

Todd Stitzer: Good morning ladies and gentlemen and welcome to our conference call. I'm Todd Stitzer, Chief Executive and I'm joined today by our Chief Financial Officer Ken Hanna. The purpose of the call is to discuss our first quarter trading performance which we have described today in our Interim Management Statement.

You'll be aware that later today the company has other important business to attend to in the form of a Court Meeting and General Meeting, at which we're seeking various shareowner approvals to enable us to separate our confectionery business from our Americas Beverages business through a demerger. I'm also pleased to report that the group has had a strong first quarter and this telephone call will focus mainly on trading.

Let me start first with confectionery where revenues continue to enjoy good momentum growing at 7% for the quarter. This has been driven by continued double digit growth in gum and emerging markets and by the price increases we've implemented to offset higher commodity costs. Importantly our cost reduction programmes to deliver savings and improved margins are also on track.

Looking briefly at the key regions, in Britain, Ireland, the Middle East and Africa, which we call BIMA, revenues grew by 5% in the quarter boosted by double digit growth in our emerging market businesses. In Britain our revenues grew by 3%. This number was affected by a combination of factors: very strong performance in the first quarter of 2007; the early timing of Easter; importantly, a reduction in low margin promotional activities to generate high margin growth; and lower distribution in candy as a result of flooding in our Sheffield plant last summer. Overall we are very pleased with the performance of our business in Britain in the first quarter.

Our core brands are benefiting from greater focus, better marketing and sales execution and improved service levels in the supply chain. Price rises and improved mix are recovering cost increases, and the focus on profitable growth and early actions on SG&A costs means that we will have good margins in our UK business. Finally our gum share has benefited from the launch of three new products under the Trident brand in February; our latest four week share is 11%.

Turning to our Europe region, revenues there grew by 6% helped by continued excellent gum growth across the region, once again driven by the rollout of our global technologies: centre-filled pellet gum and longer-lasting slab gum. Halls had a good start to the year in Northern Europe and Poland.

In the Americas, revenues were ahead by 10% with continued strong results in the US and Latin America. In the US, against the backdrop of a growing market we grew market share 140 basis points year to date, helped by Stride which has reached a 7.1% market share in March. Halls' performance has improved, helped by robust growth in the cough category in North America. In Latin America, gum helped drive growth with a 260 basis point share increase in Mexico, driven by Trident with standout innovation and execution.

Asia Pacific revenues were ahead 7%, helped primarily by improved performance in the Australian confectionery business, which was cycling a lacklustre quarter 1 in 2007, and continued excellent growth in India.

Let me now turn to Americas Beverages, the business which will trade as Dr Pepper Snapple Group after the separation. Americas Beverages will be reporting their first quarter results in June and expect to report actual revenue growth of around 3%. This number will include a benefit from the 2007 acquisition of SeaBev in the South East of America.

On a like-for-like basis, i.e. the way Cadbury Schweppes normally reports its performance, revenues in Americas Beverages were up by 1%. This number was impacted by a combination of factors: the timing of concentrate price increases; lower bottler inventories; and the loss of the Glacéau contract, which together reduced revenue growth by around four percentage points in a quarter which normally is the smallest quarter of the year. Our carbonated soft drinks share fell modestly for the first time in four years as a result of the significant prices increase we implemented to offset commodity pressures. In non-CSDs, revenue growth was driven by a combination of price increases and continued good volume growth in the core Snapple, Mott's and Clamato brands.

Looking forward, while the economic outlook for 2008 is challenging, we're encouraged by the performance and the prospect of our two businesses. Accordingly we confirm our 2008 guidance previously given for both of the businesses.

There is one significant non-trading comment I'd like to make, and that concerns the update in the press release this morning on financing. We announced details on March 11th of the proposed financing arrangements for DPSG. We said then that around half the \$4.4 billion of financing requirements would be in the form of a \$1.9 billion five year term loan with the bulk of the remainder in a one year facility. Demand for the term loan was sufficiently strong that we were able to increase the size of the term loan portion to \$2.2 billion which is syndicated amongst over 35 banks. The annual interest cost on this loan will be 4.75%. Considering the uncertain markets we face it's pleasing to report that we have not only secured strong support for our financing but at a good rate too.

Following today's meetings we'll be into the final leg of what has been a long and complex separation process. We expect the demerger to be completed by 7th May when Dr Pepper Snapple shares start trading on the New York Stock Exchange. In this regard, and as it relates to the complexity and length of this process, I'd particularly cite the work of Ken, his finance team, our legal team and the entire group of people at Cadbury Schweppes who have focused for the benefit of shareowners on delivering this separation transaction.

The separation will bring nearly 40 years of shared history to a close. It's been a long period during which both confectionery and beverages have been built from small, largely domestic UK businesses based on Cadbury chocolate and Schweppes tonic into the large and successful companies we have today.

Cadbury today is the largest global confectionery player with a 10% share of the global market, strong brands and the broadest product and geographic breadth of any confectionery company. It has significant underexploited opportunities both on the top line and on margins and returns.

As the number 3 player in the US beverages market, Dr Pepper Snapple has scale and an incredible brand portfolio in the world's largest refreshment beverages

market. It too has significant underexploited potential as it leverages the power of its brand portfolio through its strengthened route to market. We are very confident that as two independent and focused groups Cadbury plc and Dr Pepper Snapple Group will deliver superior returns for our shareowners.

Thanks for your time, and Ken and I will now be happy to take your questions.

Operator: Thank you. We'll now take our first question from Warren Ackerman from Dresdner Bank. Please go ahead.

Warren Ackerman: Good morning Todd, and good morning Ken, it's Warren Ackerman here at Dresdner. Can I come back to the UK confectionery business. I'm slightly surprised by your comment about the share loss and I appreciate you're walking away from aggressive discounting, but if I look back at the first half of 07, your chocolate shares were already down 270 basis points, so I was just wondering whether you can flesh that out a bit and perhaps give us some specifics on where you think the market shares are in UK chocolate, that's the first one.

On the second one, just coming back also to beverages, the share loss that you're citing in CSDs, can you perhaps explain why that's happening a bit more? I appreciate you're taking pricing, but are you taking more pricing than, say Coke and Pepsi in CSDs, or is it more related to Glacéau, the loss of the contract? Can you go through it? After four years, when I think you took 180 basis points of share in CSDs, now you're losing share in the first quarter?

Then just finally on the financing arrangements, you're saying 4.75% on the \$2.2 billion, is there any way you can give us an indication of where you think the coupon might be for the other half, the one year facility that you've been talking about? Thanks.

Ken Hanna: Warren, it's Ken. I'll take the two beverage questions and I'll tick them off first. First of all, it's a low quarter in CSDs. As you know, it's only about 20% of the year. These are Nielsen numbers. The pricing we have taken is over 4% and the pricing the competition have taken is under 2%. We've pushed pricing strongly in the first quarter and walked away from, particularly, some can

promotions with the big retailers. So the quality of our revenue and the impact on our beverage margins is good. It's a modest decline in share. I would also say there's been a modest increase in share in non-CSDs as Snapple has done well, Mott's has done well, Clamato has done well. So a modest increase in share in non-CSDs, and I think we have, as you would imagine, the peak summer months, particularly Q2 and Q3, there's some big promotions linked to movie releases which will be announced soon. Some big promotions, particularly on the Pepper brand, that will start to kick in from May, June, July onwards. So it's a timing issue, it's a pricing issue and you can see we've reconfirmed guidance for the year. The business is in robust shape.

Warren Ackerman: Why did you need to see double the pricing compared to your peers? Are you seeing more cost pressures relative to those guys?

Ken Hanna: It's not a precise science. You put pricing up and it depends on how much people deal that. We decided that this was the year to push pricing to recover the commodity cost pressures particularly. It's a small quarter, it may not be representative, so on pricing, we think the competition - it's interesting to note that Own Label have pushed pricing as high as we have - but the two big majors have not pushed pricing. They seem to have dialled it back a bit, something we'll have to look at. It's very much a price driven impact but it's good quality revenue from our perspective.

Warren Ackerman: Ok, thanks for that one.

Todd Stitzer: Warren, I'll answer the questions on chocolate, and I'll answer the share questions first and then I'll comment on the revenue. Our chocolate share through the end of March as a proxy for the first quarter was down about 80 basis points and our total confectionery share in the UK was down about 20bps. So in the context of our goal to get our share back to the place we want to get it back to, with margin and profitability we're very comfortable where we are. We probably walked away from 1.5-2% of revenue in the first quarter because we chose not to participate in low margin promotions with big retailers, so from our perspective we had a very productive and very good first quarter. Our Crème Egg sales in the UK were up double digits, with a higher price, which translates into a much more

productive margin dynamic for the overall business. So it's a continuing story of bringing the business back to a share that generates the right kind of margin and profitability for share owners, not just getting the share.

Warren Ackerman: Todd, if I look at the share change last year, the first half of 07 in the UK, chocolate was down 270bps and the second half was up 50bps, and I was kind of expecting that kind of momentum in the second half to continue into the first half of 08, especially against a fairly soft comp, so I was a bit surprised...

Todd Stitzer: It relates to our very disciplined decision Warren not to sell shell eggs at a very low cost in major multiples. It's that sensitive. Easter is a big slug of volume as it relates to both Crème Eggs and shell eggs and we chose not to sell a lot of low margin shell eggs.

Warren Ackerman: Sure, ok. Thanks on that one. Then the coupon?

Ken Hanna: The coupon, I cannot be specific, Warren, because we will be in the market in the near future pricing bonds and anything I say now is commercially sensitive. So all I'd say is that the 4.75% is a good rate and it's over half our debt. We've got \$1.7 billion to price, you can see what bonds are priced at, but I think the feeling on the credit must feel a bit better to banks and credit suppliers because of the oversubscription of the term date. I'd prefer not to have a number out there because we've still got to price the bonds.

Warren Ackerman: Sure. Ok, that's very helpful guys, thanks.

Todd Stitzer: Thank you.

Jeff Stent: Good morning, Jeff here from Citi. Can I just ask two questions if I may, the first is on the 400 bps impact in Bevs from the Glacéau contract loss and the issues regarding the pricing timing. I was just wondering if it's possible to break those out and also provide just a little bit of clarification on the pricing point as to exactly what's gone on? Just following up on the previous question on the debt, on

the 4.75% is there any margin on top of that you're able to guide us towards?
Thanks.

Ken Hanna: I want to make sure of this, I'm going to answer the second one first, so there's no misunderstanding - the 4.75% is with margin included, an absolute cost of funds. US LIBOR has come down quite a bit, so while the credit markets have been difficult, base rate or LIBOR is down. That's an all-in cost of funds.

I can give you some help on the beverage question, the 4% is roughly 3% Glacéau and 1% pricing. Let me explain the pricing. For years we put concentrate prices up on 1st April and allowed bottlers to buy in about two weeks' stock at the end of March, so, for example, last year there would probably be 15 weeks' sales of concentrate in the first quarter as a result of that buy-in. This year, we've accelerated our price increase which will give a benefit to the year. We accelerated it to 1st February and therefore the buy-in was in January and so that buy-in has flushed through the system in February and March, therefore this year there is only 13 weeks' sales of concentrate in the first quarter. Net, net it's a benefit for the year, because we've got an extra two months of pricing but it does affect the year on year comparatives.....

Todd Stitzer:For the first quarter.

Ken Hanna: For the first quarter. I would also say, in terms of Glacéau. As you know, we are replacing the loss of Glacéau with the launch of Snapple AOX, antioxidant which was launched last year. It's on a ramp-up. Snapple was up about 8% in the quarter. As we go through the year, the Snapple AOX distribution and sales momentum will increase and gradually erode the 3% negative hit from the loss of Glacéau.

Jeff Stent: Ok, thanks very much, that's very clear.

Martin Dolan: Morning gentlemen. Could you give us some indication how the 7% revenue growth in confectionery splits between price and volume and whether you've now recovered all the raw material increases from last year? And also, at this stage of the year, whether you expect any phasing difference H1-H2 on the meaningful

margin progression in Cadbury confectionery? And also if you could put a number just on the benefit of Easter just in revenue terms?

Ken Hanna: Ok Martin, I'll take the first two. The 7%, as we said back in February, the first quarter is, if you like, disturbed by a huge amount of Easter. Some of Easter we weren't able to put pricing in, and some we were, for example Crème Eggs as Todd said went up, some other products didn't. I would prefer to give you precise numbers at the half year when we have a full six months. What I will say is pricing was strong. Last year in 2007 pricing was 4%, volume was 3%. I'll just give you some comfort that pricing is strong but a better number will be the first half. As regards the phasing of margin, as you saw no change in guidance against meaningful and again reiterate a comment I made in February, unlike prior years where margin growth has been generally back end loaded - for example 07 - this year it's more likely to be equally balanced between the first half and second half. All of the big restructuring savings and initiatives that we took at the back end of 07 will clearly benefit the first half of 08, so margin delivery will be more equally balanced than in previous years and not back-end loaded.

Todd Stitzer: On the question about Easter revenues, I don't think we actually break down the contribution of holiday segments. I will tell you we did have a successful Easter season at CTB, again from a balanced business perspective. We were the only major confectionery company to take pricing on our Easter range. Margins on our Easter range were up very comfortably, but as I said, we chose not to meet some major multiples' demands for price support, so on a revenue basis we were affected by that. I think you should feel comfortable that we had a good Easter and a profitable Easter and that we will move into the second quarter in good order.

Martin Dolan: Great, thank you.

Alex Smith: Hi, morning. I just had a question if you benefited, or what perhaps the benefit might have been, from an extra day in the quarter from the leap year? Secondly, I just wanted to ask about your portfolio rationalisation programme which I think differs slightly from walking away from retailer-led promotional activity. Is that underway now? And I was just wondering if it is if you could perhaps quantify

the impact on growth in this year? I think you said it was 5% of total sales over the next few years.

Todd Stitzer: Certainly. On that particular point, we said that the overall impact of sku reduction across our confectionery portfolio would be about 1% on revenue. In the UK in particular, we closed the sale of our Monkhill business which will impact clearly our total confectionery results this year, so I would say in the first quarter we focused on reducing unprofitable promotions and closing the Monkhill sale. We still have some sku reduction to go in the rest of the year.

Ken Hanna: I would also just draw out, in the press release we made a comment on the unprofitable contract packing deal that we terminated in Australian Beverages. Because we terminated a contract, that is effected in our like-for-likes. That will have impacted performance in the first quarter by about 1%.

I don't think the extra day has made any difference at all to us. It's a shorter Easter selling season, we've got an extra day for a leap year, it doesn't affect our numbers materially at all.

Alex Smith: Ok, thank you.

John Parker: Good morning. Just some clarification, you use, when you're giving comments on the Americas Beverages sales growth, you've talked sometimes about actual, sometimes about like-for-like, sometimes about base business. There seems to be a slight change in your guidance here, but I'm not sure whether it's real or not, because at the full year numbers in February, your guidance for Americas Beverages' growth for the year was 3-5% base business revenue growth which I took to be like-for-like growth and to be comparable with the 1% you've reported in Q1. Your guidance in this release for Americas Beverages' growth is for business revenue growth of 3.5% for the year which looks like it's not like-for-like anymore. Has there been a change there or am I misreading that?

Ken Hanna: Totally misreading, there is absolutely no change in guidance. The 3-5% is on a like-for-like basis. However, under the Description of Business in the Form 10 it is slightly different - i.e. they will report 3% in the US against our 1% here - but

there's absolutely no change to the guidance of 3-5% on a like-for-like basis. So the 1% in the first quarter relates to 3-5% for the year. 1% would have been 2% if it wasn't for the pricing pull forward. Obviously, it's slightly below the bottom end of our goal range, but we're very confident that it will come back in Q2 and Q3. It's driven by pricing and promotional phasing and we never said it was 3-5% every quarter. It was 3-5% for the year. No change in guidance at all.

John Parker: Ok. You've obviously had a strong start in the confectionery side, with growth faster than the guidance for the full year, and I think you just pointed out that there should be some benefit from cycling that contract loss in Australia as you go forward. I think you said that was dragging things down by about 1%. I know you can microanalyse these things too much, but the fact that you're expecting, at this moment, slower growth for the full year than you've seen in the first quarter - is there any specific area where you're expecting slowdown vis-à-vis where Q1 has been?

Todd Stitzer: John, we published a 4-6% range, it's the first quarter. I don't think anyone would expect us to call the year in the first quarter. We're delighted with the strength of the performance and we'll be better able to give you a sense of where we are at our half year results.

John Parker: Great, thanks very much.

Arnaud Langlois: Good morning gentlemen, I just had two questions. The first one is related to the UK business. Given the timing of Easter, which should have benefited actually Q1 sales, should we be concerned by Q2 in the UK? Will we see a slowdown or are there any other factors to take into account?

The second question is related to the Americas confectionery performance, overall performance. Could you give us a split between the US and maybe other countries in the Americas? I know you don't do that usually but that would be quite useful to see maybe how Latin America is doing versus the US.

Maybe one last question, is there actually any way you think you could benefit from the Olympic Games in China, it's been a tough business for you in China but is there

any way you think you could actually benefit from that? I remember you had a great performance in Australia with the Olympic Games some years ago. Thank you.

Todd Stitzer: I'll take the UK first. As it relates to the second quarter, we have an excellent programme of innovation and marketing execution and investment, so we're not going to call the second quarter at this point, but we're confident that we have a good raft of commercial initiatives. We obviously have two or three weeks of last year's Easter in the first month, but again, I think we have a good commercial programme for the second quarter and we'll let you know how the half does at our half year results presentation.

As it relates to Americas Confectionery we had a very, very good first quarter in the US. We also had an even better first quarter in Latin America, particularly in Mexico, where we gained, I think I said, 240 basis points of share. So I think both businesses continue to perform quite strongly.

The Olympics in China, as it relates to the Olympics in Australia – first, I think you just have to understand the scope and scale of those two businesses are vastly different. In Australia we're the biggest confectionery company, it's the second largest confectionery company in Cadbury Schweppes. We were able to really take advantage of the local sponsorship for confectionery in the Olympics when that occurred. In China we're a very much smaller business. While we certainly hope to sell more by virtue of having more people interested during the time period, we don't have a specific sponsorship and so I don't think we're counting on a significant bump from the Olympics in China.

Ken Hanna: Let me just elaborate on one question, which is: - has the timing of Easter artificially flattered our first quarter? We don't believe so. Last year Easter was April 7th. By long before April 7th we will have sold in through our revenue all of our Easter eggs to the retailers. It will impact what you see in Nielsen between March and April but we think in 2007 virtually all of our Easter was sold into the trade by the end of March and obviously the same in 2008, so we don't believe there's any flattering of our first quarter because of Easter.

Arnaud Langlois: Ok, excellent. Thank you very much.

Julian Hardwick: Good morning. If I could just come back to Asia Pacific, just a couple of points. My back-of-the-envelope calculation would be if you adjust for the beverages contract termination, Asia Pacific is up about 10% in the quarter, is that broadly right? You mentioned that Australia was boosted by the phasing of promotions – was that a material factor which contributed to the growth? Just a related point, I know it's sort of picky, but in your trading statement last year you did cite the loss of a third party beverages contract as being a factor which impacted the first quarter in Asia Pacific but you're now saying that it only took place at the end of the first quarter last year, so could you just clarify that for me?

Todd Stitzer: You're right about the 10%, if we hadn't had the impact of that it would have been 10%.

Ken Hanna: A couple of things to mention there, Julian. As you know, we had a challenging and difficult back end of 2007 in Australia Confectionery, where we deliberately de-stocked the trade. We'd got, unfortunately, onto a bit of a vicious circle of trade wanting more inventory at the back end of the year, and then us having to support the promotion to make that inventory sell through in the first quarter. So the first quarter run rate, there's an element of that 10% which is re-stocking the trade which we had run down, an element. But I wouldn't factor in 10% for the year for Asia Pac at this stage. There's timing of promotional spend, new product launches, we've sold in some new products in confectionery and I believe that we lost the Jim Beam contract at the back end of April last year. So we need to check where you've got that from, but our firm recollection from everyone on the team here is that we lost it in April last year, but we'll check that.

Julian Hardwick: I'm just looking at your trading statement from June last year.

Todd Stitzer: That would have reflected the back end of the first quarter.

Ken Hanna: The back end of the first quarter perhaps as we ran down the stocks, but we definitely decided to walk away from the co-packing contract earlier. I would also just say that emerging markets in Asia Pac continued to go very well and that has contributed to that underlying 10%.

Todd Stitzer: The other element of the beverages contract in Australia is that, actually, because it's part of our Australian business, it affects our overall confectionery number.

Julian Hardwick: Ok, that's great. Thanks.

Alex Molloy: Good morning, a quick question on Americas Confectionery. Could you comment on the competitive environment in the US?

Todd Stitzer: The competitive environment in the US is no less competitive than it has been for the last several years. We gained 140 basis points of share in the first quarter, Wrigley gained a little bit of share for the first time in several quarters. They're very focused, we're very focused. I think we've got the marketing and commercial resources to continue to compete, but I wouldn't say there's any significant increase.

Alex Molloy: Thank you.

Jon Cox: Good morning. I have a question on the timing of the restructuring and capital expenditure for this year. Has there been any change in your planning for the year? Just remind us what you have planned both in the confectionery and in the drinks business. Then a second question, we have some guidance on the interest rate for the drinks business, Dr Pepper. I'm just wondering if you can give us any thoughts on what the tax rate might be on that drinks business. I know I've seen some of the forms that you've put out, you've been unable to really come much below the EBIT level. I'm just wondering what you think on the US calculation there. Thank you.

Ken Hanna: Timing of restructuring and capex in both businesses is in line with guidance. Just to quantify some numbers - for restructuring in confectionery, we did say we'd spend between £130-150 million. Beverages is a much smaller number, I believe it's about \$30-40 million. Timing relatively equally phased so there's no change in guidance there. As regards the tax rate for the beverage business, we want to leave this to management when they're out on the road, but we've guided to

the high 30's. It is a domestic US business, all the details in the Form 10, it's in the high 30's, which is a pretty standard US National and Federal tax rate.

Charles Pick: Good morning. It's just a question in relation to the net debt of £1.65 billion that Cadbury plc commences life with. Can you give some indication of how that splits in terms of variable vis-à-vis fixed rate debt and what the average cost you expect to incur from that £1.65 billion will be please?

Ken Hanna: Sure. We gave some guidance at the full year end – about 80-90% is the fixed rate. 85%, roughly, is the fixed rate bonds that Cadbury will inherit from Cadbury Schweppes plc with an average weighted coupon of under 5%. Therefore the remaining 10-15% of debt will be commercial paper which will go in the market. One of our bonds does mature in October, and that will have to be financed and replaced. The interest cost for Cadbury Schweppes as a group in 07 was 5.6% - that was our coupon. I did give some guidance in February, and I'm happy to confirm today, the interest coupon on Cadbury plc confectionery for the year will obviously be better than that.

Charles Pick: Thank you very much indeed.

Martin Deboo: Gentlemen, good morning. Todd, very briefly, I just want to go back to some numbers you gave Warren, because they're quite important. Did I hear you say that chocolate share in the first quarter was down 80 bps and total confy share – both of these in the UK – down by 20bps?

Todd Stitzer: Yes, through March 22nd.

Martin Deboo: Ok. Do you have a feel for how much those are impacted by your decision to walk away from Easter promotions versus what's going on in an underlying sense?

Todd Stitzer: Certainly - the chocolate share would have been affected by our decision to walk away from Easter promotions.

Martin Deboo: Ok, alright. Thank you, Todd.

Darren Shirley: Morning guys. It's another question on UK chocolate: you've highlighted that you lost share as you walked away from low margin business and that was a conscious decision and you got a margin benefit from that. Should we expect this to be an ongoing strategy in terms of walking away from heavy discounts during some of the key periods and the margin benefits from that - would they be factored into your medium term margin targets or is this a one-off?

Ken Hanna: Obviously it depends. It's highly likely that some of our competitors priced Easter before the commodity cost pressures, highly likely. We just need to see.....we review this all the time. Our long term margin assumptions assume that we price to recover commodity cost pressures. It's very difficult to be absolutely precise, but if our competitors are suffering the same commodity cost pressures as we are - and I guarantee you they are because they must be - then hopefully common sense will prevail.

Todd Stitzer: I think it's important to recognise that we intend to be competitive in the market - but we intend to be competitive and we intend to deliver profit and margins on our business, which I think is a much more disciplined way of looking at it. And, given the reality of the commodities market, our competitors will be faced with the same challenges as Ken said.

Ken Hanna: You can look at it another way, and that is: we've still delivered good global confectionery growth even after walking away from unprofitable promotions in the UK. We're not going to do an unbalanced swing away from growth towards margin - we have to deliver both.

Darren Shirley: Ok, thanks for that, cheers.

Warren Ackerman: Hi Ken, it's Warren again. Just a question on the cash flow for the standalone Cadbury plc business: can you confirm that the cash flow in 08 for Cadbury plc will actually be positive, because I've just been working through all of the restructuring costs that come through, and obviously the capex as well, and the fact that, losing the very cash generative beverage business, you're left with a relatively low-margin confectionery business? I know some of the rating agencies

have been flagging that there's not going to be a very significant change in the free cash flow for the standalone business for confectionary.

Ken Hanna: Let me just assure you - there's nothing new here, Warren. Back in June of last year, when we launched the confectionary business plan, we said that cash flow for standalone Confectionery for 08 and 09 would be low, because it's the peak years of restructuring and capex. So there's no change in guidance...

Warren Ackerman: Will it be negative though?

Ken Hanna: I don't believe so. I don't believe it will be negative.

Warren Ackerman: Ok, thanks.

Jeff Stent: One again from me, I'll just stress that we're not going to cycle the whole list of callers, I hope, but just a question on the corn price. We're now looking at \$6 corn. What are your thoughts on that? As we're maybe heading to the pricing agreement etc towards the end of this year, just how material would that be for the Beverages business? Because my rough back-of-an-envelope would suggest we're probably looking at a 30-40% increase in fructose prices for those that are locked in towards the end of the last calendar year.

Ken Hanna: Obviously, we're waiting to see how things come through in terms of this year's harvest. There is a risk - a small risk. But I had a meeting with the team last week, they have a reasonable amount of cover for 2008. I'd prefer not to get into the detail, but they have a reasonable amount of cover on their high fructose purchases for 2008. Obviously a lot depends on how the harvest develops this summer.

Jeff Stent: I suppose my question was really more focused about 09 actually, Ken. Assuming that the harvest is in line with existing expectations would imply there's going to be a very lofty increase in the corn price and I'm just interested in how you're thinking about that for Beverages next year. Because, all other things being equal at the moment, there's going to be a very material increase in the fructose price.

Ken Hanna: I think it would be inappropriate for me to get into nitty-gritty details on a Beverages business that will be spun in 25 days. I think that's a question you should ask the new management. I think, in terms of 2009 - it's really early to call pricing for 2009. If it hits us, it hits the entire industry. And I think the entire industry will react accordingly.

Todd Stitzer: I'd also note that this is in an incredibly volatile subject, with huge political overtones in terms of what grains gets produced, where, when and in what quantity, so I think any current extrapolations have to take into account there could be changes one way or the other. Just in terms of ethanol policy and the utilisation of corn which has driven the thing to where it is right now, governments are changing their demands for corn-based ethanol, and that could have an absolutely opposite effect. So I just think we all need to keep track of it. And the Beverages team certainly will, but I think rushing to conclusions right now may not be the right thing to do.

Jeff Stent: Thank you very much.

Todd Stitzer: We do need to trundle along here. We're happy to try to answer other questions via the IR team, but if we have one or two more questions, then we're going to have to close it off pretty quickly.

Operator: Gentlemen, we have no further questions at this time so I'd like to hand the conference back over to you for any additional or closing remarks.

Todd Stitzer: Ok. I think we have had a very interactive session - which is always great in terms of sharing information. Just to confirm, from the Cadbury leadership team here of Ken and Todd, we had a very strong quarter in the first quarter. The initiatives that we've taken to be a better balanced business in terms of both revenue and margin generation we think are taking hold. Our Beverages demerger process is on track in a very difficult financial environment and in a very complex set of circumstances. So we're feeling very good about the organisation and its focus on creating value for shareowners and delivering against what we said. And we look

forward to chatting with you in the context of our half year results later on in the year. Thanks a lot.

Operator: That will conclude today's conference ladies and gentlemen, thank you for your participation and have a good day.