

PRESS RELEASE

CADBURY SCHWEPPES AND PERNOD RICARD NEAR AGREEMENT ON THE ACQUISITION OF PERNOD RICARD'S SOFT DRINKS BRANDS AND BUSINESSES IN KEY INTERNATIONAL MARKETS FOR €700 MILLION (£419 MILLION)

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Cadbury Schweppes plc and Pernod Ricard SA today confirmed that they are near to agreement on the acquisition of Pernod Ricard's soft drinks brands and businesses in Continental Europe, North America and Australia for €700 million (£419 million).

The proposed transaction, which primarily embraces the Orangina, Pampryl, Champomy and Yoo-Hoo brands and associated businesses, would be conditional upon regulatory approval being obtained and would be signed once the process of consultation with the Orangina-Pampryl Works Council, beginning today, has been completed.

Under a separate arrangement, Pernod Ricard will also have an option to sell its soft drinks business in all other countries to Cadbury Schweppes at a future date for a separate consideration. These countries represent approximately 5% of the profits of Pernod Ricard's total soft drinks business.

Commenting on the announcement, John Sunderland, CEO of Cadbury Schweppes, said, "Our beverages operations are now clearly focused on the profitable markets of North America, Continental Europe and Australia. Europe is our second largest beverages market and has demonstrated strong profit growth over the last few years.

"The potential acquisition of Orangina, Pampryl, Champomy and Yoo-Hoo as well as the other Pernod Ricard soft drink brands in France and other key countries would make a significant contribution to our objective of building robust and sustainable businesses in our chosen markets."

France is Europe's third largest soft drinks market and this acquisition, should it proceed, would double Cadbury Schweppes' carbonated and still soft drinks market share in France as well as providing opportunities to develop Orangina in other countries.

The businesses to be acquired had sales in 2000 of €466 million (£279 million) of which Orangina accounts for approximately half by volume. The proposed consideration is 11 times pro-forma total EBITDA for 2000 of €63 million (£37.7 million). The main business to be acquired is Orangina in the French carbonated soft drinks market and Pampryl in the fruit juice sector. Orangina is also present in a number of international markets, including the US. The business also includes Yoo-Hoo, the leading, shelf stable, chocolate drink brand in the US with a 75% share of its segment. Yoo-Hoo accounts for approximately 25% of the sales revenue of the business to be acquired. Other well-known brands in the French market occupying distinctive niche positions include Champomy, Ricqles and Brut de Pomme.

Benefits of the Proposed Acquisition

Cadbury Schweppes existing soft drinks business in France is focused on the Schweppes range for adults and the Oasis still drinks range for children. The proposed acquisition of Pernod Ricard's soft drink business would significantly strengthen the position of Cadbury Schweppes in France through:

- A broader product portfolio including the leading carbonated orange drink, Orangina, which is the No 2 brand in the overall French soft drinks market
- Doubling total market share (excluding fruit juice) from under 10% to over 19%
- A strengthened presence in the important food service and impulse channels where Orangina-Pampryl is also the distributor for Pepsi and 7 Up.

Orangina is also sold elsewhere in Europe and sales are expected to benefit from access to a stronger bottling and distribution network.

In the US, Orangina and Yoo-Hoo are premium brands which would complement the existing soft drinks businesses of Cadbury Schweppes.

Notes to Editors:

Schweppes France

Cadbury Schweppes has operated in France since 1928. It markets a number of brands in both the carbonated soft drinks sector and the still fruits sector. The main carbonated brands are Schweppes Indian Tonic, Schweppes Fruits, Dr Pepper, Gini and Canada Dry. The main still fruit brands are Oasis aux fruits and Oasis Tea. Schweppes volumes rose 6% in 2000 as a result of the highly successful Schweppes leopard advertising campaign and the introduction of new flavour variations such as Schweppes Indian Tonic Lime and Agrum.

Schweppes France' head office is based in west Paris at Levallois and the company employs 166 people in France, mainly in sales, marketing and head office roles. The company has a joint venture with San Benedetto.

Cadbury Schweppes

Cadbury Schweppes is a major global company that manufactures markets and distributes branded beverages and confectionery products around the world. With origins stretching back over 200 years, today Cadbury Schweppes' products - which include brands like Cadbury, Schweppes, Dr Pepper, Snapple, Trebor and Bassett - are enjoyed in almost 200 countries across the world. Employing over 36,000 people, Cadbury Schweppes is the world's third largest soft drinks company and the fourth largest confectionery company.

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