

## PRESS RELEASE

### **CADBURY SCHWEPPEES 2001 TRADING UPDATE** **28 Nov 01**

Cadbury Schweppes plc issues regular trading updates ahead of its interim and preliminary results. Today's update comments on performance in 2001: the 2001 preliminary results will be announced on 13th February 2002.

#### **Trading Performance Highlights**

- Trading in the second half of the year is generally in line with our expectations. We expect to meet our targets for underlying earnings<sup>1</sup> growth and free cashflow for the full year.
- Our North American beverage operations overall are performing soundly despite some softness in the soft drinks market in September and October. The region is expected to show solid volume and profit increases for the year before and after acquisitions.
- Dr Pepper/Seven Up volumes are expected to perform in line with the US carbonated soft drinks market in 2001 which, given the weakness seen in September and October, is now unlikely to show growth year-on-year. Profits in 2001 are benefiting from efficiency improvements and the integration of acquisitions. Mott's has continued to show strong volume and profit increases driven by both the base business and acquisitions. Snapple is trading satisfactorily in its first full year of acquisition.
- The excellent first half performance from European Beverages has continued into the second half. All key markets are performing well. La Casera, acquired in October, is being integrated into our Spanish operations and is trading strongly.
- In the UK, the formal integration of Cadbury and Trebor Bassett ("CTB") has been successfully completed. After some initial disruption the business is performing to plan in the run-up to the important Christmas selling season. While results for CTB in 2001 are expected to be slightly lower than last year, we are confident that the steps we have taken to focus and invest in long-term growth initiatives will benefit performance in 2002 and beyond.
- Elsewhere in the European Confectionery region, overall sales and profits growth, excluding acquisitions has been strong, with particularly good performances from Russia and Poland. In France, the Hollywood sugar and gum business, acquired last year, is performing ahead of expectations driven by the launch of new functional gum products.

<sup>1</sup>Earnings per ordinary share at constant currency and before restructuring charges, amortised good-will and losses/gains on disposal

- Americas Confectionery is having a challenging second half with volume and profit declines seen in both Canada and Argentina. The primary reasons have been capacity constraints in Canada and the economic problems in Argentina. Consequently, profits from the region in 2001 are expected to be somewhat lower than those reported in 2000.
- The Asia Pacific region is having a strong second half in both confectionery and beverages. Our Chinese confectionery business is having another good year, driving volumes and market share gains through line extensions and new product launches.
- The Africa, India and Middle East group is having an excellent year with good profit increases in all key territories.

## Acquisitions

Acquisitions are a core element of our growth strategy with the emphasis in recent years being both to strengthen existing positions in our chosen markets and provide an entry into higher growth sectors of the beverage and confectionery markets.

Acquisitions made during 2000, notably Snapple Beverage Group in the US and the Hollywood confectionery business in France, have been successfully integrated into the group and are expected to make a useful contribution to underlying earnings<sup>1</sup> in 2001.

In 2001, acquisition spend to date has been £800 million. Over two thirds of this is accounted for by the purchases of Orangina in France and La Casera in Spain, which significantly strengthen our beverage brand portfolio and route to market in their respective markets. Elsewhere, we acquired Slush Puppie, Carteret and ReaLemon/ReaLime in the US, Spring Valley and Wave in Australia and Mantecol in Argentina.

The acquisitions made during the current year are performing in line with expectations and are forecast to be earnings<sup>1</sup> positive in 2002 before restructuring charges and amortised goodwill.

## Summary

John Sunderland, Cadbury Schweppes' CEO, said, "Cadbury Schweppes is a resilient business. While we have seen some softness in parts of our US businesses since the middle of September, in other markets, notably in Europe and Asia Pacific, performance remains strong. Although the economic conditions are challenging and the outlook uncertain, we remain confident that the inherent strengths of the business combined with the growth initiatives we are implementing, will enable us to meet our earnings growth and free cashflow targets."

## Notes:

1. The trading update will be followed by a conference call for analysts at 3 pm (GMT) today. The conference call will be audio webcast live on Cadbury Schweppes corporate website at [www.cadburyschweppes.com](http://www.cadburyschweppes.com).
2. This news release may be deemed to include forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934. It should be read in conjunction with our 2000 Annual Report and Form 20-F for the 52 weeks ended 31 December 2000, copies of which are available from Cadbury Schweppes plc, 25 Berkeley Square, London W1J 6HB.
3. Cadbury Schweppes is a major international company which 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, Orangina, 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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