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Special Issue: John Brock Returns to Beverage Business to Run Coca-Cola Enterprises.

CCE Names Former Cadbury COO -- and Coke System Outsider -- as Its CEO. He Cites 'Challenges.' Isdell: 'Welcome.' Stitzer: 'Talented and Successful.' Schimberg: 'Proven Track Record.' Ironies.

Ending a months-long search, Coca-Cola Enterprises names former Cadbury executive John Brock as bottler's new president/CEO effective May 15. Lowry Kline remains chairman. Brock is a well-regarded beverage executive who is seen as having in-depth understanding of the U.S. and European beverage markets, where CCE operates. He ran Cadbury's beverage business and was involved in several key Cadbury acquisitions, including Dr Pepper/Seven Up and Snapple. Route-to-market. In interview (below), Brock praises CCE's direct-store-delivery system (DSD) as "powerful," but adds bottler needs to "study" routes to market and says it can't be "business as usual." Atlanta. Brock says he will live in Atlanta. Ironies. As noted below, there are some ironies in this appointment. In the past, some CCE moves caused consternation for Cadbury, and Brock responded with vehemence.



Outsider. In its nearly 20 years of existence, CCE has had five CEO's: Brian Dyson, Summerfield Johnston, Henry Schimberg, Lowry Kline and John Alm. Brock is sixth CEO, and first Coke system outsider.

Background. Brock, 57, was CEO of Belgian brewer InBev until early this year, and before that was COO of Cadbury. He is on the board of Campbell Soup. Details. Brock is chemical engineer by training, with degrees from Georgia Institute of Technology. He began his career at P&G and joined Cadbury in 1983 where he stayed until late 2002. He started at Cadbury in North American technical operations. When Cadbury acquired Dr Pepper/Seven Up in 1995, he became CEO of that business and a year later became head of global beverages for Cadbury. He was elected chairman of National Soft Drink Association (now ABA) in 1998. In 2000, Cadbury named him global COO. In late 2002, Cadbury named Todd Stitzer its next CEO, and Brock departed to run Belgian brewer Interbrew, which a few years later became InBev. He left InBev early this year, when his contract expired. During his nearly three years at InBev, its stock price increased by +111%.

Talk with Brock. Thoughts on becoming head of CCE? "I am truly excited about this opportunity. It's a phenomenal company with very talented people. An impressive sales, marketing and distribution machine, and I can't wait to be part of it. I think the opportunities and the challenges ahead are huge, but I look forward to it."

You have much beverage expertise but not bottling. Will that be a challenge? "I have plenty of beverage expertise across all facets of it. Certainly from a bottling standpoint, Cadbury's business in Europe and internationally was very heavily involved with bottling ... And (Dr Pepper/Seven Up Bottling Group) was also bottling. And the beer business is an integrated business with lots of bottling and distribution. So I think when you put it all together, going all the way back to my experience at Proctor & Gamble to Cadbury to InBev, I have experience across the whole. And ... sure CCE is a bottler, but we're in the beverage business. We're out to win the heart and minds and stomachs of our consumers. And I think I can do that about as well as anybody."

Do U.S. bottlers need to consider alternate routes to market than just DSD? "I think it's in everybody's interest to continue to think about what is the most efficient and most effective way of getting our brands to our consumers -- whatever that means. And I think anybody who sits back and says, it's business as usual and it's going to be that way

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forever, is probably wrong. But at the same time, I think we have to keep in mind that the system that's in place is a very powerful system. So one does not make radical moves without careful consideration of the pluses and the minuses. But is there going to be a lot of study in the future about what we ought to do? Absolutely."

Your thoughts on being the biggest Dr Pepper bottler? "Dr Pepper is an outstanding brand. My only regret is that we don't have it everywhere."

Your first main priorities? "My top priority is to get to know the people inside the company. My view is very simply that the difference between winning and losing is all about people. And I want to make sure I know the people and they know me and that we have the best people in the right jobs. Beyond that, getting to know the customers will be another very important priority. And then finally working on our relationship with the Coca-Cola Company which is critically important. And I think having the kind of broad-based beverage experience that I've had -- franchising, bottling as well as complete-systems businesses -- I am in a unique position to really work hard with the team here and at Coca-Cola to make that relationship a powerful and a successful one."

Views of Brock I. Brock is well known to many in industry. Isdell. Coke chairman/CEO Neville Isdell: "We welcome John to the Coca-Cola family. Our system will benefit from his extensive beverage industry experience and successful track record of leading large international operations." Adds: "John's steady hand will reinforce the good working relationship we have with CCE, and we look forward to working with him and Lowry as we set the course for sustainable growth for our system." Stitzer. Cadbury CEO says, "all of us at Cadbury Schweppes are delighted for John." Adds: "He's a talented and successful industry leader, a respected colleague and friend. We look forward to working with him in his new role at CCE." Honickman. Pepsi/Canada Dry Honickman CEO Harold Honickman calls Brock "a great executive," and adds: "He'll do a tremendous job for CCE. He certainly understands the industry." Crowley. Polar Beverages CEO -- and ABA chairman -- Ralph Crowley says Brock is "one of the most respected beverage executives in any system." Adds: "Selfishly, given all the challenges we face as an industry, it will be great to have him back involved with the ABA." Asked about Brock running a bottler, Crowley says that "requires leadership, discipline, and accountability, all attributes John has in spades."

Views of Brock II. Schimberg. Former CCE CEO says Brock "brings a wealth of experience to the job and a proven track record with regard to the creation of shareholder value for major beverage companies." Weinstein. Former Snapple CEO and Cadbury veteran Mike Weinstein: "With his operations background, deep beverage experience and international credentials, John's a perfect choice for CCE. Plus he's an all around great guy." McGrath. Former Dr Pepper/Seven president/COO Mike McGrath says: "When I worked for John, he was a great boss and an even better human being." Asked how he'll be as a bottler, McGrath adds: "John will be a great leader for CCE. He is very strategic, has excellent communication skills and knows how to get results."

Ironies. Brock will now be running a company which gave him a presumably bad moment in the past. On March 18, 1996, Schimberg wrote Brock a "Dear John" letter in which Schimberg told Brock that CCE would be dropping Cadbury's A&W, Sunkist and Crush throughout most of bottler's territory. That resulted in some initial volume loss for those brands and massive re-franchising on Cadbury's part. Schimberg, however, also committed CCE to Dr Pepper. Brock in subsequent years was on the forefront of warning Coke/Pepsi about certain market practices that concerned Cadbury. In 1998, he gave a speech denouncing the "predatory" practices of Cadbury's competitors. Declares: "Some of our competitors conduct business as if they want it all." Warned Cadbury would act "to stop predatory exclusive programs." One could infer at the time, that Brock was referring to the Coke/Pepsi systems. Campbell Soup. This company -- of which Brock is on the board -- owns the "Godiva" brand that Coke has licensed to use on its upcoming new line of dairy drinks.

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