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## Dr. Pepper Snapple Group, Inc. Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator Instructions) Your first question comes from Bill Pecoriello - Consumer Edge Research.

#### Bill Pecoriello - Consumer Edge Research

First question just on the outlook for Memorial Day pricing with the Coke system at strong 10% pricing in the first quarter and in the Pepsi system locking in some promotions with key retailers for Memorial Day so how do you see that holiday playing out?

#### Larry D. Young

You know I think the holiday's going to play out well for us, Bill. I mean we've still got rational pricing out there. We're seeing, you know, more promotion instead of just price off. You know as everybody knows those holidays are where we get out there and do the battle. But we're seeing very rational pricing and pleased with, you know, how the holiday's going.

#### Bill Pecoriello - Consumer Edge Research

Second question is if you could comment on the potential change of ownership on the Pepsi bottlers and what impact that would have for you. Do you see that as giving you increased leverage or any risk around that?

#### Larry D. Young

Well, you know, we hate to, you know, speculate on that with the deal not done or anything, but, you know, when we look at it we're happy with what we have right now. I mean our brands are, you know, in good position. We have a lot of different options out there. But, you know, as far as what happens with the Pepsi system I'd hate to speculate right now.

#### Operator

Your next question comes from Judy Hong - Goldman Sachs & Company, Inc.

#### Judy Hong - Goldman Sachs & Company, Inc.

Hey, Larry, just following up on the Pepsi question. Can you comment on whether if there is a change in control that does trigger some provision that does allow you to change the structure of the franchise agreements with the bottlers?

**Larry D. Young**

Well, you know, there's many, many contracts out there. I mean it's, you know, there's not really any kind of a cookie cutter answer. I mean we literally have thousands of agreements and, you know, each one kind of needs its own negotiation. But, you know, the number one priority for DPS is that we'll always do what's right for our brand and what's right for our customer and consumer.

**Judy Hong - Goldman Sachs & Company, Inc.**

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