Stepping Up.

Interim Report August 2009
A.G.BARR p.l.c.

SOFT DRINKS

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Financial Highlights

£104.7m
Total sales

27.1%
Increase in sales

£14.2m
Operating profit before exceptional items

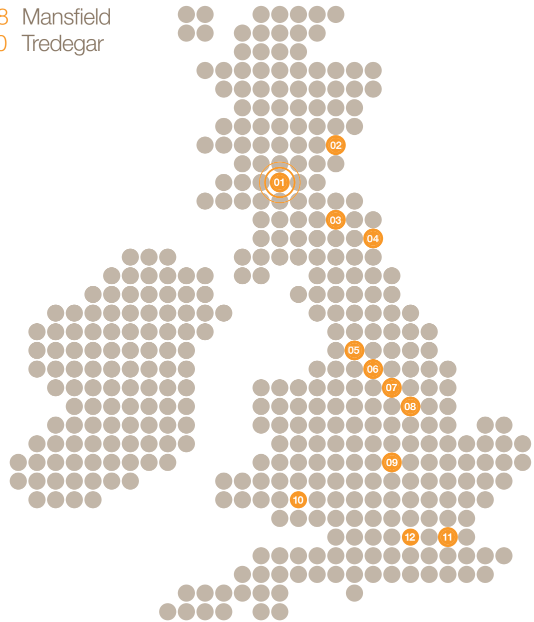
U.K. Operations

Head Office
01 Cumbernauld

Regional Offices
05 Middlebrook
12 Wembley

Sales Branches
04 Newcastle
06 Moston
07 Sheffield
09 Wednesbury
11 Walthamstow

Operational Sites
01 Cumbernauld
02 Forfar
03 Pitcox
08 Mansfield
10 Tredegar



www.agbarr.co.uk
www.irn-bru.co.uk
www.rubiconexotic.com


ST.CLEMENT'S
Pure Juice
SMOOTH ORANGE
KA
Sparkling
Pineapple
SIMPLY
fruity
Real Fruit
SPARKLING
Rubicon
MANGO
SIMPLY
100%
Pure
APPLE JUICE
FROM CONCENTRATE
ABBOTT'S
GINGER BEER
Rubicon
Guava
ST.CLEMENT'S
Pure Juice
APPLE
ST.CLEMENT'S
PURE FRUIT
Smoothie
MANGO & PASSIONFRUIT
SIMPLY
fruity
BARR
GINGER BEER
BARR'S
ORIGINALS
GINGER BEER
"FANTASTICALLY FIERY"
Tizer
wee BRU
RED
Kola
BARR
COLA
Diet
D 'N' B
Diet
IRN BRU
BARR
BARR
PINEAPPLE
BARR
ORANGEADE
Strathmore
IRN BRU
ROCKSTAR
PUNCHED
ENERGY + GUAVA
500ml
ORANGINA
TAUT
SPORTS DRINK
SIMPLY
aqua
Strathmore
ST.CLEMENT'S
Fruits
vitsmart
Snapple
HEAVENLY
LEMONADE

Interim Statement

We are pleased to report strong sales and profit growth in the six months to 1 August 2009.

Trading

Total turnover increased by 27.1% to £104.7m delivered by both strong organic growth in our core business and from Rubicon which was acquired in August 2008. Rubicon contributed £12.8m of turnover. Eliminating the effect of Rubicon, like for like sales increased by 11.5%.

Profit before tax increased by 19.5% to £13.5m. Basic earnings per share were 51.3 pence (2008: 44.2 pence), an increase of 16.2%.

The trading environment during the period remained challenging. Against the backdrop of difficult general economic conditions, the soft drinks market declined by 1% in both volume and value (source Nielsen). The carbonates segment performed better with 3% volume growth and 1% growth in value with consumers appearing to favour high-quality established brands.

It was widely reported that better than average weather was forecast for the U.K. this summer however the impact of weather was less marked than anticipated, with favourable comparisons in late June and early July but a less favourable comparison in May.

Ronnie Hanna
Chairman

Roger White
Chief Executive

£13.5m

Profit before tax

£11m

Free cash flow

Operating margins held up despite continued pressure on input costs. Recent increases in oil and plastic pricing would suggest that cost volatility is likely to be an ongoing feature of our operating environment.

The integration benefits from the Rubicon acquisition are being achieved ahead of schedule, with minimal cost and as forecast the acquisition is earnings enhancing. The combination of the positive integration performance and strong sales growth in the period has meant that overall Rubicon has delivered ahead of our expectations. This is testament to the cooperation between the teams across the business.

Our core business remains the main driver of our performance. Our growth in the carbonates sector substantially outperformed the market. IRN-BRU grew revenue by 6.5% in the period with growth being particularly strong in England and Wales reflecting further increases in brand distribution.

Overall our regional portfolio continued to show strong growth in both carbonates and stills. The water market however remains competitive and Strathmore sales were down 5.9% reflecting the decline in the out of home channel.

Despite the difficult economic climate we have continued to invest in our business and brands – increasing spend on marketing activity across our core brands and investing in increased instore execution and sales resources. Operationally our performance has continued to improve reflecting the significant investments in prior years.

"Our growth in the carbonates sector substantially outperformed the market."

Balance Sheet

During the period the business has increased its focus on cash management and has generated a free cash flow of £11m and increased EBITDA by 29.8% to £18.2m.

The Group net debt position as at 1 August 2009 of £25.5m was substantially better than previously forecast. However this position is flattered to an extent by payables which fell due in early August.

As previously announced, the 2 for 1 share split, which is aimed at improving liquidity and marketability of the company's shares became effective on 21 September.

The only note of substance to the strong Statement of Financial Position (formerly the Balance Sheet) is the change in the net pension deficit which has increased to £8.9m reflecting the increase in pension liabilities driven by lower gilt yields but partially offset by improved asset values in the period. A formal actuarial valuation was carried out as at April 2008 and concluded that the pension deficit recovery plan was performing as expected. The pension trustees and the company have agreed that no change to the deficit recovery plan is required at this time.

Rugby League

IRN-BRU supports Rugby League and Sky Sports.

Dividend

Given the increase in profits and the continued satisfactory financial position of the company the board has declared an interim dividend of 6.25 pence per share, payable on 23 October 2009. This is an increase of 7.8% on a like for like basis on the interim dividend paid last year.

Current Trading and Outlook

Despite mixed weather in August and September in contrast to the forecast "barbecue summer" total turnover has continued to run ahead of last year. In contrast the overall soft drinks market has performed less well in August and overall competition in the sector is forecast to remain fierce.

In the first half we moved decisively to integrate the Rubicon business ahead of plan to help offset cost pressures due to weak sterling and the business has responded extremely well with strong sales momentum.

We anticipate continued volatility in our material costs and expect strong competition in our market place. Given our platform for sustainable, profitable growth and our investment in the development of the business, we are confident that we will meet our expectations for the full year.

Ronnie Hanna
Chairman

Roger White
Chief Executive

Rubicon

Rubicon saw further investment with new advertising and a hugely successful Mango Week promotion. We also launched a new Watermelon flavour helping to drive further growth.

Risks & Uncertainties

Financial Risks

The group's activities expose it to a variety of financial risks: market risk (including foreign exchange, interest rate and commodity price risks), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by the Finance department under policies approved by the board of directors. The Finance department identifies, evaluates and manages financial risks in close co-operation with the group's operating units. The board provides guidance on overall risk management. Full details of the financial risks can be found on pages 58 and 59 of the annual report for the year ended 31 January 2009.

The principal risks and uncertainties have not changed from the year ended 31 January 2009. In addition to financial risks the group's results could be materially affected by:

Risks Relating to the Group

- A decline in the sales of certain key brands.
- Adverse publicity in relation to the group or its brands.
- Consolidation or reduction of the customer base.
- Failure or unavailability of the group's operational infrastructure.
- Interruption to the group's supply of packaging and raw materials.
- Failure to maintain appropriate 'incident management' readiness.
- Deterioration of internal financial controls.
- Failure of critical IT systems.
- Inability to protect the intellectual property rights associated with current and future brands.
- Litigation or changes in legislation including changes in accounting principles and standards.
- Failure to recruit/retain key employees.
- Significant increase in the group's funding requirement in respect of its pension schemes.

Risks Relating to the Market

- Changes in consumer preferences, perception or purchasing behaviour.
- Poor economic conditions and weather.
- Changes in regulatory requirements.
- Failure to maintain appropriate relationships with major customers.
- Actions taken by competitors.

Consolidated Condensed Income Statement

	Note	**6 months ended 1 August 2009 £000**	6 months ended 26 July 2008 £000	Year ended 31 January 2009 £000
Revenue	4	**104,658**	82,373	169,698
Cost of sales		**50,390**	41,807	84,962
Gross profit	4	**54,268**	40,566	84,736
Net operating expenses	6	**40,048**	29,920	61,552
Operating profit		**14,220**	10,646	23,184
Operating profit before exceptional items		**14,220**	10,516	23,054
Exceptional credit		**–**	(130)	(130)
Operating profit		**14,220**	10,646	23,184
Finance income		**46**	689	1,062
Finance costs		**(804)**	(74)	(1,037)
Profit before tax		**13,462**	11,261	23,209
Tax on profit	7	**3,589**	2,775	6,134
Profit attributable to equity holders		**9,873**	8,486	17,075
Earnings per share				
Basic earnings per share		**51.31p**	44.16p	89.12p
Diluted earnings per share		**51.02p**	43.52p	88.16p
Dividends				
Dividend per share paid		**30.40p**	28.00p	39.60p
Dividend paid (£000)		**5,837**	5,373	7,604
Dividend per share proposed	16	**6.25p**	11.60p	30.40p
Dividend proposed (£000)		**2,433**	2,258	5,916

Consolidated Condensed Statement of Comprehensive Income

	6 months ended 1 August 2009	6 months ended 26 July 2008	Year ended 31 January 2009
Profit after tax for the period	**9,873**	8,486	17,075
Other comprehensive income			
Actuarial loss recognised on defined benefit pension plans	**(5,009)**	–	(62)
Fair value gains on cash flow hedges	**–**	–	102
Effective portion of changes in fair value of cash flow hedges	**280**	–	(1,476)
Deferred tax movements on items taken directly to equity	**1,493**	(87)	(63)
Current tax movements on items taken directly to equity	**–**	–	193
Other comprehensive income for the period, net of tax	**(3,236)**	(87)	(1,306)
Total comprehensive income attributable to equity holders of the parent	**6,637**	8,399	15,769

The deferred tax movements on items taken directly to equity represents an increase of £1.4m on the deferred tax asset in relation to the actuarial loss recognised on the defined benefit plans and a further £90,000 increase in the deferred tax asset relating to the group's employee share schemes.

Consolidated Condensed Statement of Financial Position

	Note	**As at 1 August 2009 £000**	Restated – note 3 As at 26 July 2008 £000	Restated – note 3 As at 31 January 2009 £000
Non-current assets				
Intangible assets	8	**76,612**	10,687	76,807
Property, plant and equipment	9	**56,265**	53,869	58,861
Financial instruments	10	**98**	–	33
		132,975	64,556	135,701
Current assets				
Inventories		**15,178**	11,687	14,528
Trade and other receivables		**39,505**	35,093	27,139
Cash and cash equivalents		**10,469**	21,290	6,680
Assets classified as held for sale	11	**2,864**	2,864	2,864
		68,016	70,934	51,211
Total assets		**200,991**	135,490	186,912
Current liabilities				
Borrowings	12	**10,000**	–	5,000
Trade and other payables		**41,895**	35,344	30,978
Provisions		**75**	80	80
Current tax		**4,098**	2,734	2,857
		56,068	38,158	38,915
Non-current liabilities				
Borrowings	12	**25,702**	–	32,665
Deferred income		**110**	72	144
Financial instruments	10	**1,197**	–	1,477
Retirement benefit obligations	13	**8,900**	6,595	4,989
Deferred tax liabilities		**14,808**	2,634	16,057
		50,717	9,301	55,332
Capital and reserves attributable to equity holders				
Called up share capital		**4,865**	4,865	4,865
Share premium account		**905**	905	905
Share options reserve		**838**	582	716
Cash flow hedge reserve		**(1,094)**	–	(1,374)
Retained earnings		**88,692**	81,679	87,553
		94,206	88,031	92,665
Total equity and liabilities		**200,991**	135,490	186,912

Consolidated Condensed Cash Flow Statement

	Note	**6 months ended 1 August 2009 £000**	6 months ended 26 July 2008 £000	Year ended 31 January 2009 £000
Operating activities				
Profit before tax		**13,462**	11,261	23,209
Adjustments for:				
Interest receivable		**(46)**	(689)	(1,062)
Interest payable		**804**	74	1,037
Depreciation of property, plant and equipment		**3,781**	3,387	7,018
Fair value adjustment to financial instruments		**(65)**	–	82
Amortisation of intangible assets		**195**	114	340
Impairment of intangible assets		**–**	–	284
Share-based payment costs		**243**	175	341
Loss/(gain) on sale of property, plant and equipment		**3**	(15)	(13)
Government grants written back		**(34)**	–	(28)
Operating cash flows before movements in working capital		**18,343**	14,307	31,208
(Increase)/decrease in inventories		**(815)**	721	1,038
(Increase)/decrease in receivables		**(12,582)**	(9,044)	1,976
Increase/(decrease) in payables		**11,146**	7,406	(468)
Net (decrease) in retirement benefit obligation		**(1,098)**	(1,920)	(2,996)
Cash generated by operations		**14,994**	11,470	30,758
Tax on profit paid		**(2,104)**	669	(2,142)
Net cash from operating activities		**12,890**	12,139	28,616
Investing activities				
Refund of payment for/(acquisition) of subsidiary		**216**	(20)	(58,694)
Acquisition of intangible assets		**–**	(140)	(140)
Purchase of property, plant and equipment		**(1,381)**	(3,995)	(10,639)
Proceeds on sale of property, plant and equipment		**94**	113	161
Interest received		**43**	689	1,041
Net cash used in investing activities		**(1,028)**	(3,353)	(68,271)
Financing activities				
New loans received		**5,000**	–	54,500
Loans repaid		**(7,000)**	–	(16,500)
Bank arrangement fees paid		**–**	–	(366)
Purchase of financial instrument		**–**	–	(114)
Purchase of company shares by employee benefit trusts	14	**(228)**	(767)	(1,482)
Proceeds from disposal of company shares by employee benefit trusts		**726**	819	862
Dividends paid		**(5,837)**	(5,373)	(7,604)
Interest paid		**(734)**	(74)	(860)
Net cash (used in)/generated by financing activities		**(8,073)**	(5,395)	28,436
Net increase/(decrease) in cash and cash equivalents		**3,789**	3,391	(11,219)
Cash and cash equivalents at beginning of period		**6,680**	17,899	17,899
Cash and cash equivalents at end of period		**10,469**	21,290	6,680

Consolidated Condensed Statement of Changes in Equity

	Share capital £000	Share premium account £000	Share options reserve £000	Cash flow hedge reserve £000	Retained earnings £000	Total £000
At 31 January 2009	**4,865**	**905**	**716**	**(1,374)**	**87,553**	**92,665**
Cash flow hedge – recognition of fair value	**–**	**–**	**–**	**280**	**–**	**280**
Actuarial loss on defined benefit pension plans	**–**	**–**	**–**	**–**	**(5,009)**	**(5,009)**
Deferred tax on items taken directly to equity	**–**	**–**	**90**	**–**	**1,403**	**1,493**
Profit for the period	**–**	**–**	**–**	**–**	**9,873**	**9,873**
Total comprehensive income for the period	**–**	**–**	**90**	**280**	**6,267**	**6,637**
Purchase of company shares by employee benefit trusts	**–**	**–**	**–**	**–**	**(228)**	**(228)**
Proceeds from disposal of company shares by employee benefit trusts	**–**	**–**	**–**	**–**	**726**	**726**
Recognition of share-based payment costs	**–**	**–**	**243**	**–**	**–**	**243**
Transfer of reserve on share award	**–**	**–**	**(211)**	**–**	**211**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**(5,837)**	**(5,837)**
At 1 August 2009	**4,865**	**905**	**838**	**(1,094)**	**88,692**	**94,206**
At 26 January 2008	4,865	905	964	–	78,044	84,778
Deferred tax on items taken directly to equity	–	–	(87)	–	–	(87)
Profit for the period	–	–	–	–	8,486	8,486
Total comprehensive income for the period	–	–	(87)	–	8,486	8,399
Purchase of company shares by employee benefit trusts	–	–	–	–	(767)	(767)
Proceeds from disposal of company shares by employee benefit trusts	–	–	–	–	819	819
Recognition of share-based payment costs	–	–	175	–	–	175
Transfer of reserve on share award	–	–	(470)	–	470	–
Dividends paid	–	–	–	–	(5,373)	(5,373)
At 26 July 2008	4,865	905	582	–	81,679	88,031
At 26 January 2008	4,865	905	964	–	78,044	84,778
Cash flow hedge – recognition of fair value	–	–	–	(1,476)	–	(1,476)
Movement in cash flow hedge	–	–	–	102	–	102
Actuarial loss on defined benefit pension plans	–	–	–	–	(62)	(62)
Current tax on items taken directly to equity	–	–	–	–	193	193
Deferred tax on items taken directly to equity	–	–	(80)	–	17	(63)
Profit for the period	–	–	–	–	17,075	17,075
Total comprehensive income for the period	–	–	(80)	(1,374)	17,223	15,769
Purchase of company shares by employee benefit trusts	–	–	–	–	(1,481)	(1,481)
Proceeds from disposal of company shares by employee benefit trusts	–	–	–	–	862	862
Recognition of share-based payment costs	–	–	341	–	–	341
Transfer of reserve on share award	–	–	(509)	–	509	–
Dividends paid	–	–	–	–	(7,604)	(7,604)
At 31 January 2009	4,865	905	716	(1,374)	87,553	92,665

Notes to the accounts

1 General information

The company is a public limited liability company incorporated and domiciled in the U.K. The address of its registered office is A.G.BARR p.l.c., Westfield House, 4 Mollins Road, Cumbernauld G68 9HD.

The comparative figures for the financial year ended 31 January 2009 are an extract of the company's statutory accounts for that year. Statutory accounts for the year ended 31 January 2009 were approved by the board of directors on 31 March 2009 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 237(2) or (3) of the Companies Act 1985.

This consolidated condensed interim financial information has been reviewed, not audited, by KPMG Audit plc.

2 Basis of preparation

This consolidated condensed interim financial information for the six months ended 1 August 2009 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 Interim Financial Reporting as adopted by the European Union. The consolidated condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 January 2009, which have been prepared in accordance with IFRSs as adopted by the European Union.

3 Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 January 2009, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 February 2009:

IAS 1 (revised) Presentation of financial statements.
The revised standard has resulted in a number of changes in presentation and disclosure, most significantly changing the title of the Consolidated Statement of Recognised Income and Expense to the Consolidated Statement of Comprehensive Income, changing the title of the Consolidated Balance Sheet to the Consolidated Statement of Financial Position and the introduction of the Statement of Changes in Equity as a primary statement. It has had no impact on the reported results or financial position of the group.

IFRS 2 (amendment) Share-based payment.
The amendment to the standard requires non-vesting conditions to be taken into account when determining fair value of share options. This standard has had no material impact on the share options in issue for any of the periods presented.

IFRS 8 Operating segments.
IFRS 8 replaces IAS 14 Segment reporting. It requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes to the chief operating decision maker. This has resulted in an increase in the number of reportable segments from that previously presented. For the year to 31 January 2009 two segments were presented: A.G.BARR p.l.c. and Groupe Rubicon. This is now presented as Carbonated Soft Drinks, Still Drinks and Waters and Others.

Notes to the accounts

3 Accounting policies (continued)

Goodwill is allocated by management to groups of cash-generating units at a brand level, the lowest level at which management review trading results. This is at a level below segment level. The change in reportable segments has not resulted in any goodwill impairment. There has been no further impact on the measurement of the group's assets and liabilities. Comparatives for 26 July 2008 and 31 January 2009 have been restated.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 February 2009, but have no impact on the group.

- IAS 23 (amendment) Borrowing costs.
- IAS 32 (amendment) Financial instruments: Presentation.
- IFRIC 13 Customer loyalty programmes.
- IFRIC 15 Agreements for the construction of real estate.
- IFRIC 16 Hedges of a net investment in a foreign operation.
- IAS 39 (amendment) Financial instruments: Recognition and measurement.

Restatement

Consistent with the presentation in the financial statements for the year ended 31 January 2009, the deferred tax assets and liabilities as disclosed in the 26 July 2008 comparatives have both been reduced by £3.3m as they related to the same items of property that had historically been eligible for Industrial Buildings Allowance relief. Whilst the adjustment has no effect on the profit for the year or net assets, non-current assets and liabilities have reduced from £67.9m and £12.6m to £64.6m and £9.3m respectively.

The retained earnings figure as at 26 July 2008 has been restated to include the value of the company's shares held for use by employee benefit trusts. Previously the purchased value of the company's shares held by the employee benefit trusts was disclosed as a separate line on the balance sheet. The inclusion of the balance with retained earnings is to bring the reporting in to line with common practice. The restatement has reduced the retained earnings figures and previously presented own shares held figure as follows:

	As at 26 July 2008 £000	As at 31 January 2009 £000
Reduction in own shares held	2,629	3,258
Reduction in retained earnings	2,629	3,258

Notes to the accounts

4 Segment reporting

The management committee has been identified as the chief operating decision-maker. The management committee reviews the group's internal reporting in order to assess performance and allocate resources. The management committee has determined the operating segments based on these reports.

The management committee considers the business from a product perspective. This has led to the operating segments identified in the table below. The performance of the operating segments is assessed by reference to their gross profit.

All of the assets of the group are managed by the management committee on a central basis rather than at a segment level. As a result no reconciliation of segment assets to the total assets figure on the balance sheet has been disclosed for any of the periods presented.

6 months ended 1 August 2009

	Carbonated Soft Drinks £000	Still Drinks and Waters £000	Other £000	Total £000
Total revenue	**81,136**	**23,222**	**300**	**104,658**
Gross profit	**46,622**	**7,385**	**261**	**54,268**

6 months ended 26 July 2008

	Carbonated Soft Drinks £000	Still Drinks and Waters £000	Other £000	Total £000
Total revenue	69,971	12,172	230	82,373
Gross profit	37,460	2,876	230	40,566

Year ended 31 January 2009

	Carbonated Soft Drinks £000	Still Drinks and Waters £000	Other £000	Total £000
Total revenue	148,098	21,015	585	169,698
Gross profit	79,005	5,244	487	84,736

All intercompany sales have been eliminated on consolidation. There are no intersegment sales. All revenue is from external customers.

The gross profit from the segment reporting is reconciled to the profit before tax as shown in the consolidated condensed income statement.

Notes to the accounts

5 Seasonality of operations

Approximately half the revenues and operating profits are usually expected in both of the first half and second half of the year.

6 Operating profit

The following items have been charged to operating profit during the period:

	6 months ended 1 August 2009 £000	6 months ended 26 July 2008 £000	Year ended 31 January 2009 £000
Inventory write down	199	132	701
Impairment of intangible assets	–	–	284

The exceptional credit of £130,000 included within exceptional items in the six months to 26 July 2008 and year to 31 January 2009 is the release of a restructuring provision related to the closure of the Atherton site. The provision was no longer required.

7 Tax on profit

The interim period tax charge is accrued based on the estimated average annual effective income tax rate of 26.7% (six months ended 26 July 2008: 24.6%; year to 31 January 2009: 26.4%).

8 Intangible assets

	6 months ended 1 August 2009 £000	6 months ended 26 July 2008 £000	Year ended 31 January 2009 £000
Opening net book value	76,807	10,656	10,656
Additions	–	145	66,775
Amortisation	(195)	(114)	(340)
Impairment	–	–	(284)
Closing net book value	76,612	10,687	76,807

The amortisation charge for the six months to 1 August 2009 represents £126,000 (six months ended 26 July 2008: £nil; year ended 31 January 2009: £85,000) of charges for the Rubicon customer list and £69,000 (six months ended 26 July 2008: £114,000; year ended 31 January 2009: £255,000) for the amortisation of the Strathmore customer list.

Notes to the accounts

9 Property, plant and equipment

	6 months ended 1 August 2009 £000	6 months ended 26 July 2008 £000	Year ended 31 January 2009 £000
Opening net book value	58,861	53,373	53,373
Additions	1,265	3,963	11,349
Assets acquired through business combinations	–	18	1,353
Disposals	(80)	(98)	(196)
Depreciation	(3,781)	(3,387)	(7,018)
Closing net book value	56,265	53,869	58,861

The closing balance includes £151,000 (26 July 2008: £998,000; 31 January 2009: £361,000) of assets under construction.

10 Financial instruments

The financial instrument asset of £98,000 is an interest rate swaption and is classified as an asset at fair value through profit and loss.

The financial liability of £1,197,000 is an interest rate hedge and is classified as a derivative used for hedging.

11 Assets classified as held for sale

Assets classified as held for sale represent the Atherton site closed during the year to 26 January 2008. The land and buildings qualify as an asset classified as held for sale. The property continues to be marketed and management are confident that they will dispose of the property for proceeds in excess of the carrying value.

Notes to the accounts

12 Borrowings and loans

Movements in borrowings are analysed as follows:

	6 months ended 1 August 2009 £000	6 months ended 26 July 2008 £000	Year ended 31 January 2009 £000
Opening loan balance	38,000	–	–
Borrowings made	5,000	–	54,500
Repayments of borrowings	(7,000)	–	(16,500)
Closing loan balance	36,000	–	38,000
Unamortised arrangement fee	(298)	–	(335)
Closing loan balance per statement of financial position	35,702	–	37,665

The group has sufficient headroom to enable it to meet the covenants on its existing borrowings. There are sufficient working capital and undrawn funding facilities available to meet the group's ongoing requirements.

13 Retirement benefit obligations

The deficit on the defined benefit retirement benefit obligation has increased by £3.9m since 31 January 2009.

The key financial assumptions used to value the liabilities at 1 August 2009 and 31 January 2009 were as follows:

	As at 1 August 2009 %	As at 31 January 2009 %
Discount rate	6.00	6.50
Salary inflation	4.80	4.75
Price inflation	3.60	3.50

The change in the discount rate has resulted in approximately £5.0m of an increase in the liability. This increase has been partially offset by an ongoing deficit funding programme and a modest increase in the asset values of the defined benefit retirement scheme.

Notes to the accounts

14 Movements in company's shares held by employee benefit trusts

During the six months to 1 August 2009 the group's employee benefit trusts acquired 18,399 (six months to 26 July 2008: 63,422; year to 31 January 2009: 124,576) of the company's shares at cost of £228,000 (six months to 26 July 2008: £767,000; year to 31 January 2009: £1,482,000). These are held in trust and are expected to be used to meet the future requirements of the company's employee share schemes.

The total amount paid to acquire the shares has been deducted from the retained earnings. 81,120 shares (26 July 2008: 154,814; 31 January 2009: 163,052) were released from the company's employee benefit trusts during the same period.

The related weighted average share price at the time of exercise for the six months to 1 August 2009 was £12.46 (six months to 26 July 2008: £12.27; year to 31 January 2009: £11.94) per share.

15 Contingencies and commitments

	As at 1 August 2009 £000	As at 26 July 2008 £000	As at 31 January 2009 £000
Commitments for the acquisition of property, plant and equipment	72	1,409	143

16 Post balance sheet events

On 18 September 2009 a general meeting passed a resolution to subdivide the company's issued and to be issued share capital. Each ordinary share of 25 pence was subdivided into two ordinary shares of 12.5 pence each.

The share subdivision will double the number of ordinary shares in issue and, the board believes, may improve liquidity and marketability of the ordinary shares.

The interim dividend of 6.25p per share was approved by the board on 29 September 2009 and will be paid on 23 October 2009 to shareholders on record as at 9 October 2009.

17 Related party transactions

Transactions between the company and its subsidiaries, which are related companies, have been eliminated on consolidation. There have been no related party transactions that have materially affected the financial statements.

The group's retirement benefit plans are administered by an independent third party service provider. During the six months to 1 August 2009, the service provider charged the group £186,000 (six months ended 26 July 2008: £216,000; year ended 31 January 2009: £505,249) for administration services in respect of the retirement benefit plans. At 1 August 2009 a nil balance (26 July 2008 and 31 January 2009: nil) was outstanding to the service provider.

Statement of Directors' Responsibilities

We confirm, to the best of our knowledge, that this consolidated condensed interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

Forward looking statements

Certain statements in this interim report are forward looking. Although the group believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements.

Roger White
Chief Executive
29 September 2009

Alex Short
Finance Director

Independent Review Report to A.G.BARR p.l.c.

Introduction
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 1 August 2009 which comprises the Consolidated Condensed Income Statement, the Consolidated Condensed Statement of Comprehensive Income, the Consolidated Condensed Statement of Financial Position, the Consolidated Condensed Cash Flow Statement, the Consolidated Condensed Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules (the “DTR”) of the U.K.’s Financial Services Authority (the “U.K. FSA”). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors’ responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the U.K. FSA.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (U.K. and Ireland) 2410 R*eview of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the U.K. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (U.K. and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 1 August 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the U.K. FSA.

C Anderson
For and on behalf of KPMG Audit Plc
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ
29 September 2009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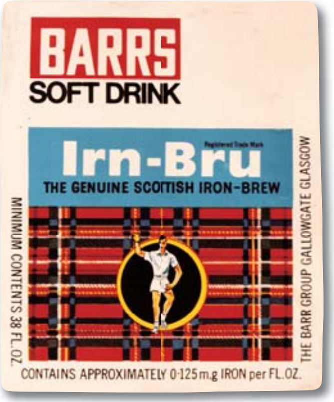

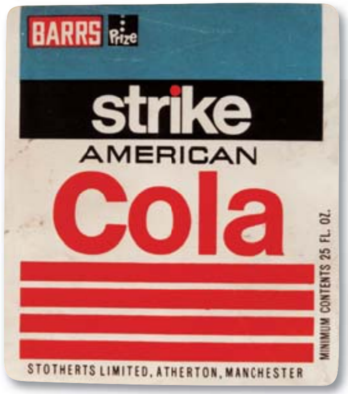

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