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DATE: 21 July 2009
TO: Our Valued Customers
FROM: Jim Murphy, Mars Snackfood Sales VP
Mike Wittman, Mars Snackfood Supply VP
SUBJECT: Mars Snackfood Supply Status

Mars is committed to deliver best in class customer service. Therefore, we are disappointed in the service levels we have delivered to you and apologize for the disruption it has caused. We are diligently working to correct the current situation and get service levels back to an acceptable level.

To address these service shortfalls in the short term we have taken the following steps:

- All production lines are fully employed in producing core and seasonal products.
- We have added resources to Customer Care, Production Planning and Inventory Management functions to support customer service levels during the seasonal window.
- We are conducting a daily Service Review call with Supply Planning, Sales Planning, and Customer Care to review the order bank, develop supply options, or manage supply to customer needs.

We are also committed to improving our service levels in the immediate future as well:

- We are implementing a Supply organization with end-to-end responsibilities for plan, source, make and deliver supply chain processes. We expect this will increase our focus on process improvement and best practices to drive greater reliability and performance.
- All of our factories are implementing high performing plant initiatives including lean process design, rigorous problem solving and issue escalation processes, and re-invigorated preventative maintenance programs. These initiatives have already yielded significant capacity increases in the Filled Bar product segment.
- We will be making significant capital investments in M&M's, Skittles, and Twix to increase capacity on these growing brands.
- We are continuing to invest in our flexible manufacturing resources to expand our instantaneous and total capacity for merchandising and display vehicles.

Thank you for your patience. We truly appreciate your continued support.

Jim Murphy
Sales Vice President

Mike Wittman
Supply Vice President

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