

29 July 2009

Cadbury Reports Good First Half Performance Increases Margin Guidance for 2009

First Half Highlights

- **Revenue growth of 4% in constant currency;** up 13% in reported currency to £2.8bn
 - Strong growth in chocolate, up 10%, led by excellent market share gains in the UK and very good growth in emerging markets, particularly India and South Africa
 - Better second quarter for gum and candy, particularly in the US
 - Growth in the UK, Pacific and key emerging markets more than offset difficult trading in Europe
- **Margin growth of 145bps in constant currency;** up 180bps in reported currency
 - Strong delivery of *Vision into Action* savings in first half underpinned a 100bps reduction in SG&A costs
 - Absolute level of marketing investment broadly maintained; impact of media deflation and marketing phasing resulted in a lower spend as a percentage of sales
 - Gross margins broadly unchanged; impact of input cost inflation offset by price / mix benefits
- **Strong financial performance**
 - Underlying operating profit up 19% in constant currency due to significant margin improvement; up 35% in reported currency to £319m
 - Proforma EPS up 12% in constant currency; up 24% in reported currency
 - Reported EPS from continuing and discontinued operations of 23.1p (H1 2008: 6.0p)
 - Interim dividend up 8% at 5.7p (2008: 5.3p)
 - Net debt £1.8bn (FY 2008: £1.9bn; H1 2008: £1.7bn)
- **Strategic and sustainability highlights**
 - Completed divestment of Australia Beverages
 - Announced three further *Vision into Action* restructuring projects
 - Further investment to accelerate restructuring of European activities
 - Launched Fairtrade certified Cadbury Dairy Milk in Britain and Ireland
- **Guidance for the year increased**
 - Expected revenue growth remains around the lower end of our 4-6% goal range with stronger margin improvement of between 80-100bps in constant currency

Except where stated, all movements use constant currency – see Basis of Preparation for impact of exchange

Todd Stitzer, Cadbury's CEO said: "We made good progress in the first half in challenging trading conditions. A strong chocolate performance and good growth in emerging markets more than offset a slow start in North America and continued softness in Europe. At the same time, we significantly improved our trading margin whilst maintaining our investment in marketing and product innovation."

"Looking forward for the year as a whole, given the continuing economic uncertainty, we reconfirm our guidance to deliver revenue growth around the lower end of our 4-6% goal range. In addition, we now expect to deliver a full year margin increase of between 80-100 basis points in constant currency."

First Half Results		Re-presented	Reported	Constant
£m	2009	2008³	Currency	Currency⁴
			Growth %	Growth %
Revenue	2,767	2,440	+13	+4
Underlying Profit from Operations ¹	319	237	+35	+19
Restructuring & other non-underlying items	(118)	(99)		
Profit from Operations	201	138		
Underlying Profit before Tax ¹	262	212	+24	+11
Profit before Tax	112	134		
Underlying EPS Continuing Ops ¹	13.9p	8.0p		
Reported EPS Continuing Ops	5.8p	8.5p		
Reported EPS Continuing & Discontinued Ops	23.1p	6.0p		
Proforma EPS – Continuing Ops ²	13.9p	11.2p	+24	+12
Dividend per share	5.7p	5.3p	+8	

Notes

- Cadbury plc believes that underlying profit from operations, underlying profit before tax and underlying earnings per share provide additional information on underlying trends to shareholders. The term underlying is not a defined term under IFRS, and may not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measures of profit. A full reconciliation between underlying and reported measures is included in the segmental reporting and reconciliation of underlying measures note.*
- As a result of the Scheme of Arrangement to replace Cadbury Schweppes plc with Cadbury plc as the new holding company of the Group and the subsequent demerger of Americas Beverages on 7 May 2008, the shares of the Group were restructured with 100 Cadbury Schweppes shares exchanged for 64 Cadbury shares and 12 shares in Dr Pepper Snapple Group. Proforma EPS calculates underlying earnings per share of the continuing Group with reference to the underlying net profit from continuing operations and assumes that the share consolidation was in place for the entire period in 2008.*
- In accordance with IFRS 5, the Income Statement for the six months ended 30 June 2008 has been re-presented following the disposal of Australia Beverages.*
- Constant currency growth excludes the impact of exchange rate movements during the period.*

For Further Information

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Presentation

A presentation on the results will be webcast live on the Group's website <http://www.cadbury.com> at 10:00 (BST) today. Copies of the presentation will be available on the website from 09:30 (BST).

Teleconference Call

A teleconference call for US analysts and investors will take place at 15:00 (BST) today, 16:00 (central Europe), 10:00 (EST).

	Teleconference	Replay
Cadbury Hosts: Todd Stitzer and Andrew Bonfield		
15:00 BST (16:00 CET, 10:00 EST)		
UK and Europe	+44 20 3037 9208	+44 20 8196 1998
USA	+1 866 966 5335	+1 866 583 1039
Replay Access Number:		5436837#

The teleconference call will be archived on the Cadbury corporate website at www.cadbury.com.

Video Interviews

Video interviews with our CEO, Todd Stitzer, and our CFO, Andrew Bonfield, are available from 07:00 (BST) today on www.cadbury.com

High resolution images to accompany this announcement are available for the media to view and download free of charge from www.cadbury.com/media/imagelibrary. Additional high resolution images, specific to the results, will be available for the media to view and download free of charge from <http://www.vismedia.co.uk/vm-online.asp> from 11:00 on the day of the results

About Cadbury

Cadbury is one of the world's largest confectionery businesses with number one or number two positions in over 20 of the world's 50 biggest confectionery markets. It also has the largest and most broadly spread emerging markets business of any confectionery company. With origins stretching back nearly 200 years, Cadbury's brands include many global, regional and local favourites including Cadbury Dairy Milk, Flake, Creme Egg and Green & Black's in chocolate; Trident, Dentyne, Hollywood and Bubbalo in gum; and Halls, Cadbury Eclairs, Bassett's and The Natural Confectionery Co. in candy.

Forward Looking Statements and Basis of Preparation

Reference is made to the paragraphs entitled 'Forward Looking Statements' and 'Basis of Preparation' on page 14 of this statement.

FIRST HALF 2009 RESULTS

CONTINUING OPERATIONS

£m	H1 2008	Base Business ¹	Acq/ Disposals	Business Improvement Costs	Exchange	H1 2009
Revenue	2,440	96	(9)	-	240	2,767
- year-on-year change		+3.9%	-0.3%	-	+9.8%	+13.4%
Underlying Profit from Operations	237	44	1	-	37	319
- year-on-year change		+19%	-	-	+16%	+35%
Underlying Operating Margin	9.7%	+140bps	+5bps		+35bps	11.5%

¹ Base business results are stated at constant currency and before acquisitions and disposals

Cadbury delivered a good first half performance, despite a slow start to the year. Good growth in base business revenue and a strong improvement in margin generated significant increases in underlying operating profit and earnings per share. In addition, exchange rate movements increased revenue by 10% and underlying operating profit by 16%, adding 35 basis points (bps) to underlying operating margin.

Cadbury's **revenue** benefited from an improved trend in all three confectionery categories; growth in **chocolate** was strong throughout the half and both **gum** and **candy** reported positive growth in the second quarter. This was achieved despite cycling strong prior year comparatives, particularly for gum in the US and Europe, and for the Halls brand globally.

Overall base business revenue growth was 4%, reflecting price and mix benefits of around 6%. Cadbury continued to focus on eliminating product complexity through portfolio rationalisation, which, together with the effect of retail destocking (which was mainly in the US and limited to the first few months of the year) reduced revenue and volume for the half by around 1-2%.

Revenue Performance by Category

Overall, for the first half, as in the first quarter, our main chocolate markets delivered strong growth and good market share gains, particularly in the UK. Throughout the period, there was increased demand for chocolate and bagged candies, the expected beneficiaries of a stay-at-home culture. At the same time, despite a softer start to the year, the more functional or 'activity' related products, for example medicated candies and gum, started to deliver positive growth.

- **Chocolate** (45% of revenue in the half) delivered revenue growth of 10% (up 7% in the first quarter and 13% in the second quarter), reflecting strong performances in the UK, India and South Africa. Australia delivered progressively good growth with the business getting some early benefits from the relaunch of the core Cadbury Dairy Milk brand in the second quarter of the year.
- **Gum** (35%) revenue was unchanged in the first half (down 2% in the first quarter and up 2% in the second quarter). The improvement in the second quarter reflected strong growth across South America. At the same time, market share improved in key markets, with the exception of the US where a major programme of innovation is planned for the second half of the year.
- **Candy** (20%) revenue was unchanged in the first half (down 2% in the first quarter and up 2% in the second quarter), reflecting an improved performance from Halls, after a weak first quarter, and strong performances from mainstream candy brands in the US, Middle East and Africa, Japan and mainland Asia.

Revenue from our **focus brands** benefited from our strengthened global category model and increased focus on fewer, bigger initiatives. Within chocolate, Cadbury Dairy Milk and Creme Egg performed well but were outshone by strong growth in other seasonal products and countline innovations. In candy, The Natural Confectionery Co. and Eclairs both performed strongly. For Halls, the largest candy brand in the world, first half revenue declined overall, but improved in the second quarter after a slow start to the year. In gum, Trident, the world's largest gum brand,

grew well, reflecting strong growth in Brazil and other parts of Latin America. Hollywood grew market share but revenue declined as a result of the weak underlying French market.

Revenue Performance by Market

Our performance by market reflected the mix between chocolate, gum and candy, as described above, local market share gains and the relative impact of customer de-stocking. Market share progress was good overall. Based on the markets for which we have recent share data available, which represent nearly 85% of our revenue, we generated good market share growth in nearly 50% by revenue value, and held market share in a further 25%. Overall, our **focus markets** grew by 5% and **focus customers** by 6%.

- In **emerging markets** (38% of revenue in the half), revenue growth was good, up 7% in the half (up 6% in the first quarter, up 8% in the second quarter), led by strong performances in India, South Africa and South America. Trading in Russia and South East Asia, improved toward the end of the period with Russia delivering growth for the half overall.
- In **developed markets** (62%), revenue grew 2% with a much stronger second quarter (up 5%) offsetting the slow start to the year (first quarter unchanged), reflecting stronger growth in the UK and an improved performance in the US which together more than offset the effect of weak market conditions in Europe.

Profit Performance

First half **gross margin** was broadly unchanged at 47.1% (H1 2008: 47.3%). Supply chain cost savings and improved product mix offset the adverse category mix effect (resulting from the higher level of growth in chocolate) and the impact of weaker volumes on operational leverage. Although input cost inflation was covered by price realisation on an absolute basis, gross margin was still reduced by around 20bps.

During the first half, we maintained investment in **marketing**, with the business reinvesting the benefit of media rate deflation in other marketing activities. As a result, whilst the headline investment as a percentage of sales was down at 10.7% (H1 2008: 11.6%), the absolute level of spend at £271m was broadly unchanged (H1 2008: £282m).

Central costs fell by £9m to £52m, reflecting the benefit of *Vision into Action* cost reduction initiatives announced in October 2007 and October 2008, which progressively benefited central costs from June 2008 onwards. In the first half, central costs also benefited from timing differences on the recognition of project costs, particularly in IT, which will be reflected in the second half. As a result, we remain on track to deliver a full year reduction in central costs of around £15m.

As a result, **underlying operating margin** improved strongly, up 145bps in constant currency, increasing to 180bps at reported rates. The principal sources of improvement were savings arising from our *Vision into Action* cost saving programme (around 100bps) and the benefits arising from media deflation and re-phasing our marketing investment to support innovation in the second half (c.90bps). These were partially offset by reduced gross margins (c.20bps) and inflation and other income and expense items within SG&A (c.25bps).

A more detailed review of performance by business unit is included later in the release.

Vision into Action Update

In June 2007, we set out our *Vision into Action* business plan. This focuses resources and projects around three key priorities - growth, efficiency and capability - with the objective of simultaneously delivering strong revenue growth within our goal range whilst significantly improving our operating margins from around 10% to mid-teens by 2011.

During the first half of 2009, the core elements of our "*fewer, faster, bigger, better*" growth priority and investment in strengthened commercial capabilities continued to deliver good revenue growth and build a stronger pipeline of product innovation for 2010 onwards.

In March, we announced an agreement for Cadbury Dairy Milk in Britain and Ireland to become the first major chocolate brand to gain Fairtrade certification. Products carrying the Fairtrade label are already being manufactured and will be in store over the next few weeks. Focused on building consumer relevance, this initiative strengthens Cadbury Dairy Milk as a key advantaged, consumer preferred brand. At the same time it creates a sustainable supply of high quality cocoa and increases our commitment to Ghana.

In addition, we announced, started or completed a number of projects that will improve underlying operating margins in 2009, 2010 and 2011. Projects include:

- Closure of our Barcelona gum factory in Spain. This was completed in early July and will result in 160 people leaving the business by the end of the year.
- Consolidation of our Turkish manufacturing operations. The phased relocation of production from the former Intergum factory in Istanbul to our larger facility in Gebze is already underway and should be completed during the second half of the year.
- In July we commenced consultation on a new programme to improve efficiency and effectiveness of our chocolate manufacturing activities in Ireland; investment in new manufacturing processes, a reduction in headcount and the relocation of selected products to other Cadbury facilities will improve competitiveness and efficiency and create a sustainable manufacturing centre for Ireland.

Nearly all the restructuring projects in our *Vision into Action* business plan are now underway, and we remain confident that we will deliver savings in line with our original expectations.

Within restructuring, foreign exchange movements have impacted both the costs and benefits of various projects in the plan. As a result of this translation effect, it is likely both the reported currency costs and benefits will be higher. We have also changed our income assumptions from vacant property, reflecting changes in market conditions since the original assumptions were made in 2007. Taken together, these changes will increase restructuring costs by around £75m.

In addition, because of the strong economic headwinds in Europe the Board has approved a further one-off investment of £25m to accelerate completion of our 'One Europe' project, driving further integration of the management and decision making teams within the business. This will bring the total revenue investment in *Vision into Action* to £550m at current exchange rates (previously £450m at 2007 rates).

2009 Full Year Outlook

We made good progress in the first half in challenging trading conditions. A strong chocolate performance and good growth in emerging markets were partially offset by softer demand in North America and Europe. At the same time, we significantly improved our trading margin whilst maintaining our investment in future growth opportunities.

Our first half margin progress was mainly driven by cost savings from restructuring activities and lower marketing as a percentage of sales, in large part reflecting the benefit of media deflation and the phasing of marketing investment to support innovation in the second half. The deflation should be sustained for the year as a whole and result in a modest overall reduction in marketing as a percentage of revenue although absolute investment in marketing will be broadly equal to last year.

Looking forward for the year as a whole, given the continuing economic uncertainty, we reconfirm our guidance to deliver revenue growth around the lower end of our 4-6% goal range. With the benefit of further cost savings, lower marketing as a percentage of sales and with gross margins expected to be unchanged for the year as a whole, we now expect to deliver a full year margin increase of between 80-100 basis points in constant currency.

Technical Guidance

We provide technical guidance to aid consistency across a range of modelling assumptions of a technical nature. We will provide appropriate updates to this information on a regular basis as part of our normal reporting. The *2009 Full Year Outlook* and accompanying *Technical Guidance* should be reviewed together with the Forward Looking Statements, set out in this release.

We continue to expect our **input costs** to rise between 6% and 8% in 2009, mainly reflecting the sustained high prices of cocoa. Price realisation strategies are in place to mitigate the impact of input cost inflation and, to date, have been successful.

The impact of **foreign exchange** translation on our revenue and underlying operating profit is impossible to predict with certainty. Assuming exchange rates remain unchanged for the balance of the year from those as at 21 July 2009, exchange would, for the full year, increase net revenue by around 5% and increase net underlying operating profit by around 6% compared to 2008.

Restructuring costs for 2009 are now expected to be around £220m (2008: £194m) of which £160m is related to the *Vision into Action* business plan. As outlined in the *Vision into Action* update in this statement, our overall revenue investment in the plan is now expected to be around £550m at current exchange rates.

The Group's underlying **interest rate** in 2009 is expected to be around 6% (2008: 6.5%).

Guidance on the 2009 non-cash **post retirement benefit** finance charge is unchanged, with an expected charge of £6m for the year as a whole (2008: £27m credit). The net retirement benefit obligation, recognised in the balance sheet is £482m (31 December 2008: £258m), primarily reflecting an increase in underlying inflation assumptions. The next scheduled actuarial review of the UK fund is due in 2010.

The Group's underlying **tax rate** for 2009 is expected to be around 28% (2008: 28%).

The Group's **depreciation charge** for 2009 is expected to be around £200m (2008: £192m).

Capital expenditure for 2009 is expected to be in the range £360-400m, including around £100m of *Vision into Action* related expenditure. The total capital expenditure investment over the four year *Vision into Action* plan is unchanged, at £200m.

Analyst consensus estimates are collated and circulated to interested parties on a periodic basis. To be added to the circulation of estimates, please contact the Investor Relations team.

Next Events

Forthcoming Group announcements or events are:

21 October 2009	Interim Management Statement
11 November 2009	Investor Relations Seminar in London
20 November 2009	Investor Relations Seminar in New York

Performance by Business Unit

Except where stated, all movements are on a base business basis

Britain & Ireland

£m	H1 2008	Base Business	Acq/ Disposals	Business Improvement Costs	Exchange	H1 2009
Revenue	565	67	(9)	-	12	635
- year-on-year change		+11.9%	-1.6%	-	+2.1%	+12.4%
Underlying Profit from Operations	58	21	1	(2)	1	79
- year-on-year change		+36.2%	+1.7%	-3.4%	+1.7%	+36.2%
Underlying Operating Margin	10.3%	+220bps				12.4%

In **Britain & Ireland**, revenue grew by 12% in the first half of 2009. Growth was driven by a very strong performance from the UK business, in both standard and seasonal products. Standard product revenues benefited from significant underlying share gains and product innovations, including Wispa, Giant Buttons and the new bite-size Clusters, Peanuts and Raisins. Seasonal revenues benefited from a longer Easter selling period and strong share gains. Market conditions in Ireland remained challenging, with revenues down compared to the same period in 2008.

Underlying operating margins improved by 220bps, principally reflecting SG&A savings, logistics efficiencies and the benefit of leverage from improved volumes. However, gross margins did not improve in the half, despite pricing actions to recover significant cost inflation.

Middle East and Africa

£m	H1 2008	Base Business	Acq/ Disposals	Business Improvement Costs	Exchange	H1 2009
Revenue	168	19	-	-	24	211
- year-on-year change		+11.3%	-	-	+14.3%	+25.6%
Underlying Profit from Operations	10	9	-	(1)	4	22
- year-on-year change		+90%	-	-10%	+40%	+120%
Underlying Operating Margin	6.0%	+400bps				10.4%

In the **Middle East and Africa**, revenue grew by 11%, driven by strong performance across all categories and regions. In particular, South Africa delivered an excellent result with strong revenue growth. In addition, operations in Nigeria and Egypt continued to improve performance, helping deliver strong profit growth in the half with underlying operating margin up 400bps.

Europe

£m	H1 2008	Base Business	Acq/ Disposals	Business Improvement Costs	Exchange	H1 2009
Revenue	496	(26)	-	-	37	507
- year-on-year change		-5.2%	-	-	+7.4%	+2.2%
Underlying Profit from Operations	35	(18)	-	5	4	26
- year-on-year change		-51%	-	+14%	+11%	-26%
Underlying Operating Margin	7.1%	-310bps				5.1%

In **Europe**, revenue declined by 5% in the first half, notwithstanding an improved second quarter, after a difficult start to the year. Chocolate revenues were broadly unchanged, with Poland delivering good growth throughout the half, and gum and candy were down 5% and 11% respectively. Second quarter revenues were only down 3% with an improved underlying trend

emerging through the quarter, particularly in Russia and Turkey. Our business in Eastern Europe also delivered an improved performance toward the end of the period. The impact of reduced revenue exceeded the benefits of *Vision into Action* initiatives within the business and, as a result, underlying operating margin reduced by 310bps in the half.

Asia

£m	H1 2008	Base Business	Acq/ Disposals	Business Improvement Costs	Exchange	H1 2009
Revenue	154	19	-	-	25	198
- <i>year-on-year change</i>		+12.3%	-	-	+16.2%	+28.5%
Underlying Profit from Operations	11	7	-	-	2	20
- <i>year-on-year change</i>		+64%	-	-	+18%	+82%
Underlying Operating Margin	7.1%	+330bps				10.1%

In **Asia**, revenue grew 12%, driven by particularly strong growth in India and an improved performance in China. Revenue was down in South East Asia although recent product launches have been well received and should strengthen growth opportunities in the region. The strong margin improvement of 330bps reflected improved revenue and good cost management across the business, supplemented by an encouraging performance in China where losses were sharply reduced.

Pacific

£m	H1 2008	Base Business	Acq/ Disposals	Business Improvement Costs	Exchange	H1 2009
Revenue	304	10	-	-	38	352
- <i>year-on-year change</i>		+3.3%	-	-	+12.5%	+15.8%
Underlying Profit from Operations	39	2	-	(1)	7	47
- <i>year-on-year change</i>		+5.0%	-	-2.6%	+17.9%	+20.5%
Underlying Operating Margin	12.8%	+20bps				13.4%

In **Pacific**, revenue grew 3% in the first half. Growth in chocolate, the largest category for the business, was good. The business improved its share of the Australian and New Zealand confectionery markets as it started the re-launch of Cadbury Dairy Milk and benefited from growth in the chocolate category overall. In Japan, good growth in our acquired Xylicrystal candy (a Sansei brand) more than offset a modest decline in gum revenues as a local competitor continued to invest behind a new gum launch. Overall, underlying operating margin was broadly unchanged.

North America

£m	H1 2008	Base Business	Acq/ Disposals	Business Improvement Costs	Exchange	H1 2009
Revenue	553	(15)	-	-	110	648
- <i>year-on-year change</i>		-2.7%	-	-	+19.9%	+17.2%
Underlying Profit from Operations	108	3	-	(1)	25	135
- <i>year-on-year change</i>		+2.8%	-	-0.9%	+23.1%	+25.0%
Underlying Operating Margin	19.5%	+110bps				20.8%

In **North America**, revenue was down 3%, reflecting growth of 1% in the second quarter after a slow start to the year, held back by retail destocking in January (Q1 down 6%). Adjusting for destocking, revenue in the half would have been unchanged. Modest declines in US gum market share in the half were partially offset by a strong share performance in Mexico and a good

recovery in the second quarter in Halls. Other traditional candies also performed well. Underlying operating margin improved by 110bps, reflecting the full year benefit of restructuring carried out in 2008, partially offset by a lower gross margin, reflecting the mix effect of lower gum sales.

South America

£m	H1 2008	Base Business	Acq/ Disposals	Business Improvement Costs	Exchange	H1 2009
Revenue	196	23	-	-	(6)	213
- <i>year-on-year change</i>		+11.7%	-	-	-3.0%	+8.7%
Underlying Profit from Operations	37	8	-	-	(3)	42
- <i>year-on-year change</i>		+21.6%	-	-	-8.1%	+13.5%
Underlying Operating Margin	18.9%	+170bps				19.7%

In **South America**, growth remained strong with revenue up 12% in the first half. Growth in gum was very strong, led by an excellent performance from Trident across the region, particularly in Brazil. New products, pricing and improved mix all contributed to a good market share performance. As a result of good growth and increased SG&A efficiencies, underlying operating margin improved by 170bps.

DISCONTINUED OPERATIONS

Divestment of Cadbury's beverages activities was concluded during the first half of 2009 with the completion of the Australia Beverages disposal on 3 April 2009. Proceeds of the sale, reflecting the gross consideration of £550m, have already been received. After costs and related restructuring charges, net proceeds of approximately £475m will be retained by the end of 2009*. Proceeds from the sale have been used to redeem the Euro 600m bond due in June 2009.

* Additional cash costs totalling around £20m are expected to be incurred as a result of separation activities in 2010 and 2011.

FINANCIAL REVIEW

£m	H1 2009	H1 2008 Re-presented ¹	Reported Currency Growth %	Constant Currency Growth %
Revenue	2,767	2,440	+13	+4
Underlying Profit from Operations	319	237	+35	+19
Restructuring & other non-underlying items				
- Restructuring costs	(105)	(70)		
- Amortisation and impairment of acquisition intangibles	(2)	(2)		
- Non-trading items	1	(6)		
- IAS 39 adjustment	(12)	(21)		
Profit from Operations	201	138		
Share of results in associates	3	4		
Underlying Net Financing	(60)	(29)		
Net Financing	(92)	(8)		
Underlying Profit before Taxation	262	212	+24	+11
Profit before Taxation	112	134		
Underlying Taxation	(73)	(62)		
Taxation	(33)	26		
Underlying profit for the period – continuing operations	189	150	+26	+13
Profit for the period – continuing operations	79	160		
Discontinued Operations				
- Americas Beverages	-	(53)		
- Australia Beverages	234	6		
Profit for the Period	313	113		
EPS - Continuing Operations				
- Underlying	13.9p	8.0p		
- Reported	5.8p	8.5p		
EPS - Continuing & Discontinued				
- Underlying	14.1p	12.6p		
- Reported	23.1p	6.0p		
EPS - Pro-forma²	13.9p	11.2p	+24	+12
Interim Dividend	5.7p	5.3p		
Free Cash Outflow³	220	109		
Net Debt⁴	1.8bn	1.7bn		

1 In accordance with IFRS 5, the Income Statement for the six months ended 30 June 2008 has been re-presented following the disposal of Australia Beverages.

2 As a result of the scheme of arrangement to replace Cadbury Schweppes plc with Cadbury plc as the new holding company of the group and the subsequent demerger of Americas Beverages on 7 May 2008, the shares of the Group were restructured with 100 Cadbury Schweppes shares being exchanged for 64 Cadbury shares and 12 shares in DPSG. Proforma EPS calculates underlying earnings per share of the continuing Group with reference to the underlying net profit from continuing operations and assumes that the share restructure was in place for the entire period in 2008.

3 Free cash flow is defined as the amount of cash generated by the business after meeting all its obligations for interest, tax and capital investment. See note 15.

4 Net Debt is defined as total borrowings, less interest rate fair value hedging instruments, cash and cash equivalents and short term investments. See note 13.

Revenue at £2.8bn was 13% higher than last year at actual exchange rates. On a base business basis (excluding the impact of acquisitions, disposals and exchange rates), revenue grew by 4%.

Underlying Profit from Operations at £319m (H1 2008: £237m) was up 35%, or 19% at constant exchange rates, with underlying operating margin increasing by 180 bps to 11.5% or 145 bps at constant exchange rates. This was primarily as a result of the continued successful implementation of our *Vision into Action* business plan, phasing of marketing investment and the benefit of media deflation, partially offset by lower gross margins.

The charge in respect of business **restructuring costs** reported outside underlying operating profit was £105m (H1 2008: £70m). Included in this amount are restructuring charges relating to the *Vision into Action* business plan (£91m).

Amortisation and impairment of acquisition intangibles, charged against profit from operations, was £2m (H1 2008: £2m).

The gain on **non-trading items** of £1m (H1 2008 loss: £6m) relates primarily to gains on the sale of intellectual property.

Fair value accounting under IAS 39 contributed a charge of £12m (H1 2008: £21m) to our reported profit from operations due to the difference between market commodity prices and spot exchange rates compared to the hedge rates applied to the underlying results.

Profit from operations was up 46% at £201m (H1 2008: £138m). The Group's **share of result in associates** (net of interest and tax) was £3m, £1m less than in H1 2008.

Underlying net financing charge for the continuing Group, after reflecting a non-cash post retirement benefit charge of £3m (H1 2008 credit: £16m), at £60m was £31m higher than the prior year. Finance costs, excluding the post-retirement charge, increased from £45m to £57m, led by an increase in average net debt and exchange rate movements. The average net interest rate was 5.6% (H1 2008: 5.5%).

Reported **net financing** was a charge of £92m (H1 2008: £8m), with a non-underlying charge of £32m, primarily reflecting the impact of the IAS 39 financing adjustment.

Underlying profit before tax was up 24% to £262m as a result of the improved underlying operating performance. **Profit before tax** was £112m on a reported basis (H1 2008: £134m).

The **underlying tax rate** was down 1% at 28% (H1 2008: 29%). Reported tax was a charge of £33m (H1 2008: £26m credit), with a non-underlying credit of £40m. In addition to the tax effect of non-underlying items, this includes a tax credit of £10m consisting of a net £71m credit relating to UK tax matters and a £61m charge relating to tax matters which the Group has progressed with authorities in a number of overseas jurisdictions.

In total, non-underlying items contributed a loss of £110m to the **profit for the period from continuing operations** of £79m.

Discontinued operations in the year relate to the discontinued results of the Australia Beverages business, the sale of which was completed on 3 April 2009. Australia Beverages generated a profit of £234m of which £232m related to the gain on disposal and £2m to underlying trading through to the date of completion. A full income statement, including comparatives, for the discontinued businesses is included in note 9.

Earnings per share

Continuing operations underlying earnings per share were up 74% to 13.9p, principally as a result of the improved base business performance, the change in share structure following the demerger of Americas Beverages and exchange rates.

Total Group, in other words **continuing & discontinued, reported earnings per share** were 23.1p, up on H1 2008 (6.0p) principally due to the disposal of Australia Beverages.

On a proforma basis, that is after taking into consideration the impact of the capital restructuring as a result of the demerger of Americas Beverages in 2008 and re-presenting comparatives on a consistent basis, underlying **proforma earnings per share** for the continuing Group increased by 24% from 11.2p to 13.9p, up 12% in constant currency. The reduction in the post-retirement benefit credit had a significant impact on growth in earnings per share. Adjusting both the 2008 and 2009 figures for the respective post-retirement benefit credits and charges incurred would increase the constant currency growth in earnings per share to 22% and the reported currency growth to 37%.

Dividends

The Board has approved an interim dividend of 5.7p per share (H1 2008: 5.3p). This represents an increase of 8% over H1 2008. The interim dividend will be paid on 16 October 2009 to Ordinary Shareholders on the Register at the close of business on 18 September 2009.

Holdings of Cadbury plc ordinary shares may reinvest their dividends in Cadbury plc shares by participating in the Dividend Reinvestment Plan ("DRIP"). Any new elections, or amendments to existing elections, must be received by the Registrar by 25 September 2009. Full terms and conditions of the plan are available from the Registrar.

Cash Flow

Free cash outflow for the total Group was £220m compared with £109m in the first half of 2008. Of this, £216m (H1 2008: £127m) related to continuing operations and £4m (H1 2008: £18m outflow) related to discontinued operations.

The increase in the continuing group outflow of £89m, compared to the same period last year, reflects £84m of additional working capital, in part related to ongoing group restructuring activities, £40m of additional tax paid and £15m additional capital expenditure, partially offset by an additional £63m profit from continuing operations. Net capital expenditure for the ongoing confectionery business was £163m (H1 2008: £148m), which included around £66m related to our *Vision into Action* business plan (H1 2008: £47m).

Net Debt

Net debt was £1.8bn, around £100m lower than that at the year end (£1.9bn), mainly reflecting the proceeds of the Australia Beverages disposal, partially offset by the higher free cash outflow and tax payments in respect of discontinued operations.

In March 2009 the Group issued a 5-year £300m bond with a coupon of 5.375% and in June 2009 refinanced its revolving credit facility with a new £450m 3-year programme. The Group has a strong programme of debt funding which, after redemption of a Euro 600m bond in June 2009, totals around £1.4bn, running through to 2018, with an average maturity of 5 years.

Forward Looking Statements

Except for historical information and discussions contained herein, statements contained in these materials may constitute "forward looking statements" within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. Forward looking statements are generally identifiable by the fact that they do not relate only to historical or current facts or by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. Forward looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. These forward looking statements are based on numerous assumptions regarding the present and future strategies of each business and the environment in which they will operate in the future. In evaluating forward looking statements, you should consider general economic conditions in the markets in which we operate, as well as the risk factors outlined in our Form 20-F filed with the US Securities and Exchange Commission and posted on Cadbury plc's website www.cadbury.com. These materials should be viewed in conjunction with our periodic half yearly and annual reports and other filings filed with or furnished to the Securities and Exchange Commission, copies of which are available from Cadbury plc, Cadbury House, Uxbridge Business Park, Sanderson Road, Uxbridge UB8 1DH, UK and from the Securities and Exchange Commission's website at www.sec.gov. Cadbury plc does not undertake publicly to update or revise any forward looking statement that may be made in these materials, whether as a result of new information, future events or otherwise. All subsequent oral or written forward-looking statements attributable to Cadbury plc or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

Basis of Preparation

In accordance with IFRS 5, the income statement for the six months ended 30 June 2008 has been re-presented following the disposal of Australia Beverages. Ongoing business improvement costs of approximately 0.5% of revenue are included within underlying profit from operations as, although the impact on segmental profits may vary year on year, these are expected to be incurred at similar levels each year at a consolidated level as they relate to the maintenance of an efficient business. From 1 January 2009, the Group was reorganised into seven Business Units. Britain, Ireland, Middle East and Africa was split into Britain & Ireland and Middle East & Africa. Asia Pacific was split into Asia and Pacific. The Americas was split into North America and South America. Europe was unchanged. The Group has re-presented its segmental analysis for the comparative 2008 financial information to represent the new Business Unit structure. Comments on the Group and segmental performances in the commentaries on pages 4 to 10 are made on the continuing business, excluding discontinued operations. Comments on movements in revenue, underlying profit from operations and margins are made on a constant exchange rate basis. In the first half of 2009, movements in exchange rates, primarily the Euro and US Dollar increased continuing Group Revenue by 10%, and Underlying Operating Profit by 16% and proforma Underlying EPS by 12%. The contribution from acquisitions and disposals during the period equates to the first twelve months' impact of businesses acquired or disposed of in the current and prior year. Once an acquisition or disposal has lapped its acquisition date then it is included within the base business results.

Condensed Consolidated Income Statement for the 6 months ended 30 June 2009

		2009 Half Year Underlying	2009 Half Year Non- underlying	2009 Half Year Total	2008 Half Year Underlying	2008 Half Year Non- underlying	2008 Half Year Total	2008 Full Year Total
	Notes	unaudited	unaudited	unaudited	re-presented unaudited	re-presented unaudited	re-presented unaudited	
		£m	£m	£m	£m	£m	£m	£m
Continuing Operations								
Revenue		2,767	-	2,767	2,440	-	2,440	5,384
Trading costs		(2,448)	(14)	(2,462)	(2,203)	(23)	(2,226)	(4,803)
Restructuring costs	2	-	(105)	(105)	-	(70)	(70)	(194)
Non-trading items	3	-	1	1	-	(6)	(6)	1
Profit from operations		319	(118)	201	237	(99)	138	388
Share of result in associates		3	-	3	4	-	4	10
Profit before financing and taxation		322	(118)	204	241	(99)	142	398
Investment revenue	4	18	-	18	28	-	28	52
Finance costs	5	(78)	(32)	(110)	(57)	21	(36)	(50)
Profit before taxation		262	(150)	112	212	(78)	134	400
Taxation	6	(73)	40	(33)	(62)	88	26	(30)
Profit for the period from continuing operations		189	(110)	79	150	10	160	370
Discontinued operations								
Profit/(loss) for the period from discontinued operations	9	2	232	234	87	(134)	(47)	(4)
Profit for the period		191	122	313	237	(124)	113	366
Attributable to:								
Equity holders of the parent		191	122	313	237	(124)	113	364
Minority interests		-	-	-	-	-	-	2
		191	122	313	237	(124)	113	366
Earnings per share from continuing and discontinued operations								
Basic	8	14.1p		23.1p	12.6p		6.0p	22.6p
Diluted	8	14.1p		23.1p	12.5p		6.0p	22.6p
From continuing operations								
Basic	8	13.9p		5.8p	8.0p		8.5p	22.8p
Diluted	8	13.9p		5.8p	7.9p		8.5p	22.8p

In accordance with IFRS 5, the 2008 half year Income Statement, Statement of Recognised Income and Expense and related notes have been re-presented following the disposal of Australia Beverages (see Note 9).

Condensed Consolidated Statement of Recognised Income and Expense for the 6 months ended 30 June 2009

	2009 Half Year unaudited £m	2008 Half Year re-presented unaudited £m	2008 Full Year £m
Currency translation differences (net of tax)	(431)	108	580
Actuarial losses on post retirement benefit obligations (net of tax)	(190)	(122)	(291)
Net (expense)/income recognised directly in equity	(621)	(14)	289
Profit for the period from continuing operations	79	160	370
Profit/(loss) for the period from discontinued operations	234	(47)	(4)
Total recognised income and expense for the period	(308)	99	655
Attributable to:			
Equity holders of the parent	(308)	99	653
Minority interests	-	-	2
	(308)	99	655

Condensed Consolidated Balance Sheet at 30 June 2009

	Notes	2009 Half Year unaudited £m	2008 Half Year re-presented ¹ unaudited £m	2008 Full Year re-presented ¹ £m
ASSETS				
Non-current assets				
Goodwill		2,081	1,945	2,288
Acquisition intangibles		1,457	1,358	1,598
Software and other intangibles		103	88	87
Property, plant and equipment	11	1,659	1,559	1,761
Investment in associates		31	31	28
Deferred tax assets		220	107	181
Retirement benefit asset		-	87	17
Trade and other receivables		42	33	28
Other investments		2	16	2
		5,595	5,224	5,990
Current assets				
Inventories		849	789	767
Short-term investments	13	98	200	108
Trade and other receivables		923	839	1,067
Tax recoverable		46	25	35
Cash and cash equivalents	13	266	285	390
Derivative financial instruments		120	18	268
		2,302	2,156	2,635
Assets held for sale		2	3	270
TOTAL ASSETS		7,899	7,383	8,895
LIABILITIES				
Current liabilities				
Trade and other payables		(1,345)	(1,293)	(1,551)
Tax payable		(181)	(239)	(328)
Short term borrowings and overdrafts	13	(729)	(1,054)	(1,189)
Short term provisions		(163)	(92)	(150)
Obligations under finance leases	13	(1)	(1)	(1)
Derivative financial instruments		(90)	(26)	(169)
		(2,509)	(2,705)	(3,388)
Non-current liabilities				
Trade and other payables		(25)	(30)	(61)
Borrowings	13	(1,396)	(1,128)	(1,194)
Retirement benefit obligation		(482)	(105)	(275)
Tax payable		(10)	(32)	(6)
Deferred tax liabilities		(155)	(198)	(121)
Long term provisions		(234)	(168)	(218)
Obligations under finance leases	13	(1)	(2)	(1)
		(2,303)	(1,663)	(1,876)
Liabilities associated with assets classified as held for sale		-	-	(97)
TOTAL LIABILITIES		(4,812)	(4,368)	(5,361)
NET ASSETS		3,087	3,015	3,534
EQUITY				
Share capital	12	137	136	136
Share premium account		60	15	38
Other reserves		413	380	850
Retained earnings		2,470	2,475	2,498
Equity attributable to equity holders of the parent		3,080	3,006	3,522
Minority interest		7	9	12
TOTAL EQUITY		3,087	3,015	3,534

¹ The prior period balance sheet, cash flow statement and related notes have been re-presented to reclassify certain amounts between cash and cash equivalents and short term investments (see note 1).

Condensed Consolidated Cash Flow Statement for the 6 months ended 30 June 2009

	Notes	2009 Half Year unaudited £m	2008 Half Year re-presented ¹ unaudited £m	2008 Full Year re-presented ¹ £m
Net cash (outflow)/inflow from operating activities	14	(130)	(2)	469
Investing activities				
Dividends received from associates		-	-	10
Proceeds on disposal of property, plant and equipment		6	4	18
Purchases of property, plant & equipment and software		(167)	(218)	(500)
Americas Beverages separation costs paid		-	(60)	(107)
Americas Beverages net cash and cash equivalents demerged		-	(63)	(67)
Acquisitions of businesses and associates		(11)	14	16
Sale of investments, associates and subsidiary undertakings		532	51	48
Overdraft/(cash) removed on disposal		2	(4)	(4)
Acquisitions and disposals		523	61	60
Movement in equity investments and money market deposits		8	(121)	(29)
Net cash generated from/(used in) investing activities		370	(397)	(615)
Net cash inflow/(outflow) before financing activities		240	(399)	(146)
Financing activities				
Dividends paid		(148)	(222)	(295)
Capital element of finance leases repaid		-	(21)	(21)
Proceeds on issues of ordinary shares		23	32	58
Net movement of shares held under Employee Trust		(12)	1	12
Proceeds of new borrowings		3,242	2,846	4,382
Borrowings repaid		(3,389)	(2,410)	(4,167)
Net cash (used in)/generated from financing activities		(284)	226	(31)
Net decrease in cash and cash equivalents		(44)	(173)	(177)
Opening net cash and cash equivalents – total Group		238	372	372
Effect of foreign exchange rates		(6)	4	43
Closing net cash and cash equivalents		188	203	238

¹ The prior period balance sheet, cash flow statement and related notes have been re-presented to reclassify certain amounts between cash and cash equivalents and short term investments (see note 1).

Net cash and cash equivalents in the continuing Group include overdraft balances of £78 million (HY08: £82 million, FY08: £152 million). There are no cash and cash equivalents included in assets held for sale.

Condensed Consolidated Statement of Changes in Equity for the 6 months ended 30 June 2009

	Share capital £m	Share capital beverages £m	Share premium £m	Capital redemption reserve £m	Demerger Reserve £m	Hedging and Translation reserve £m	Acquisition reval'n reserve £m	Retained earnings £m	Total £m
At 1 January 2008	264	-	1,225	90	-	(139)	45	2,677	4,162
Recognised income and expense for the period	-	-	-	-	-	108	-	(9)	99
Unwind of acquisition revaluation reserve	-	-	-	-	-	-	(3)	3	-
Credit from share based payment and movement in own shares	-	-	-	-	-	-	-	10	10
Shares issued – Cadbury Schweppes plc	1	-	15	-	-	-	-	-	16
Dividends paid	-	-	-	-	-	-	-	(222)	(222)
Scheme of arrangement	6,765	3,805	-	-	(10,570)	-	-	-	-
Capital reduction	(6,630)	(3,805)	-	-	10,435	-	-	-	-
Elimination of Cadbury Schweppes plc reserves	(265)	-	(1,240)	(90)	1,637	-	(42)	-	-
Demerger of Americas Beverages	-	-	-	-	(1,091)	-	-	-	(1,091)
Transfer of own shares in DPSG to investment	-	-	-	-	-	-	-	16	16
Shares issued – Cadbury plc	1	-	15	-	-	-	-	-	16
At 30 June 2008 (unaudited)	136	-	15	-	411	(31)	-	2,475	3,006
Recognised income and expense for the period	-	-	-	-	-	472	-	82	554
Credit from share based payment and movement in own shares	-	-	-	-	-	-	-	14	14
Demerger of Americas Beverages	-	-	-	-	(2)	-	-	-	(2)
Dividends paid	-	-	-	-	-	-	-	(73)	(73)
Shares issued – Cadbury plc	-	-	23	-	-	-	-	-	23
At 31 December 2008	136	-	38	-	409	441	-	2,498	3,522
Recognised income and expense for the period	-	-	-	-	-	(431)	-	123	(308)
Credit from share based payment and movement in own shares	-	-	-	-	-	-	-	(6)	(6)
Disposal of Australia Beverages	-	-	-	-	-	(6)	-	-	(6)
Acquisition of minority interest	-	-	-	-	-	-	-	3	3
Dividends paid	-	-	-	-	-	-	-	(148)	(148)
Shares issued – Cadbury plc	1	-	22	-	-	-	-	-	23
At 30 June 2009 (unaudited)	137	-	60	-	409	4	-	2,470	3,080

Segmental Reporting

Business segment analysis

2009 Half Year (unaudited)	Reported measures			Segment measures		
	Revenue	Profit/(loss) from operations	Operating margin	Revenue	Underlying profit from operations	Underlying margin
	£m	£m	%	£m	£m	%
Britain and Ireland	635	39	6.1	635	79	12.4
Middle East and Africa	211	21	10.0	211	22	10.4
Europe	507	(34)	(6.7)	507	26	5.1
North America	648	129	19.9	648	135	20.8
South America	213	43	20.2	213	42	19.7
Pacific	352	47	13.4	352	47	13.4
Asia	198	20	10.1	198	20	10.1
	2,764	265	9.6	2,764	371	13.4
Central	3	(64)	n/a	3	(52)	n/a
Profit from operations	2,767	201	7.3	2,767	319	11.5

Reconciliation of profit from operations and profit before taxation to underlying performance measure

2009 Half Year (unaudited)	Reported Performance	Reversal of restructuring costs	Reversal of amortisation and impairment of intangibles	Reversal of non-trading items	IAS 39 adjustment	Underlying profit from operations
	£m	£m	£m	£m	£m	£m
Britain and Ireland	39	29	-	-	11	79
Middle East and Africa	21	1	-	-	-	22
Europe	(34)	54	1	-	5	26
North America	129	2	1	-	3	135
South America	43	1	-	-	(2)	42
Pacific	47	6	-	(1)	(5)	47
Asia	20	-	-	-	-	20
Central	(64)	12	-	-	-	(52)
Profit from operations	201	105	2	(1)	12	319
Share of result in associates	3	-	-	-	-	3
Financing	(92)	2	-	8	22	(60)
Profit before taxation	112	107	2	7	34	262

Reconciliation from reported to underlying earnings & earnings per share

2009 Half year (unaudited)	----- Earnings -----			----- Earnings per share -----		
	Continuing £m	Discontinued £m	Total £m	Continuing pence	Discontinued pence	Total pence
Reported	79	234	313	5.8	17.3	23.1
Reversal of:						
Restructuring costs*	107	-	107	7.9	-	7.9
Amortisation and impairment of intangibles	2	-	2	0.1	-	0.1
Non-trading items	7	-	7	0.5	-	0.5
Profit on disposal	-	(301)	(301)	-	(22.2)	(22.2)
IAS 39 adjustment	34	1	35	2.5	0.1	2.6
Tax effect on the above**	(40)	68	28	(2.9)	5.0	2.1
Underlying	189	2	191	13.9	0.2	14.1

An explanation of the reconciling items between reported and underlying performance measures is included in Note 1(c).

* Restructuring costs are made up of £105 million for continuing operations and £2 million relating to the unwind of discounts on provisions recognised within continuing financing costs.

** Also includes tax arising on certain intra-Group reorganisations and disposals (Note 8) and other non-underlying tax items (Note 6).

Segmental Reporting

Business segment analysis

2008 Half Year (re-presented ¹) unaudited	Reported measures			Segmental measures		
	Revenue	Profit from operations	Operating margin	Revenue	Underlying profit from operations	Underlying margin
	£m	£m	%	£m	£m	%
Britain and Ireland	565	20	3.5	565	58	10.3
Middle East and Africa	168	9	5.4	168	10	6.0
Europe	496	17	3.4	496	35	7.1
North America	553	102	18.4	553	108	19.5
South America	196	37	18.9	196	37	18.9
Pacific	304	34	11.2	304	39	12.8
Asia	154	11	7.1	154	11	7.1
	2,436	230	9.4	2,436	298	12.2
Central	4	(92)	n/a	4	(61)	n/a
Profit from operations	2,440	138	5.7	2,440	237	9.7

¹ The Group has re-presented its segmental analysis for the comparative 2008 financial information to represent the new Business Unit structure to reflect the way the Chief Operating Decision Maker reviews the results of the operating segments.

Reconciliation of profit from operations and profit before taxation to underlying performance measure

2008 Half Year (re-presented) unaudited	Reported Performance	Reversal of restructuring costs	Reversal of amortisation and impairment of intangibles	Reversal of non-trading items	IAS 39 adjustment	Underlying profit from operations
	£m	£m	£m	£m	£m	£m
Britain and Ireland	20	12	-	7	19	58
Middle East and Africa	9	1	-	-	-	10
Europe	17	16	1	-	1	35
North America	102	4	1	-	1	108
South America	37	2	-	(1)	(1)	37
Pacific	34	4	-	-	1	39
Asia	11	-	-	-	-	11
Central	(92)	31	-	-	-	(61)
Profit from operations	138	70	2	6	21	237
Share of result in associates	4	-	-	-	-	4
Financing	(8)	-	-	-	(21)	(29)
Profit before taxation	134	70	2	6	-	212

Reconciliation from reported to underlying earnings and earnings per share

2008 Half year (re-presented) unaudited	----- Earnings -----			----- Earnings per share -----		
	Continuing £m	Discontinued £m	Total £m	Continuing pence	Discontinued pence	Total pence
Reported	160	(47)	113	8.5	(2.5)	6.0
Reversal of:						
Restructuring costs*	70	4	74	3.8	0.2	4.0
Amortisation and impairment of intangibles	2	8	10	0.1	0.4	0.5
Non-trading items	6	(1)	5	0.3	-	0.3
Demerger/Disposal costs***	-	116	116	-	6.2	6.2
IAS 39 adjustment	-	(4)	(4)	-	(0.3)	(0.3)
Tax effect on the above items**	(88)	11	(77)	(4.7)	0.6	(4.1)
Underlying	150	87	237	8.0	4.6	12.6

An explanation of the reconciling items between reported and underlying performance measures is included in Note 1(c).

* Restructuring costs are made up of £70 million for continuing operations and £4 million for discontinued operations.

** Also includes tax arising on certain intra-Group reorganisations – see Note 8.

*** Includes £18 million of non-underlying financing fees associated with the demerger.

Segmental Reporting

Business segment analysis

2008 Full Year (re-presented ¹)	Reported measures			Segment measures		
	Revenue	Profit from operations	Operating margin	Revenue	Underlying profit from operations	Underlying margin
	£m	£m	%	£m	£m	%
Britain and Ireland	1,269	81	6.4	1,269	139	11.0
Middle East and Africa	376	26	6.9	376	34	9.0
Europe	1,097	44	4.0	1,097	115	10.5
North America	1,201	218	18.2	1,201	231	19.2
South America	430	78	18.1	430	84	19.5
Pacific	664	72	10.8	664	106	16.0
Asia	338	34	10.1	338	37	10.9
	5,375	553	10.3	5,375	746	13.9
Central	9	(165)	n/a	9	(108)	n/a
Profit from operations	5,384	388	7.2	5,384	638	11.9

¹ The Group has re-presented its segmental analysis for the comparative 2008 financial information to represent the new Business Unit structure to reflect the way the Chief Operating Decision Maker reviews the results of the operating segments.

Reconciliation of profit from operations and profit before taxation to underlying performance measure

2008 Full Year (re-presented)	Reported Performance	Reversal of restructuring costs	Reversal of amortisation and impairment of intangibles	Reversal of non-trading items	IAS 39 adjustment	Underlying profit from operations
	£m	£m	£m	£m	£m	£m
Britain and Ireland	81	14	-	9	35	139
Middle East and Africa	26	7	-	-	1	34
Europe	44	63	2	-	6	115
North America	218	11	2	(4)	4	231
South America	78	7	-	(1)	-	84
Pacific	72	29	-	(2)	7	106
Asia	34	3	-	-	-	37
Central	(165)	60	-	(3)	-	(108)
Profit from operations	388	194	4	(1)	53	638
Share of result in associates	10	-	-	-	-	10
Financing	2	3	-	-	(94)	(89)
Profit before taxation	400	197	4	(1)	(41)	559

Reconciliation from reported to underlying earnings and earnings per share

2008 Full Year	----- Earnings -----			----- Earnings per share -----		
	Continuing £m	Discontinued £m	Total £m	Continuing pence	Discontinued pence	Total pence
Reported	368	(4)	364	22.8	(0.2)	22.6
Reversal of:						
Restructuring costs*	197	6	203	12.2	0.4	12.6
Amortisation and impairment of intangibles	4	8	12	0.2	0.5	0.7
Non-trading items	(1)	(1)	(2)	-	(0.1)	(0.1)
Demerger costs/Disposal costs ***	-	122	122	-	7.5	7.5
IAS 39 adjustment	(41)	(5)	(46)	(2.5)	(0.3)	(2.8)
Tax effect on the above**	(126)	(42)	(168)	(7.8)	(2.6)	(10.4)
Underlying	401	84	485	24.9	5.2	30.1

An explanation of the reconciling items between reported and underlying performance measures is included in Note 1(c).

* Restructuring costs are made up of £194 million for continuing operations, £6 million for discontinued operations and £3 million relating to the unwind of discounts on provisions recognised with continuing financing costs.

** Also includes tax arising on certain intra-Group reorganisations – see Note 8.

*** Includes £18 million of non-underlying financing fees associated with the demerger.

1. GENERAL INFORMATION AND ACCOUNTING POLICIES

(a) The financial information included within the half year financial report has been prepared using accounting policies including presentation consistent with International Financial Reporting Standards (IFRSs) as issued by the IASB and endorsed by the European Union. The condensed set of financial statements included in this half year financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as issued by the IASB and adopted by the European Union.

The interim condensed consolidated information has been prepared on the basis of accounting policies consistent with those applied in the consolidated financial statements of Cadbury plc for the year ended 31 December 2008 which are available on the Group's website www.cadbury.com except for the following standards and interpretations, effective for the first time in the current financial year. The following standards and interpretations, issued by the IASB or IFRIC, have been adopted by the Group since 1 January 2009 with no significant impact on its consolidated results or financial position:

Amendment to IFRS 1 – First time adoption of International Financial Reporting Standards

Amendment to IFRS 2 – Share-based payments

Amendment to IFRS 7 – Financial Instruments: disclosures

Amendment to IAS 27 – Consolidated and separate financial statements

Amendment to IAS 32 - Financial Instruments: presentation

Amendment to IAS 39 – Financial Instruments: recognition and measurement

IFRIC 13 – Customer loyalty programmes

IFRIC 15 – Arrangements for the construction of real estate

IFRIC 16 – Hedges or a net investment in a foreign operation

IFRIC 18 – Transfers of assets from customers

Amendment to IFRIC 9 – Reassessment of Embedded Derivatives

IAS 1 (Revised) requires the presentation of a statement of changes in equity as a primary statement, separate from the Income Statement and Statement of Recognised Income and Expense. As a result, a condensed consolidated statement of changes in equity has been presented as a primary statement.

The Group has also adopted the amendment to IAS 23 - Borrowing costs, requiring capitalisation of borrowing costs on qualifying capital expenditure incurred on significant projects that commenced after 1 January 2009. The amount of borrowing costs capitalised in the period was not significant.

The Group previously adopted IFRS 8 "Operating Segments", in advance of its effective date, with effect from 1 January 2008.

Following clarification of the Group's presentational accounting policy, the Group has reclassified certain amounts between cash and cash equivalents and short term investments to ensure consistency of policy across the Group. This has resulted in the reclassification on the balance sheet and in the cash flow statement of £139 million previously reported as short term investments at 31 December 2008 as cash and cash equivalents, £73 million previously reported as short term investment at 30 June 2008 as cash and cash equivalents and £77 million previously reported as cash and cash equivalents as short term investments at 31 December 2007. There is no impact on net debt, the Group's measure of liquidity, profit, current assets, total assets, shareholders' equity and cash flow from operations.

The Group has applied the amendments to IAS 38 "Intangible assets" to its advertising and promotional expenditures effective for annual periods beginning on or after 1 January 2009, including the clarification of when a company recognises expenditure incurred in respect of the supply of goods and of services associated with advertising and promotional expenditure (para 69). As a result, advertising costs will now be recognised upon completion of the service rendered and costs of samples and catalogues will be recognised upon receipt or production of the goods. The Group has considered the need for retrospective application of this amendment but has concluded that this is not necessary on the grounds of materiality. As an illustration, if the amendment had been applied retrospectively re-presented profit from continuing operations for the six months to

30 June 2008 would be £4 million higher, £2 million higher for the year to 31 December 2008 and £2 million higher for the six months to 30 June 2009.

The directors have considered the principal risks and uncertainties affecting the Group and its performance in the second half and determined that those discussed in the Group's published accounts for the year ended 31 December 2008 remain relevant. These risks include external risks (including competition, customer consolidation and raw material prices); internal risks (including product quality and safety); execution risks (including execution of our Vision into Action programme) and financial risks (including interest rate and foreign currency fluctuations).

(b) Going concern

The Group has considerable financial resources and an advantaged business model that operates across many different customers and suppliers in multiple geographies. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. On the basis of current financial projections and facilities available and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they consider that it is appropriate to adopt the going concern basis in preparing the Group's interim financial statements.

(c) The half yearly financial report is unaudited and was approved by the Board of Directors on 28 July 2009. The financial information for the year ended 2008 does not constitute statutory accounts, as defined in section 435 of the Companies Act 2006. The full year 2008 financial information is derived from the statutory accounts for that year, re-presenting cash and cash equivalents and short term investments (as set out above). A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or (3) Companies Act 2006.

(d) Use of underlying measures

Cadbury believes that underlying profit from operations, underlying profit before tax, underlying earnings and underlying earnings per share provide additional information on underlying trends to shareholders. These measures are used by Cadbury for internal performance analysis and are considered by the Remuneration Committee in determining incentive compensation arrangements for employees. The term underlying is not a defined term under IFRS, and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

The adjustments made to reported profit are summarised below:

- Restructuring costs – the costs incurred by the Group in implementing significant restructuring projects, such as Vision into Action, the major Group-wide efficiency programme in pursuit of the mid-teen margin goal and integrating acquired businesses are classified as restructuring. These are programmes involving one-off incremental items of major expenditure. In addition, costs incurred to establish a stand-alone confectionery business have also been classified as restructuring. The Group views restructuring costs as costs associated with investment in the future performance of the business and not part of the underlying performance trends of the business. Where material, restructuring costs are initially recognised after discounting to present value. The subsequent unwind of any discount is reported as a non-underlying finance cost if the associated provision resulted from a non-underlying restructuring cost;
- Amortisation and impairment of intangibles – under IFRS, the Group continues to amortise certain short-life acquisition intangibles and also recognises, from time to time, impairments of goodwill which have arisen on previous acquisitions. This amortisation and impairment is not considered to be reflective of the underlying trading of the Group. The Group performs a detailed impairment review annually and reviews for indicators of impairment on an interim basis. Management has updated its impairment review at the half-year and there were no significant impairment indicators identified that would result in carrying value exceeding the recoverable amount for either brands or goodwill. The First brand, acquired as part of the Intergum acquisition in 2007, which showed limited headroom at 31 December 2008, has performed in line with management's expectations in the current period;

- Non-trading items – as part of its operations the Group may dispose of or recognise an impairment of subsidiaries, associates, investments, brands and significant fixed assets that do not meet the requirements to be separately disclosed outside continuing operations. Whilst the income or cost stream of these items is considered to be underlying in value any profit or loss realised on the ultimate disposal is not considered to be an underlying profit item. In addition, the interest charges relating to tax or indemnity provisions arising on demergers and disposals are reported as non-underlying finance costs if the associated provision resulted from a non-underlying charge;
- IAS 39 adjustments - fair value accounting – under IAS 39, the Group seeks to apply hedge accounting to its various hedge relationships, (principally under commodity contracts, foreign exchange forward contracts and interest rate swaps) where it is permissible under the rules of IAS 39 and practical to do so. Due to the nature of its hedging arrangements, in a number of circumstances the Group is unable to apply hedge-accounting to the arrangements. The Group continues, however, to enter into these arrangements as they provide certainty or active management of the commodity prices affecting the Group, the exchange rates applying to the foreign currency transactions entered into by the Group and the interest rate applying to the Group's debt. These arrangements result in fixed and determined cash-flows. The Group believes that these arrangements remain effective, economic and commercial hedges despite the inability to apply hedge accounting and therefore will continue internally to manage the performance of the business and incentives and reward success on this basis. The effect of not applying hedge accounting under IAS 39 means that the reported results reflect the actual rate of exchange, interest rate or commodity price ruling on the date of a transaction regardless of the cash flow paid by the Group at the predetermined rate of exchange, interest rate or commodity price. In addition, any gain or loss accruing on open contracts at a reporting period end is recognised in the result for the period (regardless of the actual outcome of the contract on close-out). Whilst the impacts described above could be highly volatile depending on movements in exchange rates or commodity prices, this volatility will not be reflected in the cash flows of the Group, which will be based on the fixed or hedged rate. The adjustment made by the Group therefore is to report its underlying performance on the internal measure described above;
- Exceptional items – certain other items which do not reflect the Group's underlying trading performance and due to their significance and one-off nature have been classified as exceptional. The gains and losses on these discrete items can have a material impact on the absolute amount of and trend in the profit from operations and result for the year. Therefore any gains and losses on such items are analysed outside underlying. There are no exceptional items in the current period. In 2008, the exceptional items relate to discontinued operations and hence have been included within loss for the period from discontinued operations and comprise;

Demerger costs – In 2008, the Group incurred significant transaction costs, including one-off financing fees, as a result of the separation of Americas Beverages, which have been classified outside underlying earnings; and

- Taxation – the tax impact of the above items are also excluded in arriving at underlying earnings. In addition, from time to time there may be tax items which as a consequence of their size and nature are excluded from underlying earnings including the tax impact of reorganisations undertaken in preparation for the separation of Americas Beverages, the disposal of Australia Beverages and significant one-off settlements or provision increases in the period (see note 6).

(e) Free cash flow

Free cash flow is the measure used by the Group for internal cash flow performance analysis and is the primary cash flow measure used by management. The Group believes that free cash flow is a useful measure because it shows the amount of cash flow remaining after the cash generated by the Group through operations has been used to meet purposes over which the Group has little or no discretion such as taxation and interest costs or those which are characteristic of a continuing business, for example capital expenditure.

Free cash flow therefore represents the amount of cash generated in the year by the underlying business and provides investors with an indication of the net cash flows generated which may be used for, or are required to be funded by, the payment of dividends to equity shareowners and other discretionary purposes such as investment in acquisitions, business disposals and the

drawing and repayment of financing. A reconciliation of Free Cash Flow from the corresponding IFRS measure is presented in Note 15.

Payments of £18 million in the six months ended 30 June 2008 (FY08: £30 million) made into our principal Group defined benefit pension arrangements in respect of past service deficits have been excluded from Free Cash Flow. These payments were part of a wider pension funding strategy totalling some £190 million in the period from 2005 to 2008. The Group believes that the funding of these pension arrangements was a discretionary use of Free Cash Flow comparable to the repayment of external borrowings and was therefore added back in calculating the Free Cash Flow. The Group will continue this reporting practice in future years. The Group continues to report the cash cost of funding pension obligations arising in respect of current year service within Free Cash Flow.

(f) Segmental analysis

From 1 January 2009, the Group was reorganised into seven Business Units. Britain, Ireland, Middle East and Africa (BIMA) was split into two Business Units; Britain & Ireland and Middle East & Africa, Asia Pacific was split into Asia and Pacific, Americas was split into North America and South America and Europe remains unchanged. Business units manage the segments as strategic units. They are managed separately because of the differing market conditions and consumer tastes in the different geographies, which require differing branded products and marketing strategies.

(g) Retirement benefit obligations

The Group has updated its accounting for pensions under IAS 19 as at 30 June 2009. This involved reviewing and updating the assumptions considered appropriate at the 2008 year end including updating for changes in market rates and updating for the actual return on assets.

The £254 million pre-tax actuarial loss recognised in the Statement of Recognised Income and Expense is primarily due to an increase in the UK inflation assumption.

2. RESTRUCTURING

During the first half of 2009, the continuing Group incurred £105 million (HY08: £70 million, FY08: £194 million) of restructuring costs. The majority of this, £91 million (HY08: £48 million, FY08: £142 million), related to the Group's Vision into Action programme to drive efficiencies throughout the Group and achieve the Group's mid-teen margin goal.

Costs of £1 million (HY08: £14 million, FY08: £16 million) relating to the separation of Confectionery from the Americas and Australia Beverages businesses has also been included as restructuring. A further £13 million (HY08: £5 million, FY08: £9 million) has been incurred relating to integration costs associated with previous acquisitions. Restructuring costs relating to discontinued operations are disclosed in note 9.

3. NON-TRADING ITEMS

During the first half of 2009, the continuing Group recorded a gain from non-trading items of £1 million (HY08: loss of £6 million, FY08: gain of £1 million). This comprises principally of £1 million profit on sale of intellectual property.

4. INVESTMENT REVENUE

	2009 unaudited	2008 unaudited re-presented	2008 Full Year
	£m	£m	£m
Interest on bank deposits	18	12	25
Post retirement employee benefits	-	16	27
Investment revenue	18	28	52

5. FINANCE COSTS

	2009 unaudited £m	2008 unaudited re-presented £m	2008 Full Year £m
Underlying finance costs*	78	57	141
Non underlying finance costs**	32	(21)	(91)
Reported finance costs	110	36	50
Underlying net finance costs	60	29	(89)

* Includes £3 million financing charge (HY08: £16 million credit, FY08: £27 million credit included within investment revenue) relating to post retirement employee benefits.

** Comprises £22m charge (HY08: £21 million credit, FY08: £94 million credit) relating to fair value movements and £10 million charge (HY08: £nil, FY08: £3 million) relating to interest on tax and provisions.

6. TAXATION

	2009 unaudited £m	2008 unaudited re-presented £m	2008 Full Year £m
UK	18	12	14
Overseas	55	50	142
Underlying taxation	73	62	156
Tax on restructuring costs	(18)	(16)	(55)
Tax on amortisation and impairment of intangibles*	(1)	(191)	(189)
Tax on non-trading items**	-	118	108
Tax on IAS 39 adjustment	(11)	1	10
Other non-underlying tax***	(10)	-	-
Reported taxation	33	(26)	30

* In 2008, includes the recognition of the deferred tax benefits associated with certain reorganisations carried out in preparation for the demerger of Americas Beverages realised in the continuing Group.

** Includes the tax costs of certain reorganisations relating to the continuing Group carried out in preparation for the demerger of Americas Beverages.

*** During the year, the Group has progressed tax matters with a number of authorities resulting in a net non-underlying tax credit of £10m consisting of a net £71m credit relating to UK tax matters and a £61m charge relating to tax matters in a number of overseas jurisdictions.

7. DIVIDENDS

	2009 unaudited £m	2008 unaudited £m	2008 Full Year £m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2008 of 11.1p (31 December 2007 of 10.5p) per share	148	222	222
Half year dividend for the year ended 31 December 2008 of 5.3p per share	-	-	73
	148	222	295

At 30 June 2009 the 2009 half year dividend of 5.7p per share had not been declared to equity holders and as such was not included as a liability. The expected cash payment in respect of the half year dividend for the half year ended 30 June 2009 is £77 million.

8. EARNINGS PER SHARE

(a). Basic EPS – Continuing and Discontinued

The reconciliation between Reported and Underlying EPS, and between the earnings figures used in calculating them, is as follows:

	-----Half Year----- (unaudited)				-----Full Year-----	
	Earnings		EPS		Earnings	EPS
	2009 £m	2008 £m	2009 pence	2008 pence	2008 £m	2008 pence
Reported – Continuing and Discontinued	313	113	23.1	6.0	364	22.6
Restructuring costs*	107	74	7.9	4.0	203	12.6
Amortisation and impairment of acquisition intangibles	2	10	0.1	0.5	12	0.7
Non-trading items	7	5	0.5	0.3	(2)	(0.1)
Profit on Disposal	(301)	-	(22.2)	-	-	-
Demerger and disposal costs**	-	116	-	6.2	122	7.5
IAS 39 adjustment	35	(4)	2.6	(0.3)	(46)	(2.8)
Effect of tax on above items***	28	(77)	2.1	(4.1)	(168)	(10.4)
Underlying – Continuing and Discontinued	191	237	14.1	12.6	485	30.1

* Restructuring costs are made up of £105 million (HY08: £70 million, FY08: £194 million) for continuing operations, £nil (HY08: £4 million, FY08: £6 million) for discontinued operations and £2 million (HY08: £nil, FY08: £3 million) relating to the unwind of discounts on provisions recognised within financing costs.

** Includes £nil (HY08: £18 million, FY08: £18 million) of non-underlying financing fees associated with the demerger.

*** Effect of tax on above items includes £nil (HY08: £34 million, FY08: £39 million) relating to certain reorganisations carried out in preparation for the demerger of Americas Beverages and a £69 million charge (HY08: £nil, FY08: £44 million credit) relating to the disposal of Australia Beverages. In addition, the Group has progressed tax matters with a number of authorities resulting in a net non-underlying tax credit of £10m in 2009 consisting of a net £71m credit relating to UK tax matters and a £61m charge relating to tax matters in a number of overseas jurisdictions.

(b). Diluted EPS – Continuing and Discontinued

Diluted EPS has been calculated based on the reported and underlying earnings amounts above. The diluted reported and underlying earnings are set out below:

	2009 unaudited pence	2008 unaudited pence	2008 Full year pence
Diluted Reported – Continuing and Discontinued	23.1	6.0	22.6
Diluted Underlying – Continuing and Discontinued	14.1	12.5	30.0

A reconciliation between the shares used in calculating Basic and Diluted EPS is as follows:

	2009 unaudited million	2008 unaudited million	2008 Full year million
Average shares used in Basic EPS calculation	1,356	1,875	1,611
Dilutive share options outstanding	1	14	3
Shares used in diluted EPS calculation	1,357	1,889	1,614

(c). Continuing Operations EPS

	-----Half Year----- unaudited				-----Full Year-----	
	Earnings		EPS		Earnings	EPS
	2009 £m	2008 re-presented £m	2009 pence	2008 re-presented pence	2008 £m	2008 pence
Reported – Continuing Operations	79	160	5.8	8.5	368	22.8
Restructuring costs*	107	70	7.9	3.8	197	12.2
Amortisation and impairment of acquisition intangibles	2	2	0.1	0.1	4	0.2
Non-trading items	7	6	0.5	0.3	(1)	-
IAS 39 adjustment	34	-	2.5	-	(41)	(2.5)
Effect of tax on above items**	(40)	(88)	(2.9)	(4.7)	(126)	(7.8)
Underlying – Continuing Operations	189	150	13.9	8.0	401	24.9

* Restructuring costs is made up of £105 million (HY08: £70 million, FY08: £194 million) for continuing operations and £2 million (HY08: £nil, FY08: £3 million) relating to the unwind of discounts on provisions recognised within financing costs.

** Effect of tax on above items, includes £nil (HY08: £63 million credit, FY08: £68 million credit) relating to certain reorganisations carried out in preparation of the demerger of Americas Beverages. In addition, the Group has progressed tax matters with a number of authorities resulting in a net non-underlying tax credit of £10m in 2009 consisting of a net £71m credit relating to UK tax matters and a £61m charge relating to tax matters in a number of overseas jurisdictions.

Diluted Continuing EPS has been calculated based on the Reported Continuing and Underlying Continuing Earnings amounts above. The diluted reported and underlying earnings from continuing operations are set out below:

	2009 unaudited pence	2008 unaudited re-presented pence	2008 Full year pence
Diluted Reported – Continuing Operations	5.8	8.5	22.8
Diluted Underlying – Continuing Operations	13.9	7.9	24.8

9. DISCONTINUED OPERATIONS

On 7 May 2008, the Group completed the demerger of its Americas Beverages business and on 3 April 2009, the Group completed the disposal of the Australia Beverages business to Asahi Breweries of Japan. In accordance with IFRS 5, "Non-current assets held for sale and discontinued operations" these businesses are classified as discontinued. The 2008 half year comparatives have been re-presented on a consistent basis to present Australia Beverages as a discontinued operation. The results attributed to discontinued operations in 2008 includes an allocation of the Group's interest charge relating to the debt funding which was demerged with the Americas Beverages business.

(a) The results of the discontinued operations, which have been included in the consolidated income statement, are as follows:

	2009	2008	2008
	Half Year	Half Year	Full Year
	unaudited	unaudited	
	£m	re-presented	£m
		£m	
Revenue	102	1,164	1,389
- Americas Beverages	-	951	951
- Australia Beverages	102	213	438
Trading costs	(99)	(1,005)	(1,211)
Restructuring costs	-	(4)	(6)
Non-trading items	-	1	1
Profit from operations	3	156	173
- Americas Beverages	-	146	146
- Australia Beverages	3	10	27
Profit before financing and taxation	3	156	173
Finance costs *	(1)	(45)	(45)
Profit before taxation	2	111	128
Taxation	-	(44)	(63)
Profit on disposal	301	-	-
Disposal and demerger costs	-	(98)	(104)
Tax on profit on disposal, disposal costs and demerger costs	(69)	(16)	35
Net profit/(loss) attributable to discontinued operations	234	(47)	(4)

* Includes £nil (HY08: £18 million, FY08: £18 million) of non-underlying financing fees associated with the Americas Beverages demerger.

(b) The major classes of assets and liabilities comprising the Australia Beverages business on disposal are as follows:

	Australia Beverages 3 April 2009 £m
ASSETS	
Non-current assets	
Goodwill and acquisition intangibles	19
Software intangibles	13
Property, plant & equipment	114
Deferred tax assets	4
	150
Current assets	
Inventories	22
Trade and other receivables	68
	90
TOTAL ASSETS	240
LIABILITIES	
Current liabilities	
Trade and other payables	(54)
Short term borrowings and overdrafts	(2)
	(56)
Non-current liabilities	
Long term provisions	(2)
	(2)
TOTAL LIABILITIES	(58)
NET ASSETS	182

(c) Cash flows from discontinued operations included in the consolidated cash flow statement are as follows:

	2009 Half Year unaudited £m	2008 Half Year Unaudited re-presented £m	2008 Full Year £m
Net cash flows (used in)/from operating activities	(6)	26	33
Net cash flows from/(used in) investing activities	4	(189)	(240)
Net cash flows from financing activities	-	133	133
	(2)	(30)	(74)

10. ACQUISITIONS

2009

During the period from 1 January 2009 to 30 June 2009 the Group made no significant acquisitions.

11. PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2009, the Group purchased property, plant and equipment of £132 million (HY08: £192 million, FY08: £475 million) and disposed of property, plant and equipment with a net book value of £5 million (HY08: £14 million, FY08: £29 million).

12. SHARE CAPITAL AND RESERVES

During the period ended 30 June 2009, 5,126,960 ordinary shares of 10p were allotted and issued upon the exercise of share options. The nominal value of ordinary shares issued during the period ended 30 June 2009 was £0.5 million. There were no other changes in the issued ordinary share capital of the Company during the six months to 30 June 2009.

13. NET DEBT

The Group's definition of net debt is shown below:

	2009 unaudited £m	2008 unaudited Re- presented ¹ £m	2008 Full year Re- presented ¹ £m
Short term investments	98	200	108
Cash and cash equivalents	266	285	390
Short term borrowings and overdrafts	(729)	(1,054)	(1,189)
Obligations under finance leases - current	(1)	(1)	(1)
Borrowings – non current	(1,396)	(1,128)	(1,194)
Fair value of interest rate hedging instruments	(11)	-	-
Obligations under finance leases – non current	(1)	(2)	(1)
Net debt	(1,774)	(1,700)	(1,887)

¹ The prior period net debt analysis has been re-presented to reclassify certain amounts between cash and cash equivalents and short term investments (see note 1).

14. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES

	2009 unaudited £m	2008 unaudited re-presented £m	2008 Full year £m
Profit from operations – Continuing Operations	201	138	388
Profit from operations – Discontinued Operations	3	156	173
	204	294	561
Adjustments for:			
Depreciation, amortisation and impairment	108	137	244
Restructuring	(1)	(5)	71
Non-trading items	(1)	5	(2)
Post retirement benefits	1	1	(3)
Additional funding of past service pensions deficit	-	(18)	(30)
Share compensation taken to reserves	14	9	31
IAS 39 adjustments	12	22	53
Other non-cash items	1	(4)	3
Operating cash flows before movements in working capital	338	441	928
Increase in inventories	(130)	(159)	(32)
Decrease/(increase) in receivables	45	61	(40)
(Decrease)/increase in payables	(141)	(65)	2
Net movement in working capital	(226)	(163)	(70)
Cash generated by operations	112	278	858
Interest paid	(80)	(116)	(165)
Interest received	15	11	26
Demerger financing costs	-	(53)	(53)
Income taxes paid – excluding disposals	(106)	(86)	(153)
Income taxes paid – disposals	(71)	(36)	(44)
Net cash (used in)/generated from operating activities	(130)	(2)	469

15. RECONCILIATION OF FREE CASH FLOW

Free cash flow is defined as the amount of cash generated by the business after meeting all its obligations for interest, tax and minority dividends and after all capital investment excluding share sales or purchases by the Employee Trust.

	2009 unaudited £m	2008 unaudited £m	2008 Full year £m
Net cash (outflow)/inflow from operating activities	(130)	(2)	469
Add back:			
Additional funding of past service pensions deficit	-	18	30
Demerger financing costs	-	53	53
Income taxes paid on disposals	71	36	44
Less:			
Net capital expenditure	(161)	(214)	(482)
Net associate and minority dividends	-	-	10
Free cash (outflow)/Inflow	(220)	(109)	124

16. POST BALANCE SHEET EVENTS

There were no material events after the Balance Sheet date.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";
- (b) the half-yearly financial report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and their impact on the condensed set of financial statements and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the half-yearly financial report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Todd Stitzer
Chief Executive Officer

Andrew Bonfield
Chief Financial Officer

28 July 2009

28 July 2009

INDEPENDENT REVIEW REPORT TO CADBURY PLC (the "Company" or the "Group")

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprises the condensed consolidated: income statement, balance sheet, statement of recognised income and expense, cash flow statement, statement of changes in equity, segmental reporting and related notes 1 to 16. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors
London, UK
28 July 2009