COTT CORP /CN/
Form 10-Q
May 07, 2012
Table of Contents

United States

Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-Q

x **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended: March 31, 2012

¨ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from to

Commission File Number: 001-31410

COTT CORPORATION

(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

Table of Contents

Table of Contents

PART I FINANCIAL INFORMATION

Item 1. Financial Statements
Cott Corporation

Consolidated Statements of Operations

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

Unaudited

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

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

3

Table of Contents

Cott Corporation

Condensed Consolidated Statements of Comprehensive Income

(in millions of U.S. dollars)

Unaudited

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

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

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

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

Table of Contents

Cott Corporation

Consolidated Balance Sheets

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

Unaudited

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

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

Table of Contents

Cott Corporation

Consolidated Statements of Cash Flows

(in millions of U.S. dollars)

Unaudited

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

Cash paid for income taxes, net	**$ 0.2**	$ 3.4

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

Table of Contents

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

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

7

Cott Corporation

Notes to the Consolidated Financial Statements

Unaudited

Note 1 Business and Recent Accounting Pronouncements

Description of Business

Cott Corporation, together with its consolidated subsidiaries (Cott, the Company, our Company, Cott Corporation, we, us, or our), is o world s largest beverage companies focusing on private-label products and contract manufacturing. Our product lines include carbonated soft drinks (CSDs), clear, still and sparkling flavored waters, energy-related drinks, juice, juice-based products, bottled water and ready-to-drink teas.

Basis of Presentation

The accompanying interim unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements in conformity with U.S. GAAP. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of our results of operations for the interim periods reported and of our financial condition as of the date of the interim balance sheet have been included. This Quarterly Report on Form 10-Q should be read in conjunction with the annual audited consolidated financial statements and accompanying notes in our Annual Report on Form 10-K for the year ended December 31, 2011. The accounting policies used in these interim consolidated financial statements are consistent with those used in the annual consolidated financial statements.

The presentation of these interim consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes.

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

Recent Accounting Pronouncements

ASU 2011-05 Comprehensive Income: Presentation of Comprehensive Income

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

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

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

Note 2 Acquisitions

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

Table of Contents

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

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

Note 3 Share-Based Compensation

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

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

9

Table of Contents

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

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

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

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

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

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

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

Table of Contents

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

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

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

Note 4 Income Taxes

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

Note 5 Net Income Per Common Share

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

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

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

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

Table of Contents

Note 6 Segment Reporting

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

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

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

2 Excludes intersegment receivables, investments and notes receivable.

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

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

2 Excludes intersegment receivables, investments and notes receivable.

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

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

Table of Contents

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

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

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

Revenues by product were as follows:

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

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

Table of Contents

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

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

Note 7 Inventories

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

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

Table of Contents

Note 8 Intangibles and Other Assets

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

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