



Trading Update

PZ Cussons Plc announces its trading update in respect of the half year to 30 November 2010.

First half trading

PZ Cussons is pleased to confirm that results for the first half of the financial year have been in line with management expectations, with profitability marginally ahead of the same period last year on broadly flat revenue. The financial position of the Group remains strong with cash generation during the period also in line with expectations, and with the Group remaining in a net funds position at the end of the period.

Trading - Overview

Performance by individual region is as follows:

- Lower profitability in Europe reflecting both a strong comparative period which included both high Carex sales in the UK following the swine flu outbreak and high export sales in Poland, together with the full effect of the Greek economic crisis now impacting performance;
- Higher profitability in Asia as a result of continued positive momentum across all Asian territories;
- Broadly flat performance in Africa as a result of liquidity provision in the market remaining tight during the first half coupled with uncertainty ahead of the Nigerian presidential elections scheduled for Spring 2011.

Trading – Regional Performance

Europe

In the UK, the trading environment remains very competitive with high levels of promotional activity continuing particularly on shower gel and handwash products. Nevertheless, new product launches across all brands have been well received, with the more premium brands The Sanctuary and the recently acquired St Tropez performing particularly well.

As announced on 27 September 2010, the Group acquired the entire issued share capital of St Tropez Holdings Limited for £62.5m in cash. The acquisition further strengthens the Group's portfolio of 'masstige' brands which includes The Sanctuary and Charles Worthington. The business has performed well post acquisition and plans to finalise the future operational structure of the business are well advanced.

Performance in Poland has been good albeit with lower export sales than the prior year. The economic environment in Greece is resulting in challenging trading conditions with sales and profitability lower than the same period last year.

Asia

Performance in Australia, Indonesia and the Middle East has been strong with continued positive momentum behind the brands in those territories.

Africa

In Nigeria, liquidity provision in the market has remained tight during the first half of the current year resulting in a broadly flat performance versus the comparative period. Uncertainty continues around the timing of the presidential elections and whilst consumer expenditure has begun to improve towards the end of the first half, the risk of disruption to trading from the election process remains during the second half of the financial year.

Exceptional Items

Exceptional items at the half year will include transaction costs associated with the acquisition of St Tropez. At the full year these will include further costs associated with the restructuring of the business.

An exceptional charge in the full year will occur in relation to the enhanced transfer value exercise planned in the second half in relation to one of the closed UK based final salary pension schemes.

Full year outlook

We remain cautious about the trading environment for the remainder of the year, given continued high levels of promotional activity, particularly in the UK; a challenging outlook for the consumer in a number of markets; global increases in a number of commodity costs; and potential disruption to trading from the Nigerian election process.

Against this backdrop, our focus remains on driving profitable growth through continued brand renovation and margin improvement in all territories.

The outlook for the year therefore remains in line with expectations.

Interim Announcement

Interim results for the half year to 30 November 2010 will be announced on Tuesday 25th January 2011.

An analysts' presentation will be given at 9:30am on that day at the offices of Panmure Gordon, Moorgate Hall, 155 Moorgate, London EC2M 6XB.

For further information contact:

PZ Cussons Plc

Brandon Leigh – Finance Director

Tel: 0161 435 1016

MHP Communications (Formerly Hogarth)

John Olsen / James White

Tel: 020 3128 8100