PRESS RELEASE

CADBURY SCHWEPPES 2003 INTERIM TRADING UPDATE

10 Jun 03

Cadbury Schweppes plc issues regular trading updates ahead of its interim and preliminary results. Today's update comments on year-to-date performance in 2003: the interim results for 2003 will be announced on 23 July 2003.

Todd Stitzer, Cadbury Schweppes' CEO said, "Overall revenue and earnings in our base business have made reasonable progress in constant currency against a background of weak trading conditions in the first half. This growth in earnings has been broadly offset by the dilutive impact of acquisitions. 2003 will be a transitional year for the business as we focus on building a stronger and more sustainable platform for future growth."

Trading Update

The regional commentaries listed below reflect the changes to the organisational structure announced in February. For the purposes of this update they exclude the impact of the Adams acquisition which is commented on separately. The comparable restated numbers for the half and full year 2002 are included in the attached appendix.

Our businesses in the Europe, Middle East & Africa confectionery region have generally had a strong period, led by Cadbury Trebor Bassett which continues to benefit from recent restructuring and investment. Cadbury Trebor Bassett's performance was driven by strong Easter sales and further market share gains. Elsewhere in the region, emerging market operations in Africa, particularly South Africa and Egypt, have performed well, but performance at Dandy has been affected by market and competitive conditions in Russia.

Our European Beverage operations have had a slow start to the year in generally competitive markets. In Germany, Apollinaris & Schweppes is outperforming a weak soft drinks market; however, its profits are being impacted by increased investment in marketing and new capacity.

In Americas Beverages, consumer demand for soft drinks in the US during the first half has been affected by a combination of adverse weather conditions and weak consumer spending. Dr Pepper is performing in line with other core carbonated brands although performance is being impacted by the focus of the cola systems on innovation and weakness in fountain. The changes to the distribution arrangements for 7 UP in the US are in line with expectations. Our non CSD brands have had a satisfactory start to the year with core brand sales expected to be level or ahead at the half year. Our Mexican business continues to produce good results. Overall, we expect profits from the Americas Beverages region to be modestly ahead in the first half.

Americas Confectionery has had a mixed start to the year with an excellent recovery in Argentina masked by continued challenging trading conditions in Canada.

Profits in the Asia Pacific region in the first half are expected to be lower year-on-year due to weaker results from our businesses in Australia. The Food & Beverage business has taken longer than expected to regain accounts lost as a consequence of the disruption caused by the IT implementation in the fourth quarter 2002. The confectionery business has been affected by the combination of reduced consumer demand following significant price increases early in the year and destocking by the trade.

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Adams

At the end of March we completed the acquisition of the Adams confectionery business. To date, the performance of the business and the integration are in line with expectations. Trading in the North American gum market remains highly competitive, however, the business continues to make excellent progress in the Latin American and Asia Pacific gum markets and with the Halls brand around the world. All key management appointments have been made and a number of integration projects are on track to deliver early benefits.

Restructuring and Cashflow

As already announced, restructuring charges will be significantly higher in 2003, as a result of the acquisition of Adams and the management reorganisation. Much of this however, will fall in the second half.

Cash outflow in the first half is expected to be materially higher than the previous year primarily due to movements in cocoa prices, the impact of acquisitions and the timing of marketing and bottler payments at DPSU.

Summary

Overall, we anticipate that earnings for the first half including acquisitions will be broadly level with 2002 in constant currency terms. The net effect of currency movements on earnings is expected to be around 5% adverse.

1. View appendix
2. View notes to Editors

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