

COMPANY REGISTRATION NUMBER 7467768

**KELLOGG LATIN AMERICA HOLDING COMPANY
(ONE) LIMITED**

FINANCIAL STATEMENTS

28 December 2013

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

STRATEGIC REPORT

YEAR ENDED 28 DECEMBER 2013

The Directors present their strategic report of the Company for the year from 30 December 2012 to 28 December 2013 (the "year ended 28 December 2013").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of an investment holding company and is expected to continue as such for the foreseeable future.

In the previous period the Company acquired investments in Gollek Argentina S.R.L., Kellogg Company Mexico, Kellogg Hong Kong Private Limited, Pringles Overseas Holdings Sàrl, Pringles Taiwan Ltd., Pringles Korea S&D Co. and Pringles Servicios E Comercio De Alimentos Ltda. (Brazil).

In the current period the company acquired an investment in Kellogg Asia Products Sdn Bhd (Malaysia) and subscribed for additional shares in Kellogg Hong Kong Private Limited.

During the current period the Company paid interest on its intercompany loans, received dividend income from its investments and recognised an impairment of fixed asset investments.

The impairment relates to the investments in Kellogg HK (Private) Limited and Nhung Shim Kellogg Co. Ltd. (South Korea) and is based on a value in use calculation. The impairment of Kellogg HK (Private) Limited is \$51,030,000 and the impairment of Nhung Shim Kellogg Co. Ltd. (South Korea) is \$19,471,000. Discount rates of 13.5% for Nhung Shim Kellogg Co. Ltd. (South Korea) and 8.0% for Kellogg Company Mexico have been applied in the respective value in use calculations.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company is an investment holding company, the Directors believe its principal risk and uncertainty is a significant change in the underlying businesses of its direct subsidiaries that would impact the carrying value of its investments.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Signed on behalf of the Directors



P Knowles
Director

Approved by the Directors on 19 December 2014

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 28 DECEMBER 2013

The Directors have pleasure in presenting their report and the audited financial statements of the Company for the period from 30 December 2012 to 28 December 2013 (the "year ended 28 December 2013").

RESULTS AND DIVIDENDS

The profit and loss account for the financial year ended 28 December 2013 is set out on page 6.

On 6 November 2013, the Directors approved the payment of an interim dividend of \$180,000,000 to the holder of ordinary shares (2012: \$nil). No final dividend is proposed (2012: \$nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's operations expose it to the financial risk of interest rate risk associated with the intercompany debt held. The Company has in place risk management programmes that seek to manage the financial exposures of the Company by monitoring levels of debt finance and the related finance costs.

In order to ensure the stability of cash outflows and hence manage interest rate risk, the Company keeps under constant review its levels of debt, the maturity and currency of the debt, and the interest expense being incurred, including the split between fixed and variable interest rates. Hedging would be considered should circumstances warrant it.

Price risk

The Company has no exposure to equity securities price risk as it holds no listed equity investments.

Liquidity risk

The Company maintains suitable intercompany debt finance that is designed to ensure the Company always has sufficient available liquid funds for its operations. The Company is party to a cash pooling agreement with Bank Mendes Gans (BMG) in conjunction with other group companies. Under the terms of this arrangement cross company Guarantees exist. Positive and negative cash balances can be offset by the arranger. Guarantees for the cash pooling arrangement are held by the ultimate parent company Kellogg Company.

Credit risk

The Company is exposed to credit risk on amounts receivable from group undertakings and cash deposits with financial institutions. The balances due from group undertakings are reviewed regularly to ensure they are supported by the assets of the group company in question. Cash deposits are limited to financial institutions with an appropriate credit rating. Diversified liquidity funds are the preferred investment vehicle used.

DIRECTORS

The Directors who served the Company during the year and up to the date of signing the financial statements were as follows, except where noted:

J Vanderkooi

R Schell

J Gregory (resigned 16 September 2014)

H Nicholson

N Brazewell (resigned 1 October 2013)

J Ayres-Smith (appointed 16 September 2014)

P Knowles (appointed 16 September 2014)

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 28 DECEMBER 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

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; 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.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

SMALL COMPANIES EXEMPTION

This report has been prepared taking advantage of the small companies' exemption under Section 415A of the Companies Act 2006.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the board of Directors



P Knowles

Director

Approved by the Directors on 19 December 2014

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

YEAR ENDED 28 DECEMBER 2013

Report on the financial statements

Our opinion

In our opinion, Kellogg Latin America Holding Company (One) Limited financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 28 December 2013 and of its loss for the year 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.
-

What we have audited

Kellogg Latin America Holding Company (One) Limited's financial statements comprise:

- the Balance Sheet as at 28 December 2013;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

YEAR ENDED 28 DECEMBER 2013

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

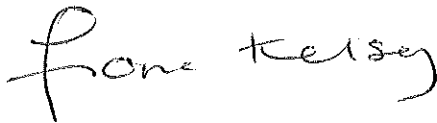
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Fiona Kelsey (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

19 December 2014

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 DECEMBER 2013

		Year ended 28 December 2013 \$000	Year ended 29 December 2012 \$000
	Note		
TURNOVER		-	-
Administrative expenses:			
- before exceptional		-	-
- exceptional	3	(70,501)	(172,202)
		(70,501)	(172,202)
OPERATING LOSS	4	(70,501)	(172,202)
Income from shares in group undertakings	5	9,299	142,019
Other interest receivable and similar income		121	78
Interest payable and similar charges	6	(5,468)	(3,697)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(66,549)	(33,802)
Tax on loss on ordinary activities	8	1,243	887
LOSS FOR THE FINANCIAL YEAR	14	(65,306)	(32,915)

All of the activities of the Company are classed as continuing.

The Company has no recognised gains or losses other than the results for the years as set out above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the years stated above and their historical cost equivalents.

The notes on pages 8 to 16 form part of these financial statements.

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

BALANCE SHEET

AS AT 28 DECEMBER 2013

	Note	28 December 2013 \$000	29 December 2012 \$000
FIXED ASSETS			
Investments	9	2,828,424	2,867,325
CURRENT ASSETS			
Cash at bank and in hand		-	147,700
Debtors	10	18,183	44,150
		18,183	191,850
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(69,155)	(36,417)
NET CURRENT (LIABILITIES) / ASSETS		(50,972)	155,433
TOTAL ASSETS LESS CURRENT LIABILITIES		2,777,452	3,022,758
CREDITORS: Amounts falling due after more than one year	12	(156,957)	(156,957)
		2,620,495	2,865,801
CAPITAL AND RESERVES			
Called-up equity share capital	13	1,476,104	1,476,104
Share premium account	14	1,167,358	1,347,358
Profit and loss account	14	(22,967)	42,339
TOTAL SHAREHOLDERS' FUNDS	15	2,620,495	2,865,801

These financial statements on pages 6 to 16 were approved by the Directors and authorised for issue on 19 December and are signed on their behalf by:



P Knowles
Director

Company Registration Number: 7467768

The notes on pages 8 to 16 form part of these financial statements.

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

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

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of ultimate parent company, Kellogg Company. The Directors have received confirmation that the Kellogg Company intends to support the company for at least one year after these financial statements are signed.

Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements' (as revised 1996)' on the grounds that a group cash flow statement is included in the consolidated financial statements of its ultimate parent undertaking, Kellogg Company, whose financial statements are publicly available and include the results of the Company.

Related parties transactions

As a 100% owned subsidiary of Kellogg Company, the Company is exempt under FRS 8 'Related party transactions' from disclosing separately transactions with other entities in the Group. Consolidated financial statements of Kellogg Company, which incorporate the financial statements of the Company, are publicly available. The Company was not involved in any other related party transactions during the financial year.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Current tax

Corporation tax is provided on the assessable profits of the Company at the rate of tax prevailing during the period.

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

1. ACCOUNTING POLICIES *(continued)*

Dividends

Dividends payable are recognised in the accounting period in which they are paid or approved. Dividend income is recognised in the accounting period in which the right to receive payment is established.

Fixed asset investments

Investments in shares in group undertakings are stated at cost which is determined based upon fair value at acquisition. Provision is made for any subsequent diminution in value, by reference to the higher of net realisable value and value in use. Any impairment is recognised in the profit and loss account in the year it arises.

Exceptional items

Items that are material in size and non-recurring in nature are presented as exceptional items in the profit and loss account, with the relevant account heading. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Company's underlying business performance. Events which may give rise to the classification of items as exceptional include, but are not restricted to restructuring of businesses, one off gains or losses relating to pension liabilities, expenses incurred in relation to business acquisitions and impairment of investments.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into dollars at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate.

Non-monetary assets expressed in foreign currencies are translated into dollars at the historic rate of exchange ruling at the date of the original transaction. They are not retranslated at the balance sheet date.

Transactions in foreign currency are converted to dollars at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Local currency

The Company prepares its financial statement in US dollars because this is considered by its directors to be the local currency of the Company as defined by SSAP 20, 'foreign currency translation'.

The year end exchange rate to sterling at 28 December 2013 was \$1.64 (2012: \$1.61).

**KELLOGG LATIN AMERICA HOLDING COMPANY (ONE)
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

1. ACCOUNTING POLICIES *(continued)*

Consolidated financial statements

The Company is a wholly-owned subsidiary of Kellogg Company (registered in United States of America) and is included in the consolidated financial statements of the ultimate holding company which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

2. PERIOD COVERED

The financial statements cover the financial period from 30 December 2012 to 28 December 2013.

3. EXCEPTIONAL ITEMS

	28 December 2013	29 December 2012
	\$000	\$000
Impairment of fixed asset investments	70,501	172,202

The impairment relates to the investments in Kellogg HK (Private) Limited and Nhong Shim Kellogg Co. Ltd. (South Korea) and is based on a value in use calculation.

The impairment in 2012 related to the investments in Nhong Shim Kellogg Co. Ltd. (South Korea) and Kellogg Company Mexico and was based upon a value in use calculation.

4. OPERATING LOSS

The Company has no employees of its own and relies on fellow group undertakings to provide administrative support. The emoluments of the Directors are paid by fellow subsidiary undertakings that make no recharge to the Company. They are Directors of a number of fellow subsidiary undertakings and it is not possible to make an apportionment of their emoluments in respect of this Company. Accordingly, these financial statements include no emoluments in respect of Directors. Audit fees of \$34,000 (2012: \$32,000) are borne by fellow group subsidiaries.

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	28 December 2013	29 December 2012
	\$000	\$000
Income from group undertakings	9,299	142,019

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

6. INTEREST PAYABLE AND SIMILAR CHARGES

	28 December 2013 \$000	29 December 2012 \$000
Bank interest payable	46	363
Interest in loans from group undertakings	5,422	3,334
	<u>5,468</u>	<u>3,697</u>

7. DIVIDENDS

Equity dividends

	28 December 2013 \$000	29 December 2012 \$000
Paid during the year:		
Ordinary shares		
12.19c (2012: nil) per \$1 share	<u>180,000</u>	<u>-</u>

8. TAXATION ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax credit in the year

	Year ended 28 December 2013 \$000	Year ended 29 December 2012 \$000
Current tax:		
UK Corporation tax based on the results for the year at 23.25% (To 29 Dec 12 -24.50 %)	(1,243)	(887)
Total current tax credit(note 8(b))	<u>(1,243)</u>	<u>(887)</u>

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

8. TAXATION ON LOSS ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year is lower (2012: lower) than the standard effective rate of corporation tax in the UK of 23.25% (To 29 Dec 12 - 24.50%) for the following reasons:

	Year ended 28 December 2013 \$000	Year ended 29 December 2012 \$000
Loss on ordinary activities before taxation	<u>(66,549)</u>	<u>(33,802)</u>
Loss on ordinary activities multiplied by the standard rate of tax	(15,472)	(8,281)
Income not taxable	-	(34,795)
Expenses not deductible for tax purposes	<u>14,229</u>	<u>42,189</u>
Total current tax (note 8(a))	<u>(1,243)</u>	<u>(887)</u>

(c) Factors that may affect future tax (credits)/charges

A resolution passed by Parliament on 2 July 2013 reduced the main rate of corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015.

9. FIXED ASSET INVESTMENTS

	\$000
COST	
At 30 December 2012	3,039,527
Additions	31,600
At 28 December 2013	<u>3,071,127</u>
PROVISION FOR IMPAIRMENT	
At 30 December 2012	172,202
Additions	70,501
At 28 December 2013	<u>242,703</u>
NET BOOK VALUE	
At 28 December 2013	<u>2,828,424</u>
At 29 December 2012	<u>2,867,325</u>

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

9. FIXED ASSET INVESTMENTS *(continued)*

All investments are in group undertakings involved in the food industry and are stated at cost. Cost represents the fair value of the shares acquired, with the excess of the fair value over and above the nominal value of the shares transferred to the share premium account in accordance with the provisions of section 610 of the Companies Act 2006. In each case, the voting rights equate to the proportion of equity shares held. The Directors believe that the carrying value of the investments is supported by their underlying value in use. The Company's subsidiaries at 29 December 2013 were as follows:

Company name	Country of incorporation	Share type	% of shares held
Kellogg Ecuador Compania Ltda	Ecuador	Ordinary	99
Kellogg Costa Rica S de RL	Costa Rica	Ordinary	100
Kellogg de Peru SRL	Peru	Ordinary	99.01
Alimentos Kellogg Panama	Panama	Ordinary	99
Alimentos Kellogg SA (Venezuela)	Venezuela	Ordinary	100
Kellogg Latin America Holding Company (Two) Limited	UK	Ordinary	100
Kellogg Netherlands Holdings BV	Netherlands	Ordinary	100
Nhong Shim Kellogg Co. Ltd. (South Korea)	South Korea	Ordinary	90
Kellogg HK (Private) Limited	Hong Kong	Ordinary	100
Kellogg Canada Inc	Canada	Ordinary	100
Gollek Argentina S.R.L.	Argentina	Ordinary	99.99
Kellogg Company Mexico	Mexico	Ordinary	99.99
Pringles Overseas Holdings Sàrl	Switzerland	Ordinary	100
Pringles Taiwan Ltd.	Taiwan	Ordinary	100
Pringles Korea S&D Co.	South Korea	Ordinary	100
Pringles Servicios E Comercio De Alimentos Ltda. (Brazil)	Brazil	Ordinary	99.875

Investments purchased during the year:

Kellogg Asia Products Sdn Bhd (Malaysia)	Malaysia	Ordinary	100
Kellogg HK (Private) Limited	Hong Kong	Ordinary	100

Opening provision for impairment relates to the investments in Nhong Shim Kellogg Co. Ltd. (South Korea) and Kellogg Company Mexico.

Provision for impairment recognised in the year relates to the investments in Kellogg HK (Private) Limited and Nhong Shim Kellogg Co. Ltd. (South Korea) and is based on a value in use calculation. The impairment of Kellogg HK (Private) Limited is \$51,030,000 and the impairment of Nhong Shim Kellogg Co. Ltd. (South Korea) is \$19,471,000. Discount rates of 13.5% for Nhong Shim Kellogg Co. Ltd. (South Korea) and 8.0% for Kellogg HK (Private) Limited have been applied in the respective value in use calculations.

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

10. DEBTORS

	28 December 2013 \$000	29 December 2012 \$000
Trade debtors	10	1
Amounts owed by group undertakings	18,173	44,149
	<u>18,183</u>	<u>44,150</u>

Amounts owed by group undertakings include loans of \$3,385,000 (2012: \$34,716,000) which incur interest at 0% (2012: 0%) and a loan of \$350,000 (2012: nil) which incur interest at 0.45% (2012: 0%) and have fixed repayment dates in 2014 (2012: fixed repayment dates in 2013)

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 December 2013 \$000	29 December 2012 \$000
Bank loans and overdrafts	63,226	-
Amounts owed to group undertakings	5,929	36,417
	<u>69,155</u>	<u>36,417</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	28 December 2013 \$000	29 December 2012 \$000
Amounts owed to group undertakings	156,957	156,957

Included in amounts owed to group undertakings are loans of a \$156,957,000 (2012: \$156,957,000) which bear interest at 3.5% (2012: 3.5%).

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

13. CALLED UP SHARE CAPITAL

Allotted and fully paid:

	28 December 2013		29 December 2012	
	Number	\$	Number	\$
Ordinary shares of \$1 each	<u>1,476,103,967</u>	<u>1,476,103,967</u>	<u>1,476,103,967</u>	<u>1,476,103,967</u>

On incorporation 1 ordinary share of \$1 nominal value was issued at par value.

On 16th December 2010 a further 26,410,011 shares were issued in exchange for share holdings in other group companies. The nominal value of these shares was \$26,410,011 and the consideration received was \$116,541,621.

During 2011 a further 984,228,695 shares were issued in exchange for share holdings in other group companies. The nominal value of these shares was \$984,228,695 and the consideration received was \$1,787,636,334.

During 2012 a further 465,464,260 shares were issued in exchange for share holdings in other group companies. The nominal value of these shares was \$465,464,260 and the consideration received was \$919,283,983

14. RESERVES

	Share capital account \$000	Share premium account \$000	Profit and loss account \$000
Balance brought forward	1,476,104	1,347,358	42,339
Loss for the financial year	-	-	(65,306)
Reduction of capital	-	(180,000)	180,000
Equity dividend on ordinary shares	-	-	(180,000)
Balance carried forward	<u>1,476,104</u>	<u>1,167,358</u>	<u>(22,967)</u>

In November 2013, the Company undertook a capital reduction, which resulted in a reduction in the share premium of \$180,000,000. Subsequently, the Company declared and paid a dividend of \$180,000,000 to its shareholders.

KELLOGG LATIN AMERICA HOLDING COMPANY (ONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 DECEMBER 2013

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	28 December 2013 \$000	29 December 2012 \$000
Loss for the financial year	(65,306)	(32,915)
New equity share capital subscribed	-	465,464
Premium on new share capital subscribed	-	453,820
Reduction of capital	180,000	-
Equity dividend on ordinary shares	(180,000)	-
Net reduction to shareholders' funds	(65,306)	886,369
Opening shareholders' funds	2,685,801	1,979,432
Closing shareholders' funds	<u>2,620,495</u>	<u>2,865,801</u>

16. POST BALANCE SHEET EVENTS

During 2014 the Company subscribed for additional shares in existing subsidiary Kellogg Hong Kong Pte Limited and Kellogg Asia Products Sdn Bhd .

In November 2014 Kellogg Group Limited contributed it's shareholding in the Company to Gollek UK Limited.

In November 2014 the Company purchased the shares of Kellogg Company of Great Britain Limited from Kellogg UK Holding Company Limited. The Company contributed its shareholding in Kellogg Canada Inc to Kellogg Company of Great Britain Limited in exchange for shares in Kellogg Company of Great Britain Limited.

On 26 November 2014 the Company purchased the shares of Prime Bond Limited from Kellogg Lux I Sarl in exchange for one share and a loan note.

On 12 December 2014 the Company sold 100% of its shares in Kellogg Asia Products Sdn Bhd to Gollek UK Limited.

17. ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is Kellogg Group Limited (registered in England and Wales). The ultimate parent Company and controlling party is Kellogg Company, which is incorporated in the United States of America and is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of Kellogg Company can be obtained from One Kellogg Square, P.O. Box 3599, Battle Creek, Michigan, USA.