

2007 was an excellent year for Reckitt Benckiser and its shareholders. The Company posted record financial results, it further strengthened the global market positions of its major brands and it expanded further into consumer healthcare, a key strategic ambition, with the acquisition of Adams Respiratory Therapeutics, Inc. in the USA (January 2008). The Company's balance sheet remains strong and we are well positioned for future growth.

Returning cash to shareholders

The strong growth of the business, leveraged into even better increases in profit and cash flow, allowed the Company to reward shareholders with an increasing rate of cash return. In 2007 we completed another £300m of share buy backs, while paying higher dividends of £358m and paying down virtually all of the remaining debt taken on to acquire Boots Healthcare International.

The Directors propose a final dividend of 30.0 pence which will bring the total for the year to 55.0 pence, an overall increase of 21%. The increase is ahead of the earnings growth of the Company, reflecting the Board's confidence in the business momentum.

The acquisition of Adams on 30 January 2008 for around £1.1bn in cash will not materially alter the Company's ability to continue returning cash to shareholders.

The Board of Directors

There has been no change in the Board of Directors since the year end. Peter White will not seek re-election at the forthcoming Annual General Meeting. Peter has been an extremely valuable member of the Board for ten years and we thank him very much for his most useful contribution, and in particular for his wise chairing of the Audit Committee from 1998 to 2006.

The Board regularly reviews the performance and results of the business and holds specific reviews with management on brand, area and functional performance. The Board also reviewed various other aspects of the business during the year, including annual reviews of corporate governance, corporate responsibility, reputational and business risk. The Board also conducted its annual appraisal of its own performance.

Management

The success of the Company owes much to the strength of its brands, but it would not succeed without the commitment and passion of the management team under the leadership of Bart Becht, our CEO. 2007 was a year which demonstrated the strength of our people, and especially those senior executives who assumed new positions in 2006.

We continue to focus much attention on the need for a strong, sustainable supply of talented people, with continuity in style and culture, to fill senior management positions in future.

Annual General Meeting resolutions

Towards the end of 2007, the Company completed its Scheme of Arrangement to create a new top company, Reckitt Benckiser Group plc. This change means that the Company now has plentiful distributable reserves to allow cash returns to shareholders for many years to come.

Most resolutions at the AGM this year are standard, with two additional resolutions which seek approval to amendments to the Company's Articles of Association and authorisation for the Company to communicate with shareholders electronically and I hope they will receive the approval of our shareholders. The Board strongly recommends that shareholders continue to support the strategies and policies that have brought such success to the Company. We look forward to updating you further at our Annual General Meeting on 1 May 2008.

Thanks

On behalf of all shareholders, I extend our sincere thanks again to Bart Becht and his team for the achievements of the past year. My thanks also go to the members of the Board for their contribution and support. Finally, I again thank shareholders for their confidence in the Board and the Company, and I look forward to further success in the years to come.

Adrian Bellamy

Chairman