



PRESS RELEASE

CADBURY SCHWEPPEES TO ACQUIRE ADAMS FROM PFIZER

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Cadbury Schweppes becomes joint No 1 in global confectionery, leader in sugar and functional confectionery and No 2 in chewing gum.

Summary

- Cadbury Schweppes plc has agreed to buy Adams from Pfizer Inc. for a total gross cash consideration of \$4.2 billion (£2.7 billion), representing \$3.75 billion (£2.4 billion) net for the base Adams business plus \$450 million (£288 million) for tax benefits.
- This base valuation represents 2.0 times 2001 sales and 12.8 times 2001 underlying EBITDA. The deal will be debt financed and is expected to earn a positive return on capital in 2006 and enhance underlying earnings in 2004.
- Globally, Cadbury Schweppes will become joint leader in overall confectionery and no 2 in chewing gum with a 26% market share.
- It will also lead the higher margin functional confectionery sector where appealing taste, combined with health benefits, is driving growth at double the overall market rate.
- Four "power" brands represent over 70% of Adams' sales: Halls medicated confectionery, Trident sugarfree gum, Dentyne Ice chewing gum and the Bubbas bubblegum range.
- Cadbury Schweppes gains scale access to major new markets, particularly in Latin America.
- Value creation will be driven by performance improvements in the Adams business as well as cost and revenue synergies which are expected to reach \$185 million across Cadbury Schweppes in 2006.

John Sunderland, CEO of Cadbury Schweppes, said, "Adams gives us confectionery market leadership and a unique portfolio with an offering in every confectionery category. It brings powerful brands, access to new geographies and significant scale in the fastest growing confectionery sectors. Cost and revenue synergies, and the opportunity to drive the business within a global confectionery group, will create significant value for our shareowners."

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