to retire $625.0 million aggregate principal amount of our 6.75% senior notes due 2020 (the “2020 Notes”), redeem $100.0 million aggregate principal amount of our 10.000% senior secured notes due 2021 (the “DSS Notes”) and to pay related fees and expenses.

We incurred $11.7 million of financing fees in connection with the issuance of the 2025 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 2025 Notes.

On October 26, 2017, our wholly owned subsidiaries, Cott Beverages Inc. and DSS, gave notice to the trustees under the indentures governing the 5.375% senior notes due 2022 (the “2022 Notes”) and the DSS Notes of their intent to conditionally redeem all of the outstanding 2022 Notes and DSS Notes on November 27, 2017 (the “Redemption Date”). The redemption price of the 2022 Notes, as set forth in the indenture governing the 2022 Notes, is equal to 104.031% of the principal amount of such 2022 Notes redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date. The redemption price of the DSS Notes, as set forth in the indenture governing the DSS Notes, is equal to 105.000% of the principal amount of such DSS Notes redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date. The redemptions of the 2022 Notes and the DSS Notes are each conditioned upon the closing of the sale of our Traditional Business to Refresco.

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, statements regarding our intentions to pay regular quarterly dividends on our common shares, discussions of estimated future revenue enhancements and cost savings, and statements regarding the pending disposition of our Traditional Business. 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 2016 Annual Report, Part II, Item 1A. “Risk Factors” of our Quarterly Report on Form 10-Q for the quarter ended July 1, 2017, 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 and Refresco's ability to complete the transaction on the anticipated terms and schedule, including the ability to obtain regulatory approvals;
- the risk that the pending transaction will distract our management or disrupt our business;
- our ability to compete successfully in the markets in which we operate;
- 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 Traditional Business with key customers, particularly Walmart;
- consolidation of retail customers in the markets in which we operate;
- fluctuations in commodity prices and our ability to pass on increased costs to our customers or effectively hedge against such rising costs, 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 and cost synergies from our recent acquisitions;
- the limited nature of our indemnification rights under our recent acquisition agreements;
- the incurrence of substantial indebtedness to finance our recent acquisitions;
- 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, and the exchange between the British pound sterling and the Euro;
- 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 adequately address the challenges and risks associated with our international operations and acquisition strategy;
- 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 members of management;
- our ability to renew our collective bargaining agreements on satisfactory terms;

- disruptions in our information systems;
- our ability to securely maintain our customers' confidential or credit card information, or other private data relating to our employees or our company;
- increased tax liabilities in the various jurisdictions in which we operate; or
- our ability to maintain our quarterly dividend.

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 GAAP by utilizing certain non-GAAP financial measures that exclude certain items to make period-over-period comparisons for our underlying operations before material changes.

We exclude these items to better understand trends in the business. We exclude the impact of foreign exchange to separate the impact of currency exchange rate changes from our results of operations.

We also utilize earnings (loss) before interest expense, taxes, depreciation and amortization ("EBITDA"), which is GAAP net income (loss) from continuing operations before interest expense, net, expense (benefit) for income taxes, and 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, which is EBITDA excluding acquisition and integration costs, inventory step-up adjustments, unrealized gain on commodity hedging instruments, net, foreign exchange and other (gains) losses, net, loss on disposal of property, plant & equipment, net, gain on extinguishment of long-term debt, share-based compensation costs, and other adjustments, as the case may be ("Adjusted EBITDA"). Effective January 1, 2017, share-based compensation expense as a part of annual compensation packages is included as an adjustment to EBITDA, and prior periods presented have been updated to incorporate the change. This determination is based upon review of peer companies and business practices among entities undergoing transformation within their operations. We consider Adjusted EBITDA to be an indicator of our operating performance.

We also utilize adjusted net income (loss) from continuing operations, which is GAAP income (loss) from continuing operations excluding acquisition and integration costs, inventory step-up adjustments, unrealized gain on commodity hedging instruments, net, foreign exchange and other (gains) losses, net, loss on disposal of property, plant & equipment, net, interest payment on 2024 Notes (as defined below), interest expense on 2020 Notes (as defined below), tax valuation allowance, gain on extinguishment of long-term debt, other adjustments, and the tax effect of adjustments, as well as adjusted net income (loss) per diluted common share from continuing operations, which is adjusted net income (loss) from continuing operations divided by diluted weighted average common shares outstanding. We consider these measures to be indicators of our operating performance.

Additionally, we supplement our reporting of net cash provided by operating activities from continuing operations determined in accordance with GAAP by excluding additions to property, plant & equipment to present free cash flow and adjusted free cash flow (which is free cash flow excluding acquisition and integration 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

Net income from continuing operations for the three months ended September 30, 2017 (the “third quarter”) and net loss from continuing operations for the nine months ended September 30, 2017 (“first nine months of 2017” or “year to date”) was $1.6 million or $0.01 per diluted common share, and $13.1 million or $0.09 per diluted common share, respectively, compared with net loss from continuing operations of $4.0 million or $0.03 per diluted common share, and $5.6 million, or $0.04 per diluted common share for the three and nine months ended October 1, 2016, respectively.

The following items of significance affected our financial results for the first nine months of 2017:

- Net revenue increased 54.1% from the prior year period due primarily to the addition of the S&D and Eden businesses as well as growth in our DSS business. The net impact of foreign exchange was insignificant to net revenue year to date from the prior year period;
- Gross profit increased to $848.7 million from $591.6 million in the prior year period due primarily to the addition of the Eden business as well as growth in our DSS business. Gross profit as a percentage of net revenue decreased to 50.0% from 53.7% in the prior year period;
- Selling, general and administrative (“SG&A”) expenses increased to $777.8 million from $547.7 million in the prior year period due primarily to the addition of the S&D and Eden businesses. As a percentage of net revenue, SG&A expenses decreased to 45.8% from 49.7% in the prior year period;
- Other income, net was $1.1 million compared to nil in the prior year period due primarily to gains recognized upon the partial redemption of our DSS Notes;
- Interest expense, net increased to $62.1 million from $29.2 million in the prior year period due primarily to the issuance of our 2025 Notes in the current year period and €450.0 million (U.S. $531.1 million at the exchange rate in effect on September 30, 2017) of our 5.500% senior notes due 2024 (the “2024 Notes”) in the prior year period;
- Income tax expense was $1.0 million compared to an income tax benefit of $4.8 million in the prior year period primarily due to: (a) losses incurred in the United States for which we have not recognized a tax benefit in 2017; (b) the Canadian valuation allowance recorded in the third quarter of 2016; (c) permanent differences for which we recognized a tax benefit; and (d) income in tax jurisdictions with lower statutory tax rates than Canada.
- Adjusted EBITDA increased to $225.2 million compared to $156.1 million in the prior year period due to the items listed above;
- Adjusted net income from continuing operations and adjusted net income per diluted common share from continuing operations were $0.7 million and $0.01, respectively, compared to adjusted net loss from continuing operations of $7.0 million and adjusted net loss per diluted common share from continuing operations of $0.06 in the prior year period; and
- Cash flows provided by operating activities from continuing operations was $138.7 million compared to $71.9 million in the prior year period. The $66.8 million increase was due primarily to the change in working capital account balances relative to the prior year period resulting from the addition of our S&D and Eden businesses.

Results of Operations

The following table summarizes our consolidated statements of operations as a percentage of revenue for the three and nine months ended September 30, 2017 and October 1, 2016:

	For the Three Months Ended				For the Nine Months Ended			
	September 30, 2017		October 1, 2016		September 30, 2017		October 1, 2016	
(in millions of U.S. dollars)	$	%	$	%	$	%	$	%
Revenue, net	**580.9**	**100.0**	476.7	100.0	**1,698.4**	**100.0**	1,102.0	100.0
Cost of sales	**288.1**	**49.6**	229.0	48.0	**849.7**	**50.0**	510.4	46.3
Gross profit	**292.8**	**50.4**	247.7	52.0	**848.7**	**50.0**	591.6	53.7
Selling, general, and administrative expenses	**262.8**	**45.2**	225.3	47.3	**777.8**	**45.8**	547.7	49.7
(Gain) loss on disposal of property, plant & equipment, net	**(0.4)**	**(0.1)**	1.4	0.3	**4.8**	**0.3**	4.6	0.4
Acquisition and integration expenses	**3.2**	**0.6**	7.4	1.5	**17.2**	**1.0**	20.5	1.9
Operating income	**27.2**	**4.7**	13.6	2.9	**48.9**	**2.9**	18.8	1.7
Other expense (income), net	**1.5**	**0.3**	0.2	—	**(1.1)**	**(0.1)**	—	—
Interest expense, net	**23.2**	**4.0**	14.5	3.1	**62.1**	**3.7**	29.2	2.6
Income (loss) from continuing operations before income taxes	**2.5**	**0.4**	(1.1)	(0.2)	**(12.1)**	**(0.7)**	(10.4)	(0.9)
Income tax expense (benefit)	**0.9**	**0.1**	2.9	0.6	**1.0**	**0.1**	(4.8)	(0.4)
Net income (loss) from continuing operations	**1.6**	**0.3**	(4.0)	(0.8)	**(13.1)**	**(0.8)**	(5.6)	(0.5)
Net income from discontinued operations, net of income taxes	**43.0**	**7.4**	2.9	0.6	**1.0**	**0.1**	12.0	1.1
Net income (loss)	**44.6**	**7.7**	(1.1)	(0.2)	**(12.1)**	**(0.7)**	6.4	0.6
Less: Net income attributable to non-controlling interests—discontinued operations	**2.1**	**0.4**	1.5	0.3	**6.4**	**0.4**	4.4	0.4
Net income (loss) attributable to Cott Corporation	**42.5**	**7.3**	(2.6)	(0.5)	**(18.5)**	**(1.1)**	2.0	0.2
Depreciation & amortization	**49.4**	**8.5**	41.2	8.6	**141.8**	**8.3**	102.6	9.3

The following table summarizes the change in revenue by reporting segment for the three and nine months ended September 30, 2017:

	For the Three Months Ended September 30, 2017			
(in millions of U.S. dollars, except percentage amounts)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Change in revenue	$ 48.1	$ 56.1	$ —	$ 104.2
Impact of foreign exchange [1]	(5.8)	—	0.6	(5.2)
Change excluding foreign exchange	$ 42.3	$ 56.1	$ 0.6	$ 99.0
Percentage change in revenue	13.8%	64.3%	— %	21.9%
Percentage change in revenue excluding foreign exchange	12.1%	64.3%	1.5%	20.8%

	For the Nine Months Ended September 30, 2017			
(in millions of U.S. dollars, except percentage amounts)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Change in revenue	$ 252.6	$ 352.9	$ (9.1)	$ 596.4
Impact of foreign exchange [1]	(5.7)	—	5.7	—
Change excluding foreign exchange	$ 246.9	$ 352.9	$ (3.4)	$ 596.4
Percentage change in revenue	28.6%	404.2%	(6.9)%	54.1%
Percentage change in revenue excluding foreign exchange	28.0%	404.2%	(2.6)%	54.1%

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

The following table summarizes our net revenue, gross profit and operating income (loss) by reporting segment for the three and nine months ended September 30, 2017 and October 1, 2016 (for purposes of the table below, 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 millions of U.S. dollars)	For the Three Months Ended September 30, 2017	For the Three Months Ended October 1, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended October 1, 2016
Revenue, net				
Route Based Services	**$ 397.3**	$ 349.2	**$ 1,134.9**	$ 882.3
Coffee, Tea and Extract Solutions	**143.4**	87.3	**440.2**	87.3
All Other	**40.2**	40.2	**123.3**	132.4
Total	**$ 580.9**	$ 476.7	**$ 1,698.4**	$ 1,102.0
Gross profit				
Route Based Services	**$ 249.2**	$ 216.5	**$ 710.9**	$ 541.7
Coffee, Tea and Extract Solutions	**36.8**	24.5	**117.9**	24.5
All Other	**6.8**	6.7	**19.9**	25.4
Total	**$ 292.8**	$ 247.7	**$ 848.7**	$ 591.6
Operating income (loss)				
Route Based Services	**$ 34.6**	$ 21.2	**$ 66.3**	$ 44.7
Coffee, Tea and Extract Solutions	**3.7**	(0.1)	**13.3**	(0.1)
All Other	**4.7**	0.7	**6.9**	7.5
Corporate	**(15.8)**	(8.2)	**(37.6)**	(33.3)
Total	**$ 27.2**	$ 13.6	**$ 48.9**	$ 18.8

The following tables summarize net revenue by channel for the three and nine months ended September 30, 2017 and October 1, 2016:

	For the Three Months Ended September 30, 2017			
(in millions of U.S. dollars)	Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Revenue, net				
Home and office bottled water delivery	**$ 268.0**	**$ —**	**$ —**	**$ 268.0**
Coffee and tea services	**44.2**	**120.9**	**0.7**	**165.8**
Retail	**43.5**	**—**	**11.7**	**55.2**
Other	**41.6**	**22.5**	**27.8**	**91.9**
Total	**$ 397.3**	**$ 143.4**	**$ 40.2**	**$ 580.9**

(in millions of U.S. dollars)	For the Nine Months Ended September 30, 2017 Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Revenue, net				
Home and office bottled water delivery	**$ 753.7**	**$ —**	**$ —**	**$ 753.7**
Coffee and tea services	**134.9**	**369.6**	**2.0**	**506.5**
Retail	**127.8**	**—**	**33.9**	**161.7**
Other	**118.5**	**70.6**	**87.4**	**276.5**
Total	**$1,134.9**	**$ 440.2**	**$123.3**	**$1,698.4**

(in millions of U.S. dollars)	For the Three Months Ended October 1, 2016 Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Revenue, net				
Home and office bottled water delivery	$ 235.9	$ —	$ —	$ 235.9
Coffee and tea services	38.9	72.0	2.0	112.9
Retail	42.9	—	10.0	52.9
Other	31.5	15.3	28.2	75.0
Total	$ 349.2	$ 87.3	$ 40.2	$ 476.7

(in millions of U.S. dollars)	For the Nine Months Ended October 1, 2016 Route Based Services	Coffee, Tea and Extract Solutions	All Other	Total
Revenue, net				
Home and office bottled water delivery	$ 575.1	$ —	$ —	$ 575.1
Coffee and tea services	100.4	72.0	2.0	174.4
Retail	127.7	—	37.8	165.5
Other	79.1	15.3	92.6	187.0
Total	$ 882.3	$ 87.3	$132.4	$1,102.0

The following table summarizes our EBITDA and Adjusted EBITDA for the three and nine months ended September 30, 2017 and October 1, 2016:

(in millions of U.S. dollars)	For the Three Months Ended September 30, 2017	October 1, 2016	For the Nine Months Ended September 30, 2017	October 1, 2016
Net income (loss) from continuing operations	**$ 1.6**	$ (4.0)	**$ (13.1)**	$ (5.6)
Interest expense, net	**23.2**	14.5	**62.1**	29.2
Income tax expense (benefit)	**0.9**	2.9	**1.0**	(4.8)
Depreciation & amortization	**49.4**	41.2	**141.8**	102.6
EBITDA	**$ 75.1**	$ 54.6	**$ 191.8**	$ 121.4
Acquisition and integration costs [1]	**3.2**	7.4	**17.2**	20.5
Inventory step-up	**—**	4.2	**—**	4.7
Unrealized commodity hedging gain, net	**(0.4)**	(1.0)	**(1.9)**	(0.8)
Foreign exchange and other (gains) losses, net	**(0.2)**	0.8	**(1.1)**	(0.5)
Loss on disposal of property, plant & equipment, net	**—**	1.4	**5.7**	4.6
Gain on extinguishment of long-term debt	**—**	—	**(1.5)**	—
Share-based compensation costs	**1.9**	0.2	**8.7**	4.4
Other adjustments	**4.3**	0.9	**6.3**	1.8
Adjusted EBITDA	**$ 83.9**	$ 68.5	**$ 225.2**	$ 156.1

1. Includes $0.2 million and $2.4 million of share-based compensation costs for the three and nine months ended September 30, 2017, respectively, related to awards granted in connection with the acquisitions of our S&D and Eden businesses, and a reduction of $1.1 million and $0.4 million share-based compensation costs for the three and nine months ended October 1, 2016, respectively, related to awards granted in connection with the acquisitions of our S&D, Eden and DSS businesses.

The following table summarizes our adjusted net income (loss) from continuing operations and adjusted net income (loss) per common share from continuing operations for the three and nine months ended September 30, 2017 and October 1, 2016:

(in millions of U.S. dollars, except share amounts)	For the Three Months Ended September 30, 2017	For the Three Months Ended October 1, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended October 1, 2016
Net income (loss) from continuing operations	**$ 1.6**	$ (4.0)	**$ (13.1)**	$ (5.6)
Acquisition and integration costs	**3.2**	7.4	**17.2**	20.5
Inventory step-up	**—**	4.2	**—**	4.7
Unrealized commodity hedging gain, net	**(0.4)**	(1.0)	**(1.9)**	(0.8)
Foreign exchange and other (gains) losses, net	**(0.2)**	0.8	**(1.1)**	(0.5)
Loss on disposal of property, plant & equipment, net	**—**	1.4	**5.7**	4.6
Interest payment on 2024 Notes [1]	**—**	2.4	**—**	2.4
Interest expense on 2020 Notes [2]	**—**	(10.7)	**(9.5)**	(31.9)
Tax valuation allowance	**—**	8.5	**—**	8.5
Gain on extinguishment of long-term debt	**—**	—	**(1.5)**	—
Other adjustments	**4.3**	0.9	**6.3**	1.8
Adjustments for tax effect [3]	**0.1**	(4.5)	**(1.4)**	(10.7)
Adjusted net income (loss) from continuing operations	**$ 8.6**	$ 5.4	**$ 0.7**	$ (7.0)
Adjusted net income (loss) per common share from continuing operations				
Basic	**$ 0.06**	$ 0.04	**$ 0.01**	$ (0.06)
Diluted	**$ 0.06**	$ 0.04	**$ 0.01**	$ (0.06)
Weighted average common shares outstanding (in millions)				
Basic	**139.2**	138.2	**139.0**	124.9
Diluted	**141.0**	139.3	**140.2**	124.9

1. Represents the interest paid on the 2024 Notes while the proceeds were held in escrow prior to funding a portion of the purchase price for the acquisition of our Eden business.
2. Represents the interest expense incurred on our 6.750% senior notes due 2020 (the “2020 Notes”) which are recorded within discontinued operations. In March 2017, the 2020 Notes were redeemed in full with proceeds from the issuance of the 2025 Notes which are recorded in continuing operations. These adjustments move the 2020 Notes into continued operations in order to have both the 2020 Notes and the 2025 Notes within the same area of financial reporting.
3. Reflects the tax effect of adjustments at the statutory tax rate within the applicable tax jurisdiction.

The following table summarizes our free cash flow and adjusted free cash flow for the three and nine months ended September 30, 2017 and October 1, 2016:

(in millions of U.S. dollars)	For the Three Months Ended September 30, 2017	For the Three Months Ended October 1, 2016
Net cash provided by operating activities from continuing operations	**$ 46.2**	$ 51.1
Less: Additions to property, plant & equipment	**(38.2)**	(32.4)
Free Cash Flow	**$ 8.0**	$ 18.7
Plus:		
Acquisition and integration cash costs	**4.6**	14.1
Adjusted Free Cash Flow	**$ 12.6**	$ 32.8

(in millions of U.S. dollars)	For the Nine Months Ended September 30, 2017	For the Nine Months Ended October 1, 2016
Net cash provided by operating activities from continuing operations	**$ 138.7**	$ 71.9
Less: Additions to property, plant & equipment	**(97.1)**	(69.3)
Free Cash Flow	**$ 41.6**	$ 2.6
Plus:		
Acquisition and integration cash costs	**16.9**	16.0
Adjusted Free Cash Flow	**$ 58.5**	$ 18.6

Revenue, Net

Net revenue increased $104.2 million, or 21.9%, and $596.4 million, or 54.1%, in the third quarter and year to date, respectively, from the comparable prior year periods. Excluding the impact of foreign exchange, net revenue increased 20.8% in the third quarter from the comparable prior year period. The net impact of foreign exchange was insignificant to net revenue year to date from the prior year period.

Route Based Services net revenue increased $48.1 million, or 13.8%, and $252.6 million, or 28.6% in the third quarter and year to date, respectively, from the comparable prior year periods due primarily to the addition of our Eden business as well as growth of customers and growth in the filtration division, as well as pricing improvements in our DSS business. Excluding the impact of foreign exchange, net revenue increased 12.1% and 28.0% in the third quarter and year to date, respectively, from the comparable prior year periods.

Coffee, Tea and Extract Solutions net revenue increased $56.1 million, or 64.3%, and $352.9 million, or 404.2%, in the third quarter and year to date, respectively, from the comparable prior year periods due primarily to the acquisition of our S&D business in the third quarter of the prior year period.

All Other net revenue had no change in the third quarter, and decreased $9.1 million, or 6.9%, year to date, respectively, from the comparable prior year periods due primarily to the impact of unfavorable foreign exchange rates and the loss of a key customer. Excluding the impact of foreign exchange, net revenue increased 1.5% in the third quarter and decreased 2.6% year to date from the comparable prior year periods.

Cost of Sales

Cost of sales represented 49.6% and 50.0% of revenue in the third quarter and year to date, respectively, compared to 48.0% and 46.3% in the comparable prior year periods. The increase in cost of sales as a percentage of revenue was due primarily to the addition of our S&D business.

Gross Profit

Gross profit increased to $292.8 million and $848.7 million in the third quarter and year to date, respectively, from $247.7 million and $591.6 million in the comparable prior year periods due primarily to the addition of our Eden business as well as growth in our DSS business. Gross profit as a percentage of revenue decreased to 50.4% and 50.0% in the third quarter and year to date, respectively, from 52.0% and 53.7% in the comparable prior year periods.

Selling, General and Administrative Expenses

SG&A expenses increased to $262.8 million and $777.8 million in the third quarter and year to date, respectively, from $225.3 million and $547.7 million in the comparable prior year periods due primarily to the addition of our S&D and Eden businesses.

Operating Income

Operating income increased to $27.2 million and $48.9 million in the third quarter and year to date, respectively, from $13.6 million and $18.8 million in the comparable prior year periods due primarily to higher gross profit as a result of the addition of our Eden business.

Other Expense (Income), Net

Other expense, net was $1.5 million in the third quarter and other income, net was $1.1 million year to date compared to other expense, net of $0.2 million and nil in the comparable prior year periods. The increase in other expense, net in the third quarter comparable to the prior year period was due primarily to the reduction of net gains on foreign currency transactions. The increase in other income, net year to date comparable to the prior year period was due primarily to gains recognized on the partial redemption of our DSS Notes.

Interest Expense, Net

Interest expense, net was $23.2 million and $62.1 million for the third quarter and year to date, respectively, compared to $14.5 million and $29.2 million in the comparable prior year periods due primarily to the interest costs associated with our 2024 Notes and 2025 Notes.

Income Taxes

Income tax expense was $0.9 million and $1.0 million in the third quarter and year to date, respectively, compared to income tax expense of $2.9 million and income tax benefit of $4.8 million in the comparable prior year periods. The effective income tax rates for the three and nine months ended September 30, 2017 were 36.0% and (8.3%), respectively, compared to (263.6%) and 46.2% for the three and nine months ended October 1, 2016.

The effective tax rates for the three and nine months ended September 30, 2017 varied from the effective tax rates for the three and nine months ended October 1, 2016 primarily due to losses incurred in the United States for which we have not recognized a tax benefit in 2017, partially offset by tax expense related to the Canadian valuation allowance recorded in the third quarter of 2016.

The effective tax rate differs from the Canadian statutory rate during the three and nine months ended September 30, 2017 and October 1, 2016 primarily due to: (a) losses incurred in tax jurisdictions for which we have not recognized a tax benefit; (b) permanent differences for which we recognized a tax benefit; (c) income in tax jurisdictions with lower statutory tax rates than Canada; and (d) the Canadian valuation allowance recorded in the third quarter of 2016.

The pending transaction with Refresco is anticipated to generate a gain on sale which could result in a U.S. valuation allowance release and recognition of a material income tax benefit within the next twelve months.

Liquidity and Capital Resources

As of September 30, 2017, our continuing operations had total debt of $1,536.6 million and $82.0 million of cash & cash equivalents compared to $854.3 million of debt and $78.1 million of cash & cash equivalents as of December 31, 2016.

We believe that our level of resources, which includes cash on hand, available borrowings under our asset-based lending facility (the "ABL facility") and funds provided by operations, will be adequate to meet our expenses, capital expenditures, and debt service obligations for the next twelve months. Our ability to generate cash to meet our current expenses and debt service obligations will depend on our future performance. If we do not have enough cash to pay our debt service obligations, or if the ABL facility or our outstanding 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 outstanding 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 September 30, 2017, our total availability under the ABL facility was $471.1 million, which was based on our borrowing base (accounts receivables, inventory, and fixed assets as of the September month end under the terms of the credit agreement governing the ABL facility). We had $248.0 million of outstanding borrowings under the ABL facility and $40.1 million in outstanding letters of credit. As a result, our excess availability under the ABL facility was $183.0 million. Each month's borrowing base is not effective until submitted to the lenders, which usually occurs on the twentieth day of the following month. The ABL facility has been recorded in current liabilities of discontinued operations in the consolidated balance sheets for all periods presented.

We earn most of our consolidated operating income in subsidiaries located outside of Canada. We have not provided for federal, state or foreign deferred income taxes on the undistributed earnings of our non-Canadian subsidiaries. We expect that these earnings, as well as any future proceeds related to the Refresco transaction, will be permanently reinvested by such subsidiaries except in certain instances where repatriation attributable to earnings results in minimal or no tax consequences.

We expect existing cash & cash equivalents from continuing operations, cash flows from continuing operations and the issuance of debt to continue to be sufficient to fund our operating, investing and financing activities related to continuing operations. In addition, we expect existing cash & cash equivalents, and cash flows from operations outside Canada to continue to be sufficient to fund our subsidiary continuing operation activities.

A future change to our assertion that foreign earnings will be permanently reinvested could result in additional income taxes and/or withholding taxes payable, where applicable. Therefore, a higher effective tax rate could occur during the period of repatriation.

We may, from time to time, depending on market conditions, including without limitation whether our outstanding notes are then trading at a discount to their face amount, repurchase our outstanding notes for cash and/or in exchange for our common shares, warrants, preferred shares, 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.

We intend to use the proceeds of the Refresco transaction to repay our outstanding ABL facility indebtedness and to redeem the 5.375% senior notes due 2022 from our discontinued operations and the remaining DSS Notes from our continuing operations.

A dividend of $0.06 per common share was declared during each quarter of 2017 for aggregate dividend payments of approximately $25.1 million.

The following table summarizes our cash flows for the three and nine months ended September 30, 2017 and October 1, 2016, as reported in our consolidated statements of cash flows in the accompanying consolidated financial statements:

	For the Three Months Ended		For the Nine Months Ended	
(in millions of U.S. dollars)	**September 30, 2017**	**October 1, 2016**	**September 30, 2017**	**October 1, 2016**
Net cash provided by operating activities from continuing operations	**$ 46.2**	$ 51.1	**$ 138.7**	$ 71.9
Net cash used in investing activities from continuing operations	**(41.4)**	(944.8)	**(129.6)**	(1,028.8)
Net cash (used in) provided by financing activities from continuing operations	**(6.7)**	(30.6)	**605.7**	816.4
Cash flows from discontinued operations:				
Net cash provided by operating activities from discontinued operations	**47.4**	44.9	**56.1**	87.5
Net cash used in investing activities from discontinued operations	**(13.3)**	(8.2)	**(36.7)**	(29.3)
Net cash (used in) provided by financing activities from discontinued operations	**(9.2)**	257.9	**(610.5)**	128.3
Effect of exchange rate changes on cash	**2.0**	(4.0)	**6.4**	(4.2)
Net increase (decrease) in cash, cash equivalents and restricted cash	**25.0**	(633.7)	**30.1**	41.8
Cash, cash equivalents and restricted cash, beginning of period	**123.2**	752.6	**118.1**	77.1
Cash & cash equivalents, end of period	**148.2**	118.9	**148.2**	118.9
Cash & cash equivalents from discontinued operations, end of period	**66.2**	27.5	**66.2**	27.5
Cash & cash equivalents from continuing operations, end of period	**$ 82.0**	$ 91.4	**$ 82.0**	$ 91.4

Operating Activities

Cash provided by operating activities from continuing operations was $138.7 million year to date compared to $71.9 million in the comparable prior year period. The $66.8 million increase was due primarily to the change in working capital account balances relative to the prior year period resulting from the addition of our S&D and Eden businesses.

Investing Activities

Cash used in investing activities from continuing operations was $129.6 million year to date compared to $1,028.8 million in the comparable prior year period. The $899.2 million decrease was due primarily to the cash used in the acquisitions of our S&D, Eden and Aquaterra businesses in the prior year period, partially offset by an increase in additions to property, plant & equipment relative to the prior year period.

Financing Activities

Cash provided by financing activities from continuing operations was $605.7 million year to date compared to $816.4 million in the comparable prior year period. The $210.7 million decrease was due primarily to the receipt of net proceeds from the issuance of common shares and the 2024 Notes in the prior year period, partially offset by the issuance of our 2025 Notes and the partial redemption of our DSS 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 September 30, 2017.

Contractual Obligations

Except as described below, there were no other significant changes to our outstanding contractual obligations, as of September 30, 2017, from amounts previously disclosed in our 2016 Annual Report.

In March 2017, we issued $750.0 million of 5.500% senior notes due April 1, 2025. The interest on the notes is payable semi-annually on April 1st and October 1st of each year commencing October 1, 2017. We used a portion of these proceeds to redeem $202.3 million aggregate principal amount of our 2020 Notes in a cash tender offer in March 2017, $422.7 million to redeem the remaining aggregate principal amount of our 2020 Notes in April 2017 and $100.0 million to redeem a portion of the aggregate principal amount of our DSS Notes in May 2017.

Credit Ratings and Covenant Compliance

Credit Ratings

In connection with the announcement of the sale of our Traditional Business to Refresco, Standard and Poor's revised their outlook to positive from stable and affirmed their 'B' long-term corporate credit rating. They also raised their issue-level on the senior unsecured notes to 'B' from 'B-' and affirmed the 'BB-' issue-level rating on our DSS Notes. In addition, Moody's confirmed their outlook of stable and upgraded their long-term corporate credit rating to 'B1' from 'B2'. They also confirmed their 'Ba2' rating on our DSS Notes and upgraded their rating on our senior unsecured notes to 'B2' from 'B3'.

Covenant Compliance

Indentures governing our outstanding notes

Under the indentures governing our outstanding 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. The covenants are substantially similar across the series of notes. As of September 30, 2017, we were in compliance with all of the covenants under each series of notes. There have been no amendments to any such covenants of our outstanding notes since the date of their issuance or assumption, as applicable.

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 minimum fixed charge coverage ratio, which measures our ability to cover financing expenses. The minimum fixed charge coverage ratio of 1.0 to 1.0 is effective if and when aggregate availability is less than the greater of 10% of the lenders' commitments under the ABL facility or $37.5 million. If excess availability is less than the greater of 10% of the aggregate availability under the ABL facility or $37.5 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 September 30, 2017.

Issuer Purchases of Equity Securities

Tax Withholding

In the third quarter of 2017, 13,770 previously-issued common shares were withheld from delivery to our employees to satisfy their tax obligations related to share-based awards. In the third quarter of 2016, 200,405 previously-issued common shares were withheld from delivery to our employees to satisfy their tax obligations related to share-based awards. Please refer to the table in Part II, Item 2 of this Quarterly Report on Form 10-Q.

Capital Structure

Since December 31, 2016, equity has remained unchanged. The net zero change was due primarily to share-based compensation costs of $14.3 million and currency translation adjustments of $26.1 million, partially offset by the net loss of $12.1 million, distributions to non-controlling interests of $3.3 million and the common share dividend payments of $25.1 million.

Dividend Payments

Common Share Dividend

On August 2, 2017, the board of directors declared a dividend of $0.06 per share on common shares, payable in cash on September 6, 2017 to shareowners of record at the close of business on August 23, 2017. On November 7, 2017, the board of directors declared a dividend of $0.06 per share on common shares, payable in cash on December 8, 2017 to shareowners of record at the close of business on November 28, 2017. 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 our outstanding notes as well as other factors that the board of directors may deem relevant from time to time.

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 2016 Annual Report.

Recent Accounting Pronouncements

See Note 1 to the consolidated financial statements for a discussion of recent accounting guidance.

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. We have no material changes to our Quantitative and Qualitative Disclosures about Market Risk as filed in our 2016 Annual Report.

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 September 30, 2017. Based upon this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2017, 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.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to the legal proceedings described in our 2016 Annual Report.

Item 1A. Risk Factors

Reference is made to the risk factors described in our 2016 Annual Report, as updated by our Form 10-Q for the quarter ended July 1, 2017. At the time of this filing, there have been no material changes to our risk factors that were included in our 2016 Annual Report, as updated by our Form 10-Q for the quarter ended July 1, 2017, other than as described below.

On July 24, 2017, we entered into a Share Purchase Agreement with Refresco Group N.V., a Netherlands limited liability company ("Refresco"), to sell our Traditional Business in the United States, Canada, Mexico and United Kingdom for $1.25 billion in cash. The transaction, which is expected to close near the end of 2017, is subject to certain customary closing conditions, including regulatory approval from the United Kingdom. If any closing conditions are not met, the closing of the transaction may be delayed or fail to occur, and we may not achieve the intended benefits we anticipate. Other risks and uncertainties related to the pending transaction include, among others: the difficulties in the separation of operations, services, products and personnel; the need to provide significant ongoing post-closing transition support to Refresco; and the obligation to indemnify or reimburse Refresco for certain past liabilities of the divested business. In addition, we have incurred and will continue to incur significant costs, expenses and fees for professional services and other transaction costs in connection with the transaction, as well as the diversion of management resources, for which we will receive little or no benefit if the closing of the transaction does not occur. We may not be successful in managing these or any other significant risks that we may encounter arising from the transaction, which could have a material adverse effect on our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Tax Withholdings

The following table contains information about common shares that we withheld from delivering to employees during the third quarter of 2017 to satisfy their tax obligations related to share-based awards.

	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Dollar Value) of Common Shares that May Yet Be Purchased Under the Plans or Programs
July 2017	—	$ —	N/A	N/A
August 2017	13,770	$ 15.33	N/A	N/A
September 2017	—	$ —	N/A	N/A
Total	13,770			

Item 6. Exhibits

Number	Description
2.1	Share Purchase Agreement, dated as of July 24, 2017, by and among Cott Corporation, Refresco Group N.V., Refresco US Holdings Inc. and certain other parties thereto (incorporated by reference to Exhibit 2.1 to our Form 8-K filed July 26, 2017).
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-law No. 2002-1 of Cott Corporation, as amended (incorporated by reference to Exhibit 3.2 to our Form 10-Q filed May 8, 2014).
10.1	Employment Offer Letter to Ron Hinson dated November 6, 2017 (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 September 30, 2017 (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 September 30, 2017 (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 September 30, 2017 (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 September 30, 2017 (furnished herewith).
101	The following financial statements from Cott Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, filed November 9, 2017, 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).

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: November 9, 2017

/s/ Jay Wells
Jay Wells
Chief Financial Officer
(On behalf of the Company)

Date: November 9, 2017

/s/ Jason Ausher
Jason Ausher
Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 10.1

November 6, 2017

Dear Ron:

I am very pleased to outline in this letter (the " **Offer Letter** ") the terms and conditions on which we are offering you employment with S. & D. Coffee, Inc. (the " **Company** "), a subsidiary of Cott Corporation (" **Cott** "), in the position of Chief Executive Officer of the Company. This Offer Letter will not constitute an agreement unless and 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. To the extent not defined herein, capitalized terms shall have the meanings provided in Exhibit A hereto.

1. Position and Duties .

1.1 Position . Subject to the terms and conditions hereof, you will be employed by the Company as the Chief Executive Officer, effective as of the date hereof (the " **Employment Date** ").

1.2 Responsibilities .

(a) As the Company's Chief Executive Officer, you will report to the Chief Executive Officer of Cott Corporation 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, upon request, Cott and its Affiliates, and to discharge 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.

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

1.4 Term. The Company agrees to employ you pursuant to the terms of this Offer Letter, and you agree to be so employed, commencing as of the Employment Date and continuing until such time as your employment is terminated in accordance with Sections 4 and 5 hereof. The period of time between the Employment Date and the termination of your employment hereunder shall be referred to herein as the " **Employment Term** ."

2. Remuneration .

2.1 Base Salary . Your annual base salary will initially be at the rate of $1,000,000 per year (" **Annual Base Salary** "), paid on a bi-weekly basis (or such other basis as the Company may later adopt), prorated for any partial periods based on the actual number of days in the applicable period.

2.2 **Annual 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 one hundred percent (100 %) of your Annual Base Salary. The bonus year is the Company's fiscal year. 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 continue to be eligible to participate in the Company's benefit programs generally available to other senior executives of the Company. The Company's benefit programs include health, disability and life insurance benefits. Employee contributions are required for the Company's benefit programs.

3.2 **401(k) Plan .** In addition, you will continue to be eligible to continue to participate in the Company's 401(k) Savings and Retirement Plan.

3.3 **Vacation; Personal Time .** You will be entitled to five (5) weeks' vacation and one (1) week of personal time per calendar year. All earned vacation and personal time must be taken in the year in which it is earned; otherwise it shall be forfeited. If you should leave the Company, the value of any unearned vacation and personal time taken by you prior to your separation will be considered a debt to the Company. All vacation and personal time periods require the approval of Mr. Fowden.

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. Separation; Payments and Entitlements Upon a Separation .

4.1 **Termination .** The Company may terminate your employment: (a) immediately for Cause, (b) upon your Disability, or (c) upon thirty (30) days' notice for any other reason or no reason. Your employment with the Company will terminate upon your death.

4.2 **Termination By the Company Without Cause or By You with Good Reason .** Subject to Sections 4.3, 7.9, and 9.11, if your employment is terminated following the Employment Date (i) by the Company without Cause other than by reason of your Disability or (ii) by you for Good Reason, you will be entitled to the following payments and entitlements:

(a) Cash Payment . You will receive a cash payment in an amount equal to the sum of (1) twelve (12) months of your then Annual Base Salary, and (2) the average of the bonus received by you in the two most recently completed calendar years or, if you have not been in the employ of the Company for the two most recent completed calendar years, your target bonus amount (the " **Cash Payment Amount** "). The Cash Payment Amount will be paid in a lump sum, less all applicable withholding taxes, within thirty (30) days after your separation date, 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 after your separation date. The Cash Payment 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, unused vacation pay earned through the date of your separation pursuant to this Section 4.2, less all applicable withholding taxes, on the first regular pay date following the date of your separation.

(c) No Other Payments . Upon payment of the amounts to be paid pursuant to Sections 4.2(a) and 4.2(b) and such obligations as may be required by applicable law, the Company shall have no further liability under this Offer Letter or as a result of your separation.

4.3 Release Required . You will not be entitled to receive the payment set forth in Section 4.2(a) and, if applicable, Section 8, 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, Cott and related parties of all claims or liabilities of any kind relating to your employment with the Company and the termination of such employment (the “Release”).

5. Other Termination . If your employment is terminated by (a) your voluntary resignation without Good Reason, (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 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 . Upon your separation, you will be deemed to have resigned all positions you hold with the Company and any if its Affiliates as of the date of your separation, including any director or officer 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. Restrictive Covenants .

7.1 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 be entrusted with information that would reasonably be considered confidential to the Company, Cott and other Cott Affiliates, the disclosure of which to competitors of the Company, Cott or other Cott Affiliates or to the general public, would be highly detrimental to the best interests of the Company, Cott and/or other Cott 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, Cott or other Cott Affiliates. 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, Cott and Cott’s other Affiliates who 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, Cott and Cott's other Affiliates, nor will you disclose or use for any purpose, other than for those of the Company, Cott or Cott's other Affiliates, any other information which you may acquire during your employment with respect to the business and affairs of the Company, Cott or Cott's other 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; and

(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.

7.2 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 or Cott 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 Company's Chief Executive Officer from time to time.

7.3 Corporate Opportunities . Any business opportunities related to the business of the Company or Cott 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 or Cott's business.

7.4 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, if applicable, its Affiliates and for a period of twelve (12) months after your separation from such employment (regardless of the reason for such separation and whether caused by you or the Company or one of its Affiliates), 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, work for, provide services to, 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, Cott or any other Cott Affiliate, solicit, interfere with, accept any business from or render any services to anyone who is a client or a prospective client of the Company, Cott or any other Cott 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; or

(iii) solicit or offer employment to any person employed or engaged by the Company, Cott or any other Cott 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 7.4, then each time limitation set forth in this Section 7.4 shall be extended for a period of time equal to the period of time during which such violation or violations occur. If the Company or Cott 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.

7.5 Insider and Other Company Policies . You will comply with all applicable securities laws and the Company's and Cott's insider trading policy and insider reporting procedures in respect of any securities of the Company or Cott that you may acquire, and you will comply with all other of the Company's and Cott's policies that may be applicable to you from time to time, including, without limitation, the Company's and Cott's policies on pricing, procurement, accounting, financial reporting, delegations of authority and responsibility, and conduct.

7.6 Non-Disparagement . The Company and you agree that neither party will disparage the other in any manner and will in all respects avoid any negative criticism of the other and, in your case, of Cott. The foregoing non-disparagement provision does not apply on occasions when you or the Company provide truthful information in good faith to any federal, state, or local agency investigating an alleged violation of any employment-related or other law or otherwise gathering information pursuant to any official investigation, hearing, trial or proceeding. You and the Company shall also (i) be permitted to defend your/itself against any statement made by the other party that is intended or reasonably likely to disparage the other's reputation if you or the Company, as applicable, have a reasonable good faith belief that your or its statements in such defense are not false statements, (ii) be permitted, while you are employed by the Company, to make any statement not otherwise false or misleading that you or the Company, as applicable, determine in good faith is reasonably necessary or appropriate to the discharge of your or its duties and responsibilities, and (iii) provide truthful testimony in any legal proceeding. The foregoing provision also does not prevent the Company and Cott from making internal statements or statements to outside attorneys, auditors, or other advisors, in each case for legitimate business reasons to individuals who the Company or Cott reasonably believes has a need to know the information contained in the statements. Lastly, this section shall not prevent you, during your employment, from discussing terms and conditions of your employment for mutual aid and protection and engaging in such other speech as may be protected by applicable law.

7.7 Injunctive Relief .

(a) You acknowledge and agree that in the event of a breach of the covenants, provisions and restrictions in this Section 7, the Company's remedy in the form of monetary damages will be inadequate and that the Company, Cott and Cott's other Affiliates shall be, and are hereby, authorized and entitled, in addition to all other rights and remedies available to them, 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 7 are reasonable in all of the circumstances and you acknowledge that the operation of restrictions contained in this Section 7 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, Cott and Cott's other Affiliates 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.

7.8 Survival of Restrictions . Each and every provision of this Section 7 shall survive the termination of this Offer Letter or your employment (regardless of the reason for such termination).

7.9 Forfeiture/Recoupment . Notwithstanding the provisions of Section 4.2 or any other provision of this Offer Letter, if following the termination of your employment, you are entitled to payments or other benefits under Section 4.2(a), but (i) the Company later determines that Cause with respect to your termination of employment existed at the time of your termination, (ii) you breach any provision of or revoke the Release, or (iii) you breach any provision of Section 7 of this Offer Letter or any restrictive covenant contained in any other agreement between you and the Company or one of its Affiliates, then in each case you shall not be entitled to any payments or other benefits pursuant to Section 4.2(a), any and all such payments to be made by the Company pursuant to Section 4.2(a) shall cease, and you shall return immediately any such other payments previously made to you.

8. Code Section 409A .

8.1 In General . This Section 8 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.

8.2 Release . Any requirement that you execute and not revoke a release to receive a payment hereunder shall apply to a payment described in Section 8.1 only if the Company provides the release to you on or before the date of your separation from employment. In no event shall the timing of your execution of the release, directly or indirectly, result in your designating the calendar year of payment, and if a payment that is subject to execution of the release could be made in more than one taxable year, payment shall be made in the later taxable year.

8.3 Payment Following Separation . Notwithstanding any other provision herein to the contrary, any payment described in Section 8.1 that is due to be paid within a stated period following your separation shall be paid:

(a) If, at the time of your separation, 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).

8.4 Reimbursements . The following shall apply to any reimbursement that is a payment described in Section 8.1: (a) with respect to any such reimbursement under Section 9.8, 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.

8.5 Offset . If you are subject to Section 409A of the Code, any offset under Section 9.11 shall apply to a payment described in Section 8.1 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.

8.6 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.

9. General Provisions .

9.1 Entire Agreement . This Offer Letter, together with the plans and documents referred to herein, constitutes and expresses the whole agreement of the parties hereto, or in the case of the Company any of its Affiliates or direct or indirect subsidiaries, with reference to any of the matters or things herein provided for or herein before discussed or mentioned with reference to your employment and supersedes that offer letter dated August 11, 2016. All promises, representation, collateral agreements and undertakings not expressly incorporated in this Offer Letter are hereby superseded by this Offer Letter; provided, however, that you reaffirm any post-separation obligations related to confidential or other protectable information that you have to the Company or its Affiliates or subsidiaries (including as to the protection and non-use of such information), assign the right to enforce such obligations to the Company, and acknowledge that going forward such obligations shall inure to the benefit of the Company, Cott and Cott’s other Affiliates.

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

9.3 **Assignment .** This Offer Letter may be assigned by the Company to an Affiliate (including Cott) or 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.

9.4 **Governing Law; Consent to Personal Jurisdiction and Venue .** 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 of the state and federal courts within the State of Florida, for any action brought by the Company and/or Cott arising out of a breach or threatened breach of this Offer Letter or out of the relationship established by this Offer Letter and, unless and until such courts decline to exercise jurisdiction, you hereby agree that any action brought by you, alone or in combination with others, against the Company or Cott, whether arising out of this Offer Letter or otherwise, shall be brought exclusively in the state and federal courts within the State of Florida.

9.5 **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.

9.6 **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 Offer Letter. 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.

9.7 **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.

9.8 **Indemnification .**

(a) 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).

(b) You shall not, however, be entitled to the advancement of expenses from the Company for any claim that may arise under this Offer Letter and, further, in connection with any permitted advancement of expenses, you shall enter into a legally binding written agreement to reimburse the Company for any expenses advanced should it be ultimately determined that you were not entitled to indemnification.

(c) Notwithstanding the above provisions of section 9.8, you shall not be entitled to any indemnification or advancement of expenses in the event that the Company itself brings an action against you, including but not limited to actions for a breach of the fiduciary duty of loyalty or other torts.

9.9 **Survivorship** **.** Upon the termination of 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.

9.10 **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.

9.11 **Set-Off** **.** Except as limited by Section 8.5, the Company may set off any amount or obligation which may be owing by you to the Company or any Affiliate against any amount or obligation owing by the Company to you.

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

9.13 **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.

9.14 **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.

— Remainder of Page Left Blank Intentionally —

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

Yours truly,

/s/ Jerry Fowden

Jerry Fowden
Chief Executive Officer

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

/s/ C. Ron Hinson	November 6, 2017
C. Ron Hinson	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** " means (i) the business of providing Company Products to the institutional food service market, the convenience store market, the home and office coffee service delivery market, the commercial vending business and/or distributors who distribute the Company's Products to end-user customers as well as the servicing of machines that store and/or distribute Company Products, and (ii) any other business in which the Company or any other member of the Non-Compete Company Group is engaged at any time during the Employment Term.

" **Cause** " shall mean your:

(a) willful failure to properly carry out your duties and responsibilities or to adhere to the policies of the Company and, if applicable, its Affiliates (including Cott) 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, embezzlement, self dealing, dishonesty or misappropriation, or the gross negligence or willful misconduct, involving the property, business or affairs of the Company or its Affiliates (including Cott), or in the carrying out of your duties, including, without limitation, any material breach of the representations, warranties and covenants contained in any written agreement with the Company, Cott or its Affiliates;

(c) conviction of or plea of guilty, plea of nolo contendore or no contest for any felony or any criminal offence that involves fraud, dishonesty, theft, violence or moral turpitude;

(d) breach of a fiduciary duty owed to the Company or any of its Affiliates (including Cott);

(e) refusal to follow the lawful written reasonable and good faith direction of the Company's Board of Directors or the Company's or Cott's Chief Executive Officer; provided such written directions are consistent with your position as the Chief Executive Officer of the Company;

(f) intentional misconduct in connection with working for the Company, or intentional misconduct outside of work that harms or is likely to harm the Company or its reputation;

(g) misrepresentation of your educational or professional experience; or

(h) any act that causes the Company to violate any applicable laws or regulations

“ **Company Products** ” means coffee, tea, carbonated and non-carbonated fountain and other beverages, beverage mixes, syrups and extracts, and specialty allied products.

“ **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, with or without reasonable accommodation, for six (6) consecutive months or for any cumulative period of one hundred and twenty-five (125) business days (whether or not consecutive) in any one (1) -year period, subject to applicable law.

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

(a) a material diminution in your title, authority, duties and responsibilities; unless such diminution is effected with your approval;

(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 Company senior executives;

(c) relocation of your principal place of employment to a location that is more than seventy five (75) miles away from your principal place of employment on the Employment Date, unless such relocation is effected with your approval; or

(d) a material breach by the Company of any provisions of this Offer Letter.

You shall provide the Company with a written notice detailing the specific circumstances alleged to constitute Good Reason within ninety (90) days after the first occurrence of such circumstances, provided , that no termination for Good Reason based on such circumstances shall occur more than one hundred eighty (180) days after the initial existence of such Good Reason event. Upon receiving such notice, the Company shall have 30 days to cure the specific circumstances alleged to constitute Good Reason. Your failure to (i) provide the Company with written notice detailing the specific circumstances alleged to constitute Good Reason within ninety (90) days after the first occurrence of such circumstances, or (ii) terminate for Good Reason within one hundred eighty (180) days from the first occurrence of such event, shall in either case be deemed your irrevocable waiver of any claim that such circumstances may constitute “Good Reason,” but shall not prevent you from terminating for Good Reason in accordance with the terms of this Offer Letter based on different or new circumstances constituting Good Reason.

“ **Non-Compete Company Group** ” will be defined as the Company, Cott, and any of their subsidiaries, joint venturers or “sister” entities (but only those “sister” companies under common control by the same parent and which engage in the same businesses as the Company or Cott).

“ **Territory** ” shall mean (i) anywhere the Company, Cott or its Affiliates manufactures, develops, markets or sells its products at any time during the last 12 months of the Employment Term; and (ii) the continental United States.

Exhibit 10.1

Exhibit B

Form of Release

RELEASE AGREEMENT

In consideration of the mutual promises, payments and benefits provided for in the Offer Letter between S. & D. Coffee, Inc. (the " **Company** ") and Ron Hinson (the " **Employee** ") dated [______] the Company 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 Company is under no obligation to offer the Employee the payments and benefits set forth in Section 4.2(a) 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 , the Employee voluntarily, knowingly and willingly releases and forever discharges the Company and its Affiliates (including but not limited to the Cott Corporation), 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 Company 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 Company. 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 Offer Letter or otherwise, that is in effect on the date of this Release Agreement and, if applicable, to the Company'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 Company 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 paragraph 4.2 of 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 Company or any of its Affiliates; or (iii) any claims that may arise after the date this Release Agreement is executed.

5 Other than the payments set forth in Section 4.2(a) and, if applicable, Section 8 of the Offer Letter, the Employee acknowledges and agrees that he is not entitled to any further benefits from the company, and has been paid any and all salary, bonuses, expense reimbursements or other amounts due from the Company.

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 Company, 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 [twenty-one (21)/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 Cott Corporation. This Release Agreement will not become effective until seven days after the date on which the Employee has signed it without revocation.

Dated: ____________________________

S. & D. Coffee, Inc.

____

Name:

Title:

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: November 9, 2017

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: November 9, 2017

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 September 30, 2017 (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 9th day of November, 2017.

/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 September 30, 2017 (the "Report").

The undersigned hereby certifies that to the best of his knowledge:

1. The Report fully complies with the requirements of Section13(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 9 th day of November, 2017.

/s/ Jay Wells
Jay Wells
Chief Financial Officer