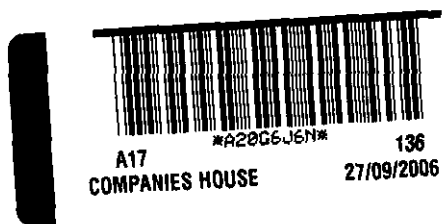


COMPANY REGISTRATION NUMBER 272030

KELCONE LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2005



KELCONE LIMITED

THE DIRECTORS' REPORT

The Directors present their annual report together with the unaudited financial statements of the Company for the financial year from 2 January 2005 to 31 December 2005.

PRINCIPAL ACTIVITY

The Company did not trade during the financial year and made neither profit nor loss; trading is not expected to resume in the foreseeable future. No dividends have been paid during the year (2004: none).

DIRECTORS

The Directors who served the Company during the financial year were as follows:

J Gregory
J N Ainley
M Thompson

No Director had any interest in the shares of the Company or in any material contract with the Company. J Gregory was appointed as a Director on 20 Oct 2005. M Thompson resigned as a Director on 24 Oct 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the financial year ended 31 December 2005 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Given that the Company is dormant and has had no significant accounting transaction in the financial year, it has taken advantage of section 249, Companies Act, 1985 and the financial statements have not been audited.

Registered office:
Manchester
England

Signed by order of the Directors



J N AINLEY
Company Secretary

Approved by the Directors on 10 August 2006

KELCONE LIMITED

BALANCE SHEET

31 DECEMBER 2005

	Note	2005 £000	2004 £000
AMOUNT OWED BY PARENT UNDERTAKING	3	288	288
TOTAL ASSETS		<u>288</u>	<u>288</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	5	5
Profit and loss account		283	283
SHAREHOLDERS' FUNDS		<u>288</u>	<u>288</u>

Statements:

- (a) For the financial year from 2 January 2005 to 31 December 2005 the Company was entitled to exemption from audit under Section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the Company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985.
- (c) The Directors acknowledge their responsibilities for:
 - (i) ensuring the Company keeps accounting records in accordance with Section 221, and
 - (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the Company.

These financial statements were approved by the Directors on the 10 August 2006 and are signed on their behalf by:


J GREGORY
Director

The notes on pages 3 and 4 form part of these financial statements.

KELCONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005

Accounting convention:

The financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable in the United Kingdom.

Amounts owed by group undertakings:

Provision is made should the Directors consider that amounts owed by group undertakings are not fully recoverable.

1. DORMANT STATUS

The Company was dormant (within the meaning of Section 249AA of the Companies Act 1985) throughout the financial year ended 31 December 2005. The Company has not traded during the financial year or during the preceding financial year. During the financial year, the Company received no income and incurred no expenditure and therefore made neither profit nor loss. None of the Directors received any emoluments in respect of their services to the Company.

2. PERIOD COVERED

The financial statements cover the financial year from 2 January 2005 to 31 December 2005 (2004: 28 December 2003 to 1 January 2005)

3. DEBTORS

	2005	2004
	£000	£000
Amounts owed by parent undertaking	288	288

The amount owed by the parent undertaking is due after more than one year:

4. RELATED PARTY TRANSACTIONS

As a 100% owned subsidiary, the Company is exempt under Financial Reporting Standard number 8 from disclosing separately transactions with other entities in the Group. Consolidated financial statements of Kellogg U.K. Holding Company Limited, which incorporate the accounts of the Company, are publicly available (see note 7). The Company was not involved in any other related party transactions during the financial year.

KELCONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5. SHARE CAPITAL

The called up share capital comprises 5,000 ordinary shares of £1 each, authorised, allotted, and fully paid.

6. RECONCILIATION OF SHAREHOLDERS' FUNDS

There were no movements in reserves nor in equity shareholders' funds during the current or prior periods.

7. ULTIMATE PARENT COMPANY

The Company's immediate parent Company is Kellogg Company of Great Britain Limited, which is itself a subsidiary of Kellogg U.K. Holding Company Limited, both of which are registered in England and Wales. The Company's results for the financial year are included in the consolidated financial statements of Kellogg U.K. Holding Company Limited, copies of which can be obtained from Companies House, Crown Way, Maindy, Cardiff. The ultimate parent Company and controlling party is Kellogg Company, which is incorporated in the United States of America; copies of the financial statements of Kellogg Company can be obtained from One Kellogg Square, P.O. Box 3599, Battle Creek, Michigan, USA.