

Discussion with the Chairman and Chief Executive

Roger Carr, our Chairman, and Todd Stitzer, our Chief Executive, share their thoughts on the notable achievements in 2008 and the challenges ahead in 2009.

What has given you the most satisfaction in Cadbury's achievements in 2008?

Roger: As you can see from our financial results, the performance of the Company has been strong. Management have met all of their goals in revenue, profit and margin growth in what, by any measure, has been a challenging period. However, while the financial achievements in the year have been pleasing, for me, it has been the tightening of operational management and the step change in business pace under Todd's leadership that have been the most encouraging features. This lift in both tempo and resolve has served us well in 2008 and speaks positively for the future prospects of the business.

Todd: With critical initiatives such as the successful demerger of our Americas Beverages activities and the implementation of our Vision into Action business plan, 2008 has been one of the busiest periods in the history of Cadbury. I have been incredibly impressed by the commitment and energy shown by our teams worldwide as they have risen to the challenge. Our results this year are a clear reflection of the team's quality and dedication.

You are now 18 months into the implementation of your business plan – how is it going?

Todd: We have started well, delivering 150 bps margin gain from the plan in 2008, and we expect to benefit further from our cost saving initiatives in 2009. In addition, we are also making good progress on the more complex reconfiguration projects that will benefit us progressively more in 2010 and 2011. We are investing a considerable amount of our shareholders' funds in improving the performance of our confectionery businesses. As a result, we are committed to ensuring the programme is well-managed and delivers our full expectations.



Extended interviews with our Chairman and Chief Executive are available online at www.cadbury.com, together with a brief overview of our results from Todd and the usual investor presentations made in February.

What do you feel will be the biggest challenge for Cadbury in 2009?

Roger: 2009 is an important year for the Company with major plant reconfiguration, product transfers and restructuring that will require dedicated management effort to effect seamless change.

Clearly economic conditions remain turbulent and markets competitive. While some commodities have softened, the price of cocoa has remained persistently high.

Like all businesses, therefore, we are not without challenge. Unlike many businesses however, we benefit from a resilient product range, an enviable global footprint with broad emerging market presence, a healthy balance sheet and a clear strategy.

How are you tackling these challenges?

Todd: In this environment, our consumers and retail partners will be demanding more from Cadbury – whether it is in the form of innovation, product quality or even higher service levels. I believe we have a strong and capable team who will rise to these challenges and raise our game where needed. At the same time, we're committed to delivering the benefits of our strategy, delivering revenue growth and pushing margins higher. We have the focus as well as the plans and actions in place to help us achieve these goals and, with sustained dedication from the team, I am confident we will succeed.

A final word for shareholders?

Roger: In the year ahead, we will continue to build on our strengths, aggressively manage costs, sustain our investment in marketing and sharpen our competitive edge. Irrespective of economic conditions, delivery of both our performance commitments and shareholder value will remain at the top of our agenda.

Todd: Conditions may be more challenging than we expected eighteen months ago when we launched our Vision into Action plan but, at Cadbury, we have a committed and experienced team who are focused on delivering our performance targets. We have a great opportunity to make Cadbury the biggest and best confectionery business in the world and we plan on taking it.