Registration number 5291721

Reckitt Benckiser Holdings (Luxembourg) Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2012

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Reckitt Benckiser Holdings (Luxembourg) Limited

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Reckitt Benckiser Holdings (Luxembourg) Limited

Directors' Report for the Year Ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

This report has been prepared in accordance with special provisions related to small companies within Part 15 of the Companies Act 2006

Directors of the Company

The directors of the Company who were in office during the year were

S J Edwards

M S Keeley (resigned 28 April 2012)

M Dawar (resigned 31 July 2012)

W R Mordan (appointed 31 July 2012)

The following director was appointed after the year end

P N Clements (appointed 3 June 2013)

Directors' indemnity

On 28 July 2009 Reckitt Benckiser Group plc executed a deed poll of indemnity for the benefit of each individual who is, at any time on or after 28 July 2009, an officer of Reckitt Benckiser Group plc and/or any company within the Reckitt Benckiser group of companies in respect of costs of defending claims against them and third party liabilities

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 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 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, and
- 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

Principal activity

The principal activity of the Company is to be a holding company for other group companies The Company, which is a member of the Reckitt Benckiser group of companies, carries out the strategy intended by the directors

Reckitt Benckiser Holdings (Luxembourg) Limited

Directors' Report for the Year Ended 31 December 2012

Results for the year and movement on reserves
The financial statements for the year ended 31 December 2012 show a loss of £2,904,358,000 (2011 - loss of £9,877,000) which has been deducted from reserves (2011 - deducted from reserves)

The directors authorised the payment of the dividend due on the B Preference and C Preference shares for the period 1 January 2012 to 31 December 2012 The total B and C preference dividend paid on 14 December 2012 was US$ 242,353,116 (£152,884,883), (2011- US$ 252,285,621 (£161,814,906))

In addition, a preference dividend of £80 was paid in December 2012 in respect of sums due on the £1 00 Fixed rate Preference shares (2011 - £80)

Business review

Principal risks and uncertainties
The Company is wholly-owned by Reckitt Benckiser Group plc which actively monitors the business performance on an ongoing basis Both the management and reporting of risk and key performance indicators for wholly-owned subsidiaries are undertaken at the group level Accordingly, these are discussed on page 13 to 15 of the Reckitt Benckiser Group plc 2012 annual report which does not for part of this report The Company's directors believe that analysis using key performance indicators is not necessary or appropriate to understand the business' development, performance or position

Going concern
The Company participates in the group's centralised treasury arrangements and so shares the banking arrangements with its parent and fellow subsidiaries

The Directors have received assurance from Reckitt Benckiser Group plc to the effect that it will ensure that the Company has sufficient funds to enable it to continue in operation without significant curtailment of its operations for the foreseeable future and at least the next twelve months from the date of this report

The directors, having assessed the responses of the directors of the Company's parent Reckitt Benckiser Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cause significant doubt about the ability of Reckitt Benckiser Group plc to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Reckitt Benckiser Group plc, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Independent auditors
The Company has adopted Articles which are compliant with the provision of the Companies Act 2006 and is therefore not required to hold annual general meetings to lay financial statements before the shareholders and to reappoint the auditors annually

Reckitt Benckiser Holdings (Luxembourg) Limited
Directors' Report for the Year Ended 31 December 2012

Disclosure of information to the auditors
Each of the persons who are directors at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware,

and

(2) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418(1) to (4) of the Companies Act 2006

Approved by the Board on 18 September 2013 and signed on its behalf by

E A Richardson
Company Secretary

Independent Auditors' Report to the Members of Reckitt Benckiser Holdings (Luxembourg) Limited

We have audited the financial statements of Reckitt Benckiser Holdings (Luxembourg) Limited for the financial year ended 31 December 2012 which comprise the Profit and Loss account, the Balance Sheet and the related notes 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 auditor

As explained more fully in the statement of directors' responsibilities set out on page 1 of the Directors' Report, 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 the 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 2012 and of its loss for the financial year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

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

Independent Auditors' Report to the Members of Reckitt Benckiser Holdings (Luxembourg) 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, or
- the directors were not entitled to take advantage of small companies' exemption in preparing the Directors' Report

Jonathan Gilpin (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

18 September 2013

Reckitt Benckiser Holdings (Luxembourg) Limited

Profit and Loss Account for the Year Ended 31 December 2012

	Note	2012 £ 000	2011 £ 000
Interest receivable and similar income	2	247,816	222,491
Amounts written off investments		(2,933,409)	-
Interest payable and similar charges	3	(240,140)	(254,790)
Loss on ordinary activities before taxation		(2,925,733)	(32,299)
Tax credit on loss on ordinary activities	4	21,375	22,422
Loss for the financial year	10	(2,904,358)	(9,877)

Notes:

1) The results for the current and prior year derive entirely from continuing operations

2) There is no material difference between the profit on ordinary activities before taxation and the retained profit for the current and prior year stated above and their historical cost equivalents

3) There are no recognised gains and losses in the current or prior year other than the profit or loss reported above Consequently no separate statement of total recognised gains and losses is presented

Reckitt Benckiser Holdings (Luxembourg) Limited

(Registration number: 5291721)

Balance Sheet at 31 December 2012

	Note	2012 £ 000	2011 £ 000
Fixed assets			
Investments	5	4,364,256	7,297,665
Current assets			
Cash at bank and in hand		1	1
Debtors amounts falling due within one year	6	22,521	1,197
		22,522	1,198
Creditors Amounts falling due within one year	7	(82,806)	(256)
Net current (liabilities)/assets		(60,284)	942
Total assets less current liabilities		4,303,972	7,298,607
Creditors Amounts falling due after more than one year	8	(3,612,076)	(3,702,353)
Net assets		691,896	3,596,254
Capital and reserves			
Called up share capital	9	3	3
Share premium account	10	71,742	3,071,742
Profit and loss account	10	620,151	524,509
Total Shareholders' funds	11	691,896	3,596,254

Approved by the Board on 18 September 2013 and signed on its behalf by



S J Edwards
Director

1 Accounting policies

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

Debtors
Debtors are initially recorded at cost If there is objective evidence that the Company will not be able to collect the full amount of the debtor an impairment is recognised through the profit and loss account

Creditors
Creditors are initially recorded at cost If there is objective evidence that the Company will not be able to fulfil the liabilities the creditor will be written off through the profit and loss account

Interest
Interest payable is charged to the profit and loss account as incurred and interest receivable is credited as it falls due

Taxation
The tax charge/credit is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax liabilities are provided for in full and deferred tax assets are recognised to the extent that they are considered recoverable

Consolidation
The financial statements contain information about Reckitt Benckiser Holdings (Luxembourg) Limited as an individual company and do not contain consolidated financial information as the parent of a group The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent company, Reckitt Benckiser Group plc, a company registered in England and Wales

Fixed asset investments
Fixed assets investments are stated at the lower of cost and their recoverable amount, which is determined as the higher of net realisable value and value in use A review for the potential impairment of an investment is carried out by the directors if events or changes in circumstances indicate that the carrying value of the investment may not be recoverable Such impairment reviews are performed in accordance with FRS 11

Financial instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

Foreign currency balances

Transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs or at the contracted rate if the transaction is covered by a forward exchange contract Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate ruling on the balance sheet date or, if appropriate, at a forward contract rate

Exchange differences arising on foreign currency borrowings used to finance equity investments in foreign currencies, together with exchange differences on derivatives used to hedge investments in foreign currencies, have been dealt with through reserves to the extent that they are covered by exchange differences arising on the investments All other exchange differences are included in the profit and loss account

B and C Preference shares

The rate of dividend on the B and C preference shares is 7 42% per annum on the total capital and premium paid to the Company The dividend is to be paid annually in December out of the profits available for distribution and which from time to time are resolved to be distributed These B and C preference shares rank behind the Fixed Rate Preference Shares and in priority to any other class of shares in the capital of the Company for dividend purposes

As there is a contractual obligation on the Company to deliver cash or another financial asset to another entity under the terms of the B and C preference shares, these shares have been accounted for as a financial liability and are retranslated at each balance sheet date

2 Interest receivable and similar income

	2012 £ 000	2011 £ 000
Dividends from shares in group undertakings	157,280	222,491
Interest from group companies	90,536	-
	247,816	222,491

3 Interest payable and similar charges

	2012 £ 000	2011 £ 000
Interest payable and similar charges	240,140	240,913
Exchange losses	-	13,877
	240,140	254,790

Included in interest payable is an amount of £152,885k (2011 - £151,039k) which relates to the dividends payable on the B and C Preference shares

4 Taxation

Tax on loss on ordinary activities

	2012 £ 000	2011 £ 000
Current tax		
Corporation tax credit	(21,375)	(23,811)
Foreign tax	-	1,389
Total tax on loss on ordinary activities	(21,375)	(22,422)

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24 5% (2011 - 26 5%)

	2012 £ 000	2011 £ 000
Loss on ordinary activities before taxation	(2,925,733)	(32,299)
Corporation tax at standard rate	(716,805)	(8,557)
Non-taxable dividend income	(37,840)	(58,945)
Expenses not deductible for tax purposes	718,686	-
Non-deductible preference share dividends	14,584	43,691
Foreign tax	-	1,389
Total current tax	(21,375)	(22,422)

Factors that may affect future tax charges

The main rate of Corporation Tax in the UK changed from 26% to 24% with effect from 1 April 2012 Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 24 5% A further reduction to 23% from 1 April 2013 has also been enacted as at the balance sheet date

The Finance Act 2013 included legislation to reduce the rate by 2% to 21% as at 1 April 2014 and to 20% as at 1 April 2015, the effects of which are not included in these financial statements as the Act was not substantively enacted at the balance sheet date Future profits will be taxed at the appropriate rate

5 Fixed asset investments

	2012 £ 000	2011 £ 000
Shares in fellow group undertakings and participating interests	4,364,256	7,297,665

Shares in group undertakings and participating interests

	Subsidiary undertakings £ 000
Net book amount	
At 1 January 2012	7,297,665
At 31 December 2012	7,297,665
Provision for impairment	
Charge for the year	2,933,409
Net book value	
At 31 December 2012	4,364,256
At 31 December 2011	7,297,665

Details of undertakings

Details of the investments in which the Company holds share capital are as follows

Undertaking & country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Reckitt Benckiser Healthcare Australia PTY Limited- Australia	Ordinary	100%	Holding Company
Reckitt Benckiser (Canada) Inc- Canada	Ordinary	100%	Trading Company
Reckitt Benckiser Investments (No 2) Sàrl- Luxembourg	Ordinary	100%	Holding Company
Reckitt Benckiser Finance (2010) Limited- UK	Ordinary	100%	Finance Company

The directors believe that the carrying value of the investments is supported by their net assets

The Company takes advantage of the exemption under Section 410(2) of the Companies Act 2006 by providing information only in relation to subsidiary undertakings whose results or financial position, in the opinion of the directors, principally affected the financial statements A complete list of subsidiary and associated undertakings will be included in the next Reckitt Benckiser Group plc annual return filed with the Registrar of Companies

6 Debtors due within one year

	2012 £ 000	2011 £ 000
Amounts owed by fellow group undertakings	22,521	1,197

Included in amounts owed by fellow group undertakings is an amount of £22,521k (2011 - £267k) which is unsecured, repayable on demand and non-interest bearing Also included in the prior year was an amount of £930k that was unsecured, interest bearing at LIBOR minus 0 125% and repayable on demand

7 Creditors: amounts falling due within one year

	2012 £ 000	2011 £ 000
Amounts owed to group undertakings	82,806	256

Included in amounts owed to fellow subsidiary undertakings is an amount of £82,806k (2011 - nil) which is unsecured, interest bearing at 3M LIBOR plus 0 2% The prior year amount of £256k was unsecured and non-interest bearing

8 Creditors: Amounts falling due after more than one year

	2012 £ 000	2011 £ 000
Amounts owed to fellow subsidiary undertakings	1,635,656	1,635,398
B and C Preference shares	1,976,420	2,066,955
	3,612,076	3,702,353

Included in amounts owed to fellow group undertakings is an amount of £342,230k (2011 £342,230k), an amount of £885,910k (2011 - £885,910k) an amount of £407,258k (2011 - £407,258k) which are all unsecured and carry interest at a fixed rate of 5 32% (2011 - 5 32%) and an amount of £258k (2011 - nil) which is unsecured and non-interest bearing

As there is a contractual obligation on the Company to deliver cash or another financial asset to another entity under the terms of the B and C preference shares, these have been accounted for as a financial liability and are retranslated at each balance sheet date

The holders of the B and C preference shares shall each be entitled to a fixed dividend of 7 42% per annum on the nominal value of each share held which is fully paid-up or credited as fully paid-up, such distribution to be made out of the profits available for distribution and to be made amongst the holders of the B and C preference shares as if they constituted one and the same class of shares

The holders of the B and C preference shares shall rank behind the Fixed Rate Preference Shares (see note 9 below) and in priority to any other class of shares in the capital of the Company for dividend purposes

9 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary Shares	1,608	1,608	1,608	1,608
Fixed Rate Preference Shares	1,000	1,000	1,000	1,000
	2,608	2,608	2,608	2,608

The holders of the Fixed Rate Preference shares ("the Preferential Shareholders") will be entitled to a fixed cumulative preferential dividend of 8 pence (net of associated tax credit) per annum on each Fixed Rate Preference Share held which is fully paid-up or credited as fully paid-up The dividend is to be paid annually on 22 December out of the profits available for distribution and which from time to time are resolved to be distributed

10 Reserves

	Share premium account £ 000	Profit and loss account £ 000	Called up share capital £000	Total £ 000
At 1 January 2012	3,071,742	524,509	3	3,596,254
Loss for the year	-	(2,904,358)	-	(2,904,358)
Other reserve movements	(3,000,000)	3,000,000	-	-
At 31 December 2012	71,742	620,151	3	691,896

On the 12 December 2012, in order to increase distributable funds available, £3,000,000,000 was transferred from the share premium account to reserves

11 Reconciliation of movement in shareholder's funds

	2012 £ 000	2011 £ 000
Loss for the financial year	(2,904,358)	(9,877)
Other recognised gains and losses relating to the year	3,000,000	-
New share capital subscribed	-	52,843
Other share premium reserve movements	(3,000,000)	-
Net (reduction)/addition to shareholder's funds	(2,904,358)	42,966
Shareholders' funds at 1 January	3,596,254	3,553,288
Shareholders' funds at 31 December	691,896	3,596,254

12 Cash flow statement

The Company is a wholly owned subsidiary of Reckitt Benckiser Group plc which has presented a group cash flow statement in its 2012 group financial statements Therefore, as permitted by Financial Reporting Standard No 1, (revised 1996) 'Cash Flow Statements', the directors have not prepared a cash flow statement for the Company

13 Directors and staff

During the period the Company had 4 directors resident in the UK, none of whom received any emoluments in respect of services to the Company (2011 - 5 directors, no emoluments)

The Company had no employees during the current or prior year and consequently did not incur any expenditure in respect of wages and salaries, social security costs or other pension costs

14 Ultimate parent undertaking and controlling party

The company is a subsidiary of Reckitt Benckiser Investments Limited and Reckitt Benckiser plc

The ultimate parent company and controlling party is Reckitt Benckiser Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements Copies of the group financial statements of Reckitt Benckiser Group plc can be obtained from 103-105 Bath Road, Slough, Berkshire, SL1 3UH or at http //www rb com

15 Related party transactions

The Company is a wholly owned subsidiary of Reckitt Benckiser Group plc The Company has taken advantage of the exemption within Financial Reporting Standard No 8 "Related Party Disclosures", not to disclose related party transactions with other wholly owned members of the Reckitt Benckiser group of companies There were no other related party transactions (2011 none)

16 Auditors' Remuneration

The auditors' remuneration is met by the ultimate parent company, Reckitt Benckiser Group plc and is disclosed in total in the group financial statements No recharge is made to its subsidiaries as it is not practical to make an allocation of the audit fee to each subsidiary entity individually

17 Post balance sheet events

On 5 June 2013, 377 and 623 ordinary shares at a nominal value of £1 each were issued for cash consideration of £69,716,861 and £115,257,564 respectively

100 ordinary shares were also acquired in Reckitt Benckiser Healthcare Australia Pty Limited for a total cash consideration of $AUD 289,000,000