

I am pleased to report that Reckitt Benckiser enjoyed another year of market beating results despite a global market growth rate that steadily declined as the year progressed.

As targeted for 2010, we delivered like-for-like net revenue growth of +6%* for the Group excluding SSL, and +5%* for the business excluding SSL and RB Pharmaceuticals. Total adjusted income growth at +15%* was also very strong and again well ahead of our peers.

Powerbrand focus

Our strong and continued success confirms that our strategy of focusing on Powerbrands behind new consumer relevant innovations and high levels of support continues to work for us.

Our new Lysol/Dettol No-Touch Hand Soap System is a great example of such innovations. This automatic dispenser is a captive gadget-refill system and while one of our most technologically advanced products it is the convenience of it and the benefit of not having to touch a germ soap dispenser ever again that has made it so successful. It has also allowed us to take mostly surface oriented brands like Lysol in the USA or Dettol in the UK more into Personal Care, breaking new ground and creating future opportunities for these brands.

Our Powerbrand focus over the last decade is also delivering excellently in developing markets. Net revenue growth in these markets soared to a +18%* like-for-like growth rate.

* at constant exchange rates

In many of these countries, the categories in which RB normally operates barely exist or are very underdeveloped. Good examples are Veet depilatories, Harpic specialist toilet bowl cleaners and Vanish fabric treatment products. Launching our Powerbrands in these countries is therefore not just focused on carving out strong market share positions. More importantly it is focused on showing consumers the benefits of these products so that they become part of their regular needs as they care for their families, homes and themselves. In 2010 we continued our Powerbrand roll out in these countries.

In the more developed countries of Europe and North America markets retrenched. Heavy discounting by competitors, trying to counter volume declines as consumers came under pressure, led to negative market growth rates. Despite these conditions, we improved our market share on balance in these markets and eked out modest revenue growth.

As we make our Powerbrands bigger in new and existing markets, we get operating leverage and a better product mix, resulting in higher operating margins. This, combined with excellent cost optimisation in our supply chain, enabled us to deliver operating margin improvement of 200 basis points, taking it to 26.4% for the Group. Margins were also helped by the continued success of our RB Pharmaceuticals business.

RB Pharmaceuticals

It is well known that by far the largest part of the Pharmaceuticals business, the Suboxone

tablets in the USA, can become subject to generic competition at any time. To mitigate the potential impact of this, in August 2010 we launched a patent-protected and consumer preferred Suboxone film. The new film is a variant on the tablet. It dissolves faster and tastes much better, and as a result keeps patients in treatment longer. Compliance with the treatment regime, and the fact that the film is better from a child safety point of view, make it more attractive for doctors to prescribe. Conversion has been so successful that at the end of 2010 the film had already captured a 25% volume share of the US market. At this level it already represents 23% of the US revenues on an annualised basis.

Focused acquisition

As a result of the strong success of the business, adjusted net income grew by +15%*. This was despite the fact that we took a more conservative position on tax as the general tax environment has become less benign, and increased the tax rate from 25% to 26%. Underlying cash flow continued to be strong, another sign of the health of the business. Some of this hard-earned cash was reinvested in what we believe are strategic and financially compelling acquisitions.

All of the transactions increased our presence in the higher margin Health & Personal Care business, where we have built a track record of strong growth. Foremost among these was the purchase of SSL International which we announced in July and completed on 29 October.

A proven strategy

Our clear and consistent strategy is to drive above industry growth and returns through:

- A disproportionate focus on driving our Powerbrands, global leaders in categories with high growth potential, and completing their international roll out.
- High levels of media and marketing investment, and continuous innovation.
- Transforming net revenue growth into ever better profit and strong cash flow.

This transaction step changes the size of our Health & Personal Care category, increasing its net revenues by an anticipated 36% to make it one third of the Group's total net revenues. It has added two new Powerbrands with good further growth potential, taking our current arsenal to 19 Powerbrands in total. Durex, in the Sexual Wellbeing category, is the global No.1 condom brand and Scholl is the market leader in the Footcare category in many of the markets where it is present. This acquisition also materially enhances the scale and critical mass of our businesses in China and Japan.

Later in the year we also agreed to acquire Paras Pharmaceuticals in India. This will create a material health care business for us in one of the most promising health care markets in the world. It adds to our portfolio a number of leading Indian over-the-counter Health & Personal Care brands including: Moov, the No.1 topical analgesic pain ointment and D'Cold, the No.2 cold & flu remedy.

RB people

Through each of the acquisitions we made last year, we welcomed new employees to RB. These employees will be integral to our success in coming years. Our culture and the characteristics of our employees are our greatest competitive advantages. RB people are entrepreneurial, innovative, internationally diverse, dynamic and driven by a strong sense of ownership. Their performance and ours is underpinned by their ability not to submit to difficult market conditions but to excel by responding in innovative ways.

The bigger picture

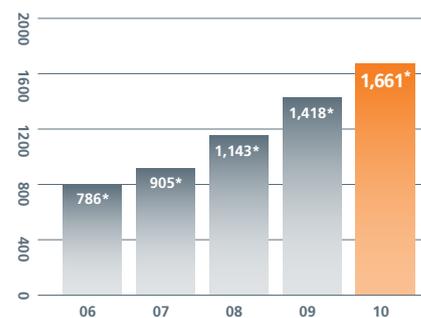
Their commitment goes beyond the commercial and is also focused on the planet's environment and supporting those most vulnerable in our society. Last year we made significant progress towards our goal of reducing the total carbon footprint of products during their creation, their use and ultimately their disposal, by 20% by 2020. In only two years we have already achieved an 11% reduction – the same impact as taking nearly one million cars off the road. RB was ranked joint-first in the Carbon Disclosure Project (CDP) 2010 FTSE 350 Report, and Sector Leader in its 2010 Global 500 Report; recognising our performance on both the Carbon Disclosure Leadership Index and Carbon Performance Leadership Index.

We also helped to save children's lives through our support of Save the Children in their emergency response work in places such as Haiti and Pakistan, and for their programmes to help children in many other countries around the world. Last year we helped to save 160,000 lives.

In conclusion, Reckitt Benckiser can look to 2011 with confidence. We have come through 2010 very well despite increasingly challenging conditions, and although the new year may hold a new set of challenges, our strategy, our innovation driven by our people and the new opportunities from acquisitions give us confidence that we can continue to deliver success.

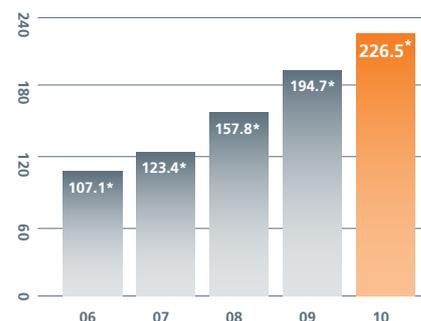
Bart Becht Chief Executive

Adjusted net income £m



*adjusted to exclude the impact of exceptional items

Diluted earnings per share pence



*adjusted to exclude the impact of exceptional items

Dividend per share pence



Group financial highlights

	2010 £m	2009 £m	change %
Net revenues	8,453	7,753	+9
Operating profit	2,130	1,891	+13
Net income for the year	1,568	1,418	+11
Diluted earnings per share	213.8p	194.7p	+10
Adjusted operating profit*	2,231	1,891	+18
Adjusted net income for the year*	1,661	1,418	+17
Adjusted diluted earnings per share*	226.5p	194.7p	+16
Declared dividend per share	115.0p	100.0p	+15

*adjusted to exclude the impact of exceptional items and tax effect thereon, where appropriate