



MARS

australia

THE MARKET

Whether it's the simple pleasure of savouring the world's best-loved chocolate and confectionery, the warmth that a healthy and contented pet brings to your family, or the rewards that come from creating fantastic tastes in your own home, Mars is the company behind many of the enduring brands Australians have come to know and trust.

With a turnover exceeding \$1 billion, Mars is one of Australia's leading consumer brands companies, supplying local and export customers with high quality Food, Petcare, and Snackfood brands.

These brands include PEDIGREE® and WHISKAS® (the world's leading brands of food for dogs and cats respectively), "M&M's"® and SNICKERS® (two of the world's top chocolate confectionery brands), STARBURST® and SKITTLES® (two of the world's top sugar confectionery brands) and the MASTERFOODS®, DOLMIO® and KAN TONG® food brands.

Although most sales are local, Mars Australia exports to more than 30 countries around the world.

BRAND VALUES

Anyone joining Mars quickly finds they are part of one of the world's most successful privately owned companies and beginning a career where they really are free to grow, both personally and professionally. The organisation encourages innovation and initiative, recognises endeavour and achievement and really believes that great brands and great people make a great business.

Mars holds special values about the company and the way it should be run. These values – the Five Principles – set Mars apart from others, requiring that it thinks and acts differently towards its associates, brands and its business. These principles have always been demanding and are an essential part of the Mars heritage. Mars believes they are the real reason for its success; keeping the company true to itself at times of growth and guiding it reliably when it is challenged.

The Five Principles of Mars are:

The *Quality* Principle

The consumer is our boss, quality is our



work and value for money is our goal.

The *Responsibility* Principle

As individuals, we demand total responsibility from ourselves; as associates, we support the responsibilities of others.

The *Mutuality* Principle

A mutual benefit is a shared benefit; a shared benefit will endure.

The *Efficiency* Principle

We use resources to the full, waste nothing and do only what we can do best.

The *Freedom* Principle

We need freedom to shape our future; we need profit to remain free.

ACHIEVEMENTS

Over its history Mars' brands have been the recipients of numerous awards for creative and innovative brand communications.

The company itself has traditionally maintained a lower profile, however is distinctive in its reputation as an employer of choice, an efficient manufacturer, and a community leader in sustainable business practices.

This is reflected in awards such as the Premier of Victoria's Sustainability Awards in which the business has been a finalist; the

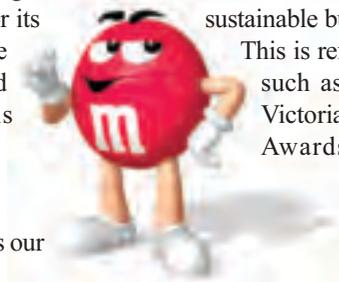
Employer of Choice - Australian Government's Equal Opportunity for Women in the Workplace Award; the Governor of Victoria Exporter of the Year, and the recent induction of the company into the Victorian State Manufacturing Hall of Fame (for sustained manufacturing excellence).

HISTORY

Founded in 1911, the company now manufactures and markets a variety of products under many of the worlds most recognisable trademarks, in more than one hundred countries around the world. The company's global sales are over US\$21 billion annually, a significant achievement from a humble start when Frank C. Mars

started making and selling butter cream candies in Tacoma, Washington, U.S.A. The company's first

blockbuster product was MILKY WAY®, invented by Frank Mars and his son Forrest in 1923, and many more of the world's leading confectionery, food and petcare products followed. Today Mars also has a growing beverage and health and nutrition businesses.



The business in Australia began with the selling of the MARS® bar here in 1954. The first factory was built in 1967, and since then Mars Australia has grown significantly. The company now has six manufacturing sites across Australia, and employs more than 2,000 associates.

THE PRODUCTS

Mars Australia operates three distinct and focussed business units that manufacture and market its leading brands and products.

The Mars Petcare Australia business unit is the leading manufacturer of petcare products in Australia, marketing leading brands such as PEDIGREE®, WHISKAS®, MY DOG® and DINE®. The business is located in Wodonga in regional Victoria, the location of the first factory established in 1967. Further investment and growth has led to manufacturing sites being established in Bathurst in regional New South Wales (dry pet food), and in Brisbane (birdcare products).

The Mars Snackfood business unit established its first manufacturing facility in Ballarat in 1979, and after decades of investment and growth is still proud to be an active member of the local community. More recently a second manufacturing site was acquired in Melbourne in 1997, and is now home to many of the company's sales and marketing associates. The Snackfood unit manufactures and markets many of the company's iconic global brands including MARS®, MALTESERS®, M&M's®, SNICKERS®, SKITTLES® and STARBURST®.



addition to its popular MASTERFOODS® herbs and spice range, mustards, relishes and flavoured sauces ranges, the MASTERFOODS® brand has recently pioneered innovative food marketing developments such as the 'squeezey' sauce bottle, and sachet Recipe Bases and Finishing Sauces.



milk chocolate. It is the company's first product in what is known as the lighter textural bar segment.

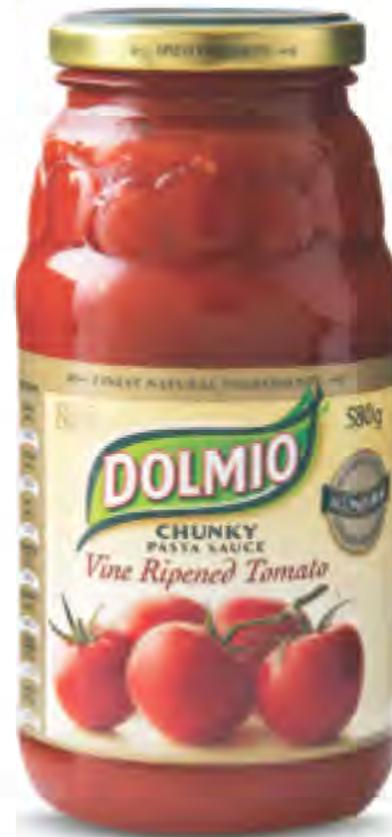
On the NSW Central Coast work is well underway on a multi-million dollar project that will halve the company's water use at its Wyong site. The project will save 110 megalitres of potable water annually, and also

RECENT DEVELOPMENTS

In 2007, the company marked the 40th year of Mars' investment in Australia, by announcing a series of investments that emphasise the business' ongoing commitment to the Australian market and to its regional locations.

The investment of \$45 million in a new single-serve pet food plant at the Wodonga site, reflected strongly its commitment to ongoing investment to meet the needs of pet owners in Australia, and in export markets around the world. It is estimated that the Australian pet care industry is worth \$4.62

billion and that 63% of Australia's households own a pet. In 2006 the demand for single serve pet food grew more than 20%, building on similar growth in 2005, as customers both here in Australia and abroad increasingly recognised the product quality and convenience of this format. The new plant produces dog and cat food in single serve units with an annual output of well over 100 million units. It also sets several new benchmarks in Australian food manufacturing with product lines able to be changed in less than five minutes, allowing the company to meet its customers' increasing demands for flexibility and innovation.



After careful consumer research, and innovative technical developments the Mars Snackfood team successfully brought a uniquely Australian chocolate brand to market in 2007. Launched in May, the FLING® brand is

unique to the Australian business, and represents the business' single biggest chocolate brand launch since TWIX® in the 1990's. Behind the launch is a capital investment in the Ballarat factory, and a further multi-million dollar investment in the media campaign to support the brand launch. The media program involves TV, Magazine, Outdoor, PR, and a sampling campaign. FLING® is designed to appeal directly to self-assured, fun loving women who love chocolate and eat it as a little indulgence, and who aren't always looking for a serious chocolate encounter. The product itself is best described as a delicate crispy centre layered with velvety chocolate cream covered in smooth



significantly improve the quality of wastewater discharged from the site.

The project was conceived by local associates who strongly believed that as a principled business the company needed to ensure both the sustainability of the water supply to its manufacturing plant and also to the environment in which its associates live.



The Mars Food business unit has been based on the stunning Central Coast in New South Wales since developing a new manufacturing site there in 1992. The business manufactures and markets some of Australia's most popular food brands, including MASTERFOODS®, DOLMIO® and KANTONG®. The MASTERFOODS® brand is one of Mars' largest Australian brands, and is a leader in many of the food categories in which it competes. In



THINGS YOU DIDN'T KNOW ABOUT MARS

- Over 40,000 people work for Mars Incorporated in over 65 countries.
- The company has more than 100 manufacturing sites around the world.
- Mars products are consumed in more than 100 countries.
- The SNICKERS® bar was first sold in 1930.
- The UNCLE BEN'S® rice brand traces its origins back to 1942.
- The 'M' was first printed on M&Ms® in 1950.
- The WHISKAS® brand was first launched in the UK in 1958.

More facts and history can be found online at www.mars.com.