## Cadbury plc

**CBRY - LN / CBY - NYSE**

*London, UK*

| **Capitalization** | | | | |
|---|---|---|---|---|
| *(in millions, except per share data)* | | | US$/UK = *2/16/10* | $ 1.58 |
| | | | | |
| Balance Sheet as of | 12/31/09 | | **ADRs*** | |
| Common Shares | 1,374 | | 343.4 | |
| Options (a) | 14 | | 3.5 | |
| Diluted shares before consolidation | 1,388 | | 347 | |
| Market Price | 8.42 | | $ 53.12 | |
| Equity Market Capitalization | £11,685 pounds | | $ 18,432 | |
| | | | | |
| Plus: Debt | 1,375 | | 2,172 | |
| Less: Cash & equivalents | - | *Net debt =* | - | *Net debt =* |
| Less: Short-term investments | - | *1,375* | - | *2,172* |
| Less: associates/min int | (9) | | (14) | |
| Total Enterprise Value | £13,051 | | $ 20,617 | |

*1 ADR = 4 ord shares $ 53.12

| | High | Low | | |
|---|---|---|---|---|
| Ord Shares 52-Week Trading Range | 8.50 | 4.84 | $ 56.34 | $ 21.10 |

**LTM Leverage Statistics**

| | |
|---|---|
| Net Debt/EBITDA | 1.6 |
| EBITDA/Interest Expense | 8.3 |
| Net Debt/TC | 10.5 |

| | | |
|---|---|---|
| Dividend | per share | £0.165 |
| | yld | 2.0% |

| LTM 6/30/09 | | Multiple |
|---|---|---|
| Revenues | 5,711 | 2.3 |
| EBITDA | 883 | 14.8 |
| EPS | £0.33 | 25.9 |

*(a) Uses treasury method.*
*(b) After-tax payments to buy out options holders at Private Market Value.*
*(c) March 2003 purchase of Adam's from Pfizer for $4.2bn*
*(d) May 13, 2005 Aquired Green & Blacks (private; organic chocolate company with 22.4 million GBP in sales).Un*
*(e) Pro forma for sale of European Beverages business divested on February 2, 2006 and acquisition of Dr Pepper Seven Up Bottling Group (announced 4/25/06).*
*(f) Pro forma for spin-off of DPSG.*
*(g) Includes sale of Schweppes Australia to Asahi Breweries on 4/3/09 for 550m GBP.*

| | | |
|---|---|---|
| Pension assets | £ | 2,269 |
| Present value of future obligations | | (2,527) |
| Underfunded amount | -£ | 258 |
| Discount rate | | 6.1% |
| Rate of asset returns | | 6.2% |
| Rate of salary increases | | 3.7% |
| | | |
| ROIC | | 23% |
| ROE | | 11% |

**Financial Data (in millions of pounds sterling)**

| FYE 12/31 | 2003 *(c)* | 2004 *(d)* *53 weeks* | 2005 *(d)(e)* | 2006 *(e)* | Pro Forma 2007 *(f)* | Pro Forma 2008 *(f)* | 2009 *(g)* | 2010E | 2011P | 2012P | 2013P | '08-'13 Total | '08-'13 CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Revenues | £ 6,441 | £ 6,085 | £ 6,432 | £ 7,427 | £ 4,699 | £ 5,384 | £ 5,975 | £ 6,305 | £ 6,659 | £ 7,033 | £ 7,428 | £ 33,399 | *6.6%* |
| *% Growth* | | *-5.5%* | *5.7%* | *15.5%* | *-36.7%* | *14.6%* | *11.0%* | *5.5%* | *5.6%* | *5.6%* | *5.6%* | | |
| EBITDA | 1,265 | 1,146 | 1,210 | 1,343 | 641 | 830 | 1,018 | 1,141 | 1,263 | 1,366 | 1,474 | 6,262 | *12.2%* |
| *Margin* | *19.6%* | *18.8%* | *18.8%* | *18.1%* | *13.6%* | *15.4%* | *17.0%* | *18.1%* | *19.0%* | *19.4%* | *19.8%* | | |
| EBIT | 1,052 | 954 | 1,025 | 1,073 | 473 | 638 | 808 | 919 | 1,030 | 1,121 | 1,216 | 5,093 | *13.8%* |
| *Margin* | *16.3%* | *15.7%* | *15.9%* | *14.4%* | *10.1%* | *11.8%* | *13.5%* | *14.6%* | *15.5%* | *15.9%* | *16.4%* | | |
| EPS from Continuing Ops | £ 0.32 | £ 0.27 | £ 0.30 | £ 0.31 | £ 0.23 | £ 0.30 | £ 0.38 | £ 0.44 | £ 0.51 | £ 0.56 | £ 0.63 | £ 2.52 | *16.1%* |
| *% Growth* | | *-14.5%* | *8.9%* | *5.2%* | *-25.8%* | *28.7%* | *26.4%* | *17.8%* | *14.4%* | *11.2%* | *11.1%* | | |
| EBITDA Multiple | | | | | 20.4 | 15.7 | 12.8 | 11.4 | 10.3 | 9.6 | 8.9 | | |
| P/E Multiple | | | | 27.0 | 36.4 | 28.3 | 22.4 | 19.0 | 16.6 | 14.9 | 13.4 | | |

**Private Market Value Analysis**

| | 2003 | | 2004 | | 2005 | | 2006 | | 2007 | | 2008 | | 2009 | | 2010E | | 2011P | | 2012P | | 2013P | | Total | CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Americas** | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues | 871 | | 1,093 | *25%* | 1,228 | *12%* | 1,330 | *8%* | 1,372 | *3%* | 1,631 | *19%* | 1,826 | *12%* | 1,954 | *7%* | 2,092 | *7%* | 2,234 | *7%* | 2,380 | *7%* | | *7.9%* |
| EBITDA | 121 | *14%* | 171 | *16%* | 203 | *17%* | 244 | *18%* | 272 | *20%* | 363 | *22%* | 426 | *23%* | 465 | *24%* | 504 | *24%* | 543 | *24%* | 584 | *24%* | 2,523 | *10.0%* |
| Valuation Multiple | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | | |
| Value | 1,694 | | 2,394 | | 2,842 | | 3,416 | | 3,808 | | 5,082 | | 5,960 | | 6,510 | | 7,058 | | 7,605 | | 8,176 | | | |
| **BIMA** | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues | | | | | | | 1,500 | | 1,579 | *5%* | 1,645 | *4%* | 1,820 | *11%* | 1,906 | *5%* | 1,999 | *5%* | 2,097 | *5%* | 2,202 | *5%* | | *6.0%* |
| EBITDA | | | | | | | 245 | *16%* | 215 | *14%* | 239 | *15%* | 306 | *17%* | 332 | *17%* | 361 | *18%* | 389 | *18%* | 418 | *19%* | 1,808 | *11.8%* |
| Valuation Multiple | | | | | | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | | |
| Value | | | | | | | 2,940 | | 2,580 | | 2,868 | | 3,672 | | 3,988 | | 4,333 | | 4,672 | | 5,020 | | | |
| **Europe** | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues | | | | | | | 818 | | 879 | *7%* | 1,097 | *25%* | 1,117 | *2%* | 1,151 | *3%* | 1,185 | *3%* | 1,221 | *3%* | 1,257 | *3%* | | *2.8%* |
| EBITDA | | | | | | | 113 | *14%* | 108 | *12%* | 148 | *13%* | 157 | *14%* | 184 | *16%* | 208 | *18%* | 220 | *18%* | 233 | *18%* | 1,002 | *9.5%* |
| Valuation Multiple | | | | | | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | | |
| Value | | | | | | | 1,356 | | 1,296 | | 1,776 | | 1,879 | | 2,212 | | 2,491 | | 2,639 | | 2,794 | | | |
| **Asia Pacific** | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues | 937 | | 1,050 | *12%* | 1,157 | *10%* | 1,205 | *4%* | 860 | *-29%* | 1,002 | *17%* | 1,204 | *20%* | 1,286 | *7%* | 1,376 | *7%* | 1,473 | *7%* | 1,580 | *7%* | | *9.5%* |
| EBITDA | 158 | *17%* | 167 | *16%* | 192 | *17%* | 201 | *17%* | 144 | *17%* | 172 | *17%* | 224 | *19%* | 243 | *19%* | 264 | *19%* | 287 | *19%* | 313 | *19%* | 1,332 | *12.7%* |
| Valuation Multiple | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | 14 | | | |
| Value | 2,212 | | 2,338 | | 2,688 | | 2,814 | | 2,016 | | 2,408 | | 3,134 | | 3,405 | | 3,698 | | 4,021 | | 4,379 | | | |
| **Central** | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues | 10 | | 33 | | 35 | | 36 | | 22 | | 29 | | 35 | | 37 | | 40 | | 43 | | 46 | | | |
| EBITDA | (123) | | (130) | | (149) | | (139) | | (98) | | (92) | | (93) | | (84) | | (74) | | (74) | | (74) | | | |
| Valuation Multiple | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | 12 | | | |
| Value | (1,476) | | (1,560) | | (1,788) | | (1,668) | | (1,176) | | (1,104) | | (1,116) | | (1,008) | | (888) | | (888) | | (888) | | | |
| Total Private Market Value | | | | | | | | | 8,524 | | 11,030 | | 13,530 | | 15,107 | | 16,692 | | 18,050 | | 19,481 | | | |
| Less: Net debt | | | | | | | | | (1,881) | | (1,974) | | (1,376) | | (1,214) | | (981) | | (597) | | (142) | | | |
| Less: Options Payments (b) | | | | | | | | | - | | (41) | | (91) | | (120) | | (151) | | (181) | | (213) | | | |
| Plus: Investment in associates | | | | | | | | | 9 | | 9 | | 9 | | 9 | | 9 | | 9 | | 9 | | | |
| Equity Private Market Value | | | | | | | | | 6,652 | | 9,024 | | 12,072 | | 13,782 | | 15,569 | | 17,281 | | 19,136 | | | |
| Shares Outstanding | | | | | | | | | 1,345 | | 1,345 | | 1,372 | | 1,372 | | 1,372 | | 1,372 | | 1,372 | | | |
| PMV per share | | | | | | | | | £ 4.95 | | £ 6.71 | | £ 8.80 | | £ 10.05 | | £ 11.35 | | £ 12.60 | | £ 13.95 | | | |
| *Current Market - Discount to PMV* | | | | | | | | | *-70.2%* | | *-25.5%* | | *4.3%* | | *16.2%* | | *25.8%* | | *33.2%* | | *39.6%* | | | |
| PMV per ADR (US $) | | | | | | | | | | | $ 42 | | $ 56 | | $ 63 | | $ 72 | | $ 80 | | $ 88 | | | |
| CAPEX | 273 | | 259 | | 280 | | 384 | | 316 | | 427 | | 317 | | 310 | | 327 | | 284 | | 299 | | | |