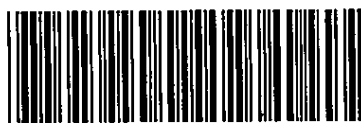


Registered number 06650043

MARS PETCARE UK HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011

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MARS PETCARE UK HOLDINGS LIMITED

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MARS PETCARE UK HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

The directors present their annual report on the affairs of the company together with the audited financial statements for the period ended 31 December 2011

PRINCIPAL ACTIVITIES

The company is an investment holding company

BUSINESS REVIEW

Both the level of activity and the period end financial position remain satisfactory. The directors expect that these will be sustained for the foreseeable future both for the company and its subsidiary undertakings.

In 2010 the company acquired 100% of the share capital of Royal Canin Nederlands B V and Pet Food Holdings Limited for consideration of £279,600,000. These companies are involved in the manufacture and sale of pet food and pet food related products.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £1,442,000 (2010 £79,575,000)

Dividends of £nil (2010 £82,640,890) were paid during the period

PRINCIPAL RISKS AND UNCERTAINTIES

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The company has no exposure to price or liquidity risk.

Interest rate risk

The main exposure to interest rate risk is the inter-company balances. Interest is charged at a rate of up to 1% above the UK base rate and is regularly reviewed and monitored by management. Given the nature of this, the directors do not believe it is appropriate to use any instruments to manage this exposure.

Credit risk

Credit risk is the risk that the company is exposed to loss if another group company fails to perform its financial obligations to the company. Intra group lending is reviewed regularly by management and is not perceived to be a significant risk to the company.

MARS PETCARE UK HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

DIRECTORS

The directors who served during the period were

M A Jordan
S Guthrie-Brown
M Gallacher (appointed 26 March 2012)
M Johnson (resigned 26 March 2012)

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers, which is a qualifying third party indemnity provision for the purpose of the companies Act 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

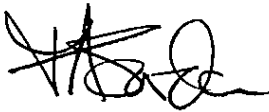
MARS PETCARE UK HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2011**

INDEPENDENT AUDITORS

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board and signed on its behalf by



M A Jordan
Director

Date: 26 April 2012

MARS PETCARE UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARS PETCARE UK HOLDINGS LIMITED

We have audited the financial statements of Mars Petcare UK Holdings Limited for the period ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

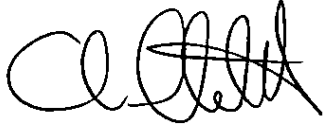
MARS PETCARE UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARS PETCARE UK HOLDINGS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Christopher Hibbs (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

26 April 2012

MARS PETCARE UK HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2011**

		31 December 2011 £000	1 January 2011 £000
	Note		
Income from other fixed asset investments		12,582	80,000
Interest receivable and similar income	4	1,382	1,392
Interest payable and similar charges	5	(12,522)	(1,817)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,442	79,575
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL PERIOD	13	1,442	79,575
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains or losses for the financial period ended 31 December 2011 or the financial period ended 1 January 2011 other than those included in the profit and loss account and therefore no separate statement of total recognised gains or losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial periods stated above and their historical cost equivalents

The notes on pages 8 to 13 form part of these financial statements

MARS PETCARE UK HOLDINGS LIMITED
REGISTERED NUMBER 06650043

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	31 December 2011 £000	1 January 2011 £000
FIXED ASSETS			
Investments	8	280,608	280,608
CURRENT ASSETS			
Debtors	9	93,785	92,402
Cash at bank		2	2
		<u>93,787</u>	<u>92,404</u>
CREDITORS: amounts falling due within one year	10	<u>(6,400)</u>	<u>-</u>
NET CURRENT ASSETS		<u>87,387</u>	<u>92,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>367,995</u>	<u>373,012</u>
CREDITORS amounts falling due after more than one year	11	<u>(274,958)</u>	<u>(281,417)</u>
NET ASSETS		<u>93,037</u>	<u>91,595</u>
CAPITAL AND RESERVES			
Called up share capital	12	93,098	93,098
Profit and loss account	13	(61)	(1,503)
TOTAL SHAREHOLDERS' FUNDS	14	<u>93,037</u>	<u>91,595</u>

The notes on pages 8 to 13 form part of these financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



M A Jordan
Director

Date 26 April 2012

MARS PETCARE UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, on a going concern basis, in accordance with the accounting policies set out below and applicable accounting and financial reporting standards in the United Kingdom and the Companies Act 2006, which have been consistently applied

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 406 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow statement

The company is a wholly owned subsidiary of Food Manufacturers (G B Company) and is included in the consolidated financial statements of Effem Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 (Revised 1996) "Cash Flow Statements".

1.3 Related party disclosures

The group is exempt under the terms of the Financial Reporting Standard 8 "Related Party Disclosure" from disclosing related party transactions with other wholly owned group companies.

1.4 Investments in subsidiary undertakings

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Taxation

Corporation tax is provided on taxable profits at the current rate. The taxation liabilities of certain group companies are reduced wholly or in part by the surrender of losses by fellow group companies.

1.6 Dividends

Dividends are recognised on a paid basis.

2. DIRECTORS' EMOLUMENTS

The company has no employees (2010: none) other than the directors who received emoluments for their services to the company of £52,700 (2010: £nil), which are borne by group companies Mars Chocolate UK Limited, Mars Petcare UK, Mars Food UK Limited and Mars Drinks UK Limited.

MARS PETCARE UK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

3. AUDITORS' REMUNERATION

	31 December 2011 £000	1 January 2011 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>2</u>	<u>2</u>

Audit fees are borne by other group companies, Mars Chocolate UK Limited, Mars Petcare UK and Mars Food UK Limited. No non-audit fees were incurred in the period (2010: none)

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	31 December 2011 £000	1 January 2011 £000
Interest receivable from group companies	<u>1,382</u>	<u>1,392</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31 December 2011 £000	1 January 2011 £000
Interest payable to group undertakings	<u>12,522</u>	<u>1,817</u>

6. TAXATION

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2010: lower than) the standard rate of corporation tax in the UK of 26.5% (2010: 28%). The differences are explained below

	31 December 2011 £000	1 January 2011 £000
Profit on ordinary activities before tax	<u>1,442</u>	<u>79,575</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28%)	382	22,281
Effects of		
Dividends from group companies	(3,334)	(22,400)
Group relief surrendered for £nil consideration	2,952	119
Current tax charge for the period	<u>-</u>	<u>-</u>

MARS PETCARE UK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

6. TAXATION (continued)

Factors that may affect future tax charges

The main rate of corporation tax in the United Kingdom reduced from 28% to 26% effective 1 April 2011. The Finance Act 2011 included legislation to reduce the rate to 25% from 1 April 2012. Further reductions to the main rate have been announced which are expected to reduce the rate to 24% on 1 April 2012 and which are expected to further reduce the rate by 1% per annum to 22% by 1 April 2014. These further reductions had not been substantively enacted at the balance sheet date and therefore are not reflected in these financial statements.

There are no unprovided deferred tax assets/(liabilities) in the period (2010: £nil).

7. DIVIDENDS PAID

	31 December 2011 £000	1 January 2011 £000
Equity Ordinary Paid: £nil (2010: 88,770p) per share	<u>-</u>	<u>82,641</u>

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 2 January 2011 and 31 December 2011	<u>280,608</u>
Net book value	
At 31 December 2011	<u>280,608</u>
At 1 January 2011	<u>280,608</u>

MARS PETCARE UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

8 FIXED ASSET INVESTMENTS (continued)

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Mars Slough UK Holdings Limited*	Ordinary £1 Shares	100%
Mars Melton UK Holdings Limited	Ordinary £1 Shares	100%
Mars Peterborough UK Holdings Limited	Ordinary £1 Shares	100%
Mars Petcare UK	Ordinary £1 Shares	100%
Mars Food UK Limited	Ordinary £1 Shares	100%
Pet Food Holdings Limited*	Ordinary £1 Shares	100%
Crown Pet Food Limited	Ordinary £1 Shares	100%
Royal Canin Nederlands BV*	Ordinary €453 78 shares	100%

* Directly held

Mars Slough UK Holdings Limited, Mars Melton UK Holdings Limited, Mars Peterborough UK Holdings Limited, Mars Petcare UK, Mars Food Limited, Pet Food Holdings Limited and Crown Pet Food Limited are registered in England and Wales. Royal Canin Nederlands BV is registered in The Netherlands.

9. DEBTORS

	31 December 2011 £000	1 January 2011 £000
Amounts owed by group undertakings	93,785	92,402

The amount owed by group undertakings relate to unsecured loans. Interest is charged on unsecured loans at a rate of up to 1% above the UK base rate.

Inter-company loans are renewable annually unless 30 days' notice is given of cancellation.

10. CREDITORS

Amounts falling due within one year

	31 December 2011 £000	1 January 2011 £000
Amounts owed to group undertakings	6,400	-

MARS PETCARE UK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

11 CREDITORS:

Amounts falling due after more than one year

	31 December 2011 £000	1 January 2011 £000
Amounts owed to group undertakings	274,958	281,417

Of this balance, £273,200,000 (2010 £279,600,000) relates to unsecured loans on which interest is charged at 4.5%. The repayment schedule is £6.4 million (2010 £nil) due in one year, £8.7 million (2010 £6.4 million) due in more than one year but are not more than two years, £36.8 million (2010 £31.4 million) due in more than two years but not more than five years, and £227.7 million (2010 £241.8 million) due in more than five years.

The remaining balance relates to unsecured inter-company loans which are renewable annually unless 30 days' notice is given of cancellation. Interest is charged at a rate of up to 1% above the UK base rate.

12. SHARE CAPITAL

	31 December 2011 £000	1 January 2011 £000
Allotted, called up and fully paid		
93,098,001 Ordinary shares shares of £1 each	93,098	93,098

13 RESERVES

	Profit and loss account £000
At 2 January 2011	(1,503)
Profit for the period	1,442
At 31 December 2011	(61)

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2011 £000	1 January 2011 £000
Opening shareholders' funds	91,595	94,661
Profit for the period	1,442	79,575
Dividends (note 7)	-	(82,641)
Closing shareholders' funds	93,037	91,595

MARS PETCARE UK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2011**

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party is Mars, Incorporated, a company incorporated in the state of Delaware, USA. The company's immediate parent undertaking is Food Manufacturers (G B Company), a company registered in England and Wales. The company is a wholly owned subsidiary of Effem Holdings Limited, a company registered in England and Wales and is included in the consolidated financial statements of that company, which may be obtained from the Registrar of Companies, Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff.