

PRESS RELEASE

CADBURY SCHWEPPEES PLC - ACQUISITION UPDATE

13 Feb 03

Further to the announcement on 17 December 2002 of the proposed acquisition of Adams from Pfizer Inc. (the "Acquisition"), Cadbury Schweppes announces that shareholder documents including a circular to its shareholders (the "[Circular](#)") containing details of the Acquisition as well as a notice convening an Extraordinary General Meeting to approve the Acquisition to be held on 5 March 2003, were published on 12 February 2003.

Financial information on Adams

The circular contains financial information on Adams for the two years ended 31 December 2001 and the nine months ended 29 September 2002, prepared under UK GAAP. This audited financial information is set out in the Appendix to this announcement and can be summarised as follows:

	9 month period ended 29 September 2002 \$m	31 December 2001 \$m	Year ended 31 December 2000 \$m
Net sales	1,370	1,892	1,957
Operating profit	184	161	84
Underlying operating profit ¹	216	237	215
EBITDA ²	238	221	131
Underlying EBITDA ³	255	291	256
Net assets	583	544	602

1 Excludes goodwill amortisation, major restructuring and exceptional items and also the allocated Pfizer corporate overhead charges included in paragraph 6.2 of the financial information on Adams set out in the Appendix to this announcement.

2 EBITDA is calculated as earnings before interest, tax, depreciation and amortisation. The charge for depreciation and amortisation is set out in paragraph 6.3 of the financial information on Adams set out in the Appendix to this announcement.

3 Excludes major restructuring and exceptional items and also the allocated Pfizer corporate overhead charges included in paragraph 6.2 of the financial information on Adams set out in the Appendix to this announcement.

The financial record over the two years ended December, 2001 reflects strong growth in the top four power brands (8.6% per annum ignoring currency fluctuations), although over the same period there have been trading issues in two markets - Japan and Italy - and a decline in the Certs brand in the US. Performance over the period has also been adversely impacted by the channelling of significant resources away from the core business into the launch of a "good for you" range of confectionery products, Body Smarts, in Canada and the US. This was not a commercial success in the US and was withdrawn from that market during 2001.

The Adams business produced an operating profit of \$161 million in 2001, including non-recurring charges relating to salesforce restructuring and the Body Smarts withdrawal in the US and including goodwill amortisation and Pfizer corporate overhead charges. Excluding each of these items, the business made underlying operating profits of \$237 million on sales of \$1.9 billion.



In 2000 operating profit was \$84 million, including Warner Lambert merger-related costs, major restructuring costs, goodwill amortisation and Pfizer corporate overhead costs. Removing each of these, the underlying operating profit was \$215 million.

The underlying profit growth in 2001 of 10% was primarily as a result of reductions in sales costs and other indirect costs.

Adams' audited accounts for the nine months to 29 September 2002 show net sales of \$1,370 million and underlying operating profit of \$216 million. These results have been impacted by the phasing of marketing spend which was lower during that period than during the comparable period the previous year. For the final quarter of 2002, marketing spend is likely to have been similar to 2001. Sales performance for the business for 2002 is anticipated to have been broadly in line with 2001.

The Circular will shortly be available to the public for inspection at the UK Listing Authority's Document Viewing Facility, which is situated at the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS (tel.no. +44 20 7676 1000), during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until and including the date of the Extraordinary General Meeting.

In addition, the Circular will shortly be available on the Cadbury Schweppes' website. Copies of the Circular will also be available to view free of charge at Cadbury Schweppes' head office at 25 Berkeley Square, London W1J 6HB and at the offices of Slaughter and May at 1 Bunhill Row, London EC1Y 8YY, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until and including the date of the Extraordinary General Meeting.

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