

A SWEET RESULT

CADBURY SCHWEPPE'S PLC UTILISES CROSS BORDER SOLUTIONS IN ITS GLOBAL DEMERGER

CASE STUDY

FACTS

In 2007, the leading confectionery and beverage company Cadbury Schweppes plc decided to demerge its businesses into two separate entities, creating the UK listed Cadbury plc and US listed Dr Pepper Snapple Group, Inc (DPS).

CRITICAL ACTION

As Cadbury Schweppes' registrar, Computershare was entrusted with the creation and implementation of two new registers, in what was a ground breaking and complex cross-border demerger.

To mitigate the risk of data transfer, Computershare used its various global divisions to undertake all the processes involved, in house.

All 56,637 shareholders were contacted with a view to getting the demerger authorised, then Computershare processed the responses. Further mailings were then sent out, including US W8-BEN and odd-lot facility. Holders with less than 100 DPS shares were offered the odd-lot facility (including, a free dealing service) which ran until June 2008 to facilitate the sale of these shares, therefore reducing the number of non-US holders on the new US register. An inbound helpline was also set up for shareholder queries.

RESULTS

Computershare helped in managing the meetings required to facilitate the demerger using electronic voting technology, and all resolutions were passed. Cadbury Schweppes plc demerged on May 2nd 2008 - the first demerger creating separate US and UK listed companies for over ten years. As well as maintaining the UK register, Computershare was also chosen to administer the new US register.

Just prior to the demerger, Computershare's global markets expertise enabled them to devise and deploy a solution to support UK settlement in the new DPS shares, over an extremely tight four week period.



"Computershare was an integral part of the team throughout this complex demerger, offering us value added solutions from the start. We couldn't have done it without them."

John Mills, Director of Group Secretariat, Cadbury plc

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HOW IT ALL CAME TOGETHER...

Cadbury Schweppes plc: 56,637 shareholders

- MARCH**
- **19th March 2008** ■■■
Outbound proxy solicitation to garner intentions and support for demerger, including mailings for the AGM, General and Court meetings
Court Meeting and General Meeting mailing
Top 300 shareholders, representing 74.6% of total issued, were contacted by Georgeson to ensure that resolutions were passed
 - **19th March 2008** ■■
Inbound shareholder helpline set up, receiving 6,687 calls over a two month period
- APRIL**
- **11th April 2008** ■■■■
All three shareholder meetings held, all resolutions passed
 - **28th April 2008** ■■
Odd-lot letters mailed and subsequently processed
- MAY**
- **1st May 2008** ■
Record date for the demerger. Cadbury Schweppes plc is de-listed from the London Stock Exchange and the register is closed
 - **2nd May 2008** ■
Register for Cadbury plc created and goes live as the Company is listed on the London Stock Exchange. Fractions of shares sold
 - **7th May 2008** ■■
New register created for Dr Pepper Snapple Group, Inc and fractional shares sold. CREST Depository Interest implemented for Dr Pepper Snapple Group, Inc to settle trades which straddled the demerger
 - **15th May 2008** ■■
Welcome pack mailed to new Cadbury plc shareholders
 - **16th May 2008** ■■
Welcome pack mailed to new Dr Pepper Snapple Group, Inc shareholders. Final dividend payment made to former Cadbury Schweppes plc shareholders

Computershare Investor Services appointed as registrar for the newly created US register, as well as continuing to provide a comprehensive registry service for the UK register.

Computershare Communication Services assisted in the design, printing and mailing of all shareholder communications, including welcome packs.

Georgeson, Computershare's proxy solicitation company, garnered shareholder opinion and encouraged voters to back the demerger.

A dedicated inbound information helpline was provided from London and New York, to walk retail shareholders through the intricacies of the transaction, including the completion of the US W8-BEN tax and odd-lot forms.

IML, a Computershare company, provided an electronic voting system with interactive handsets for shareholders, displaying live results within seconds. All live and proxy votes were automatically collated by the system.

Computershare Investor Services and Global Capital Markets Group implemented a UK settlement solution for DPS shares.

The Global Capital Markets Group managed the settlement process across the UK and US, driving delivery of targeted market-appropriate solutions and leading communications with Cadbury, DPS and their advisors on the creation of the new registers. Cadbury's data was seamlessly migrated cross border within Computershare's global systems.

"Computershare's unique trans-Atlantic offering, assistance and support were essential in making this project the success it was."

John Mills, Director of Group Secretariat, Cadbury plc