

INTERIM RESULTS

Half-year to 30 November 2008

27 January 2009

Introduction

Graham Calder
Deputy Chairman

Highlights

A good start to the year

- Strong performance, particularly in the UK and Nigeria
- Business model proving robust in current environment
- Healthy balance sheet and cash flow
- UK investment almost complete, Nigeria well underway
- New operational board, strong beginning
- Full year outlook on track

Financials

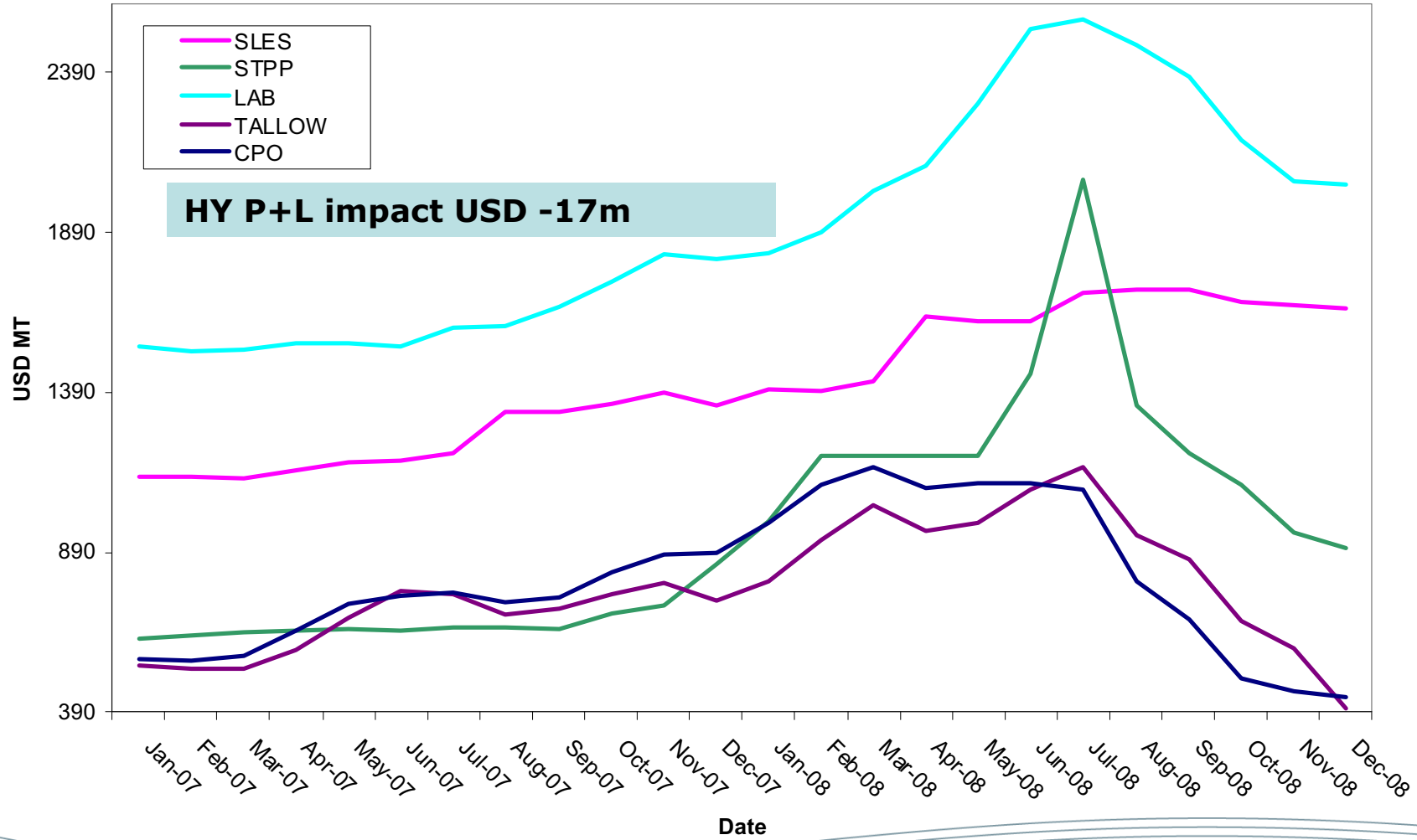
Brandon Leigh
Finance Director

Financial Highlights

	Half-year to 30.11.08	Half-year to 30.11.07		Excluding exchange benefit	
Revenue	£393.8m	£299.5m	+ 31%	£353.8m	+ 18%
Operating profit *	£39.0m	£32.0m	+ 22%	£38.0m	+ 19%
Profit before tax *	£36.9m	£32.5m	+ 14%	£35.9m	+ 10%
Effective tax rate*	29%	29%			
Earnings per share *	5.25p	4.69p	+ 12%		
Dividend per share	1.185p	1.075p	+ 10%		
Net (debt)/funds	(£40.8m)	£40.2m			

* Before exceptional items

Raw Material Price Trends 2007/08



REGIONAL PERFORMANCE – HALF YEAR

	Revenue (£m)			Operating Profit* (£m)		
	2008	2007	2006	2008	2007	2006
Africa	184.9	131.3	111.4	13.3	11.4	9.8
Asia	63.1	54.4	54.8	4.9	4.8	4.3
Europe	145.8	113.8	113.6	20.8	15.8	14.9
Group	<u>393.8</u>	<u>299.5</u>	<u>279.8</u>	<u>39.0</u>	<u>32.0</u>	<u>29.0</u>

* Before exceptional items

Africa

- Main market is **Nigeria**:
 - Personal Care and Home Care growth driven by renovation of core brands. Raw material cost increases offset by selling price increases and cost reduction initiatives
 - Electricals revenue and profitability continues to improve
 - Nutrition bottom line impacted by milk costs but these are now falling
- **Ghana/Kenya** performing well despite rising input costs

Asia

- **Australia** performance in line with prior year despite cost increases
- Good growth in **Indonesia** driven by range extensions

Europe

- **UK** strong performance despite the worsening economic environment
- **The Sanctuary** continues to perform well with strong Christmas performance
- **Poland** competitive but profitable
- **Greece** growth driven by new product launches

BALANCE SHEET

£'m	30 Nov 2008	30 Nov 2007	31 May 2008
Tangible fixed assets	215.2	147.7	180.0
Intangible fixed assets	151.4	55.0	152.2
Working Capital *	187.6	165.1	167.1
Net (Debt) / Funds	(40.8)	40.2	(32.0)
Other Net Liabilities	(55.0)	(33.3)	(61.4)
Net Assets	<u>458.4</u>	<u>374.7</u>	<u>405.9</u>

*Stocks + Current Trade and Other Receivables - Current Trade and Other Payables

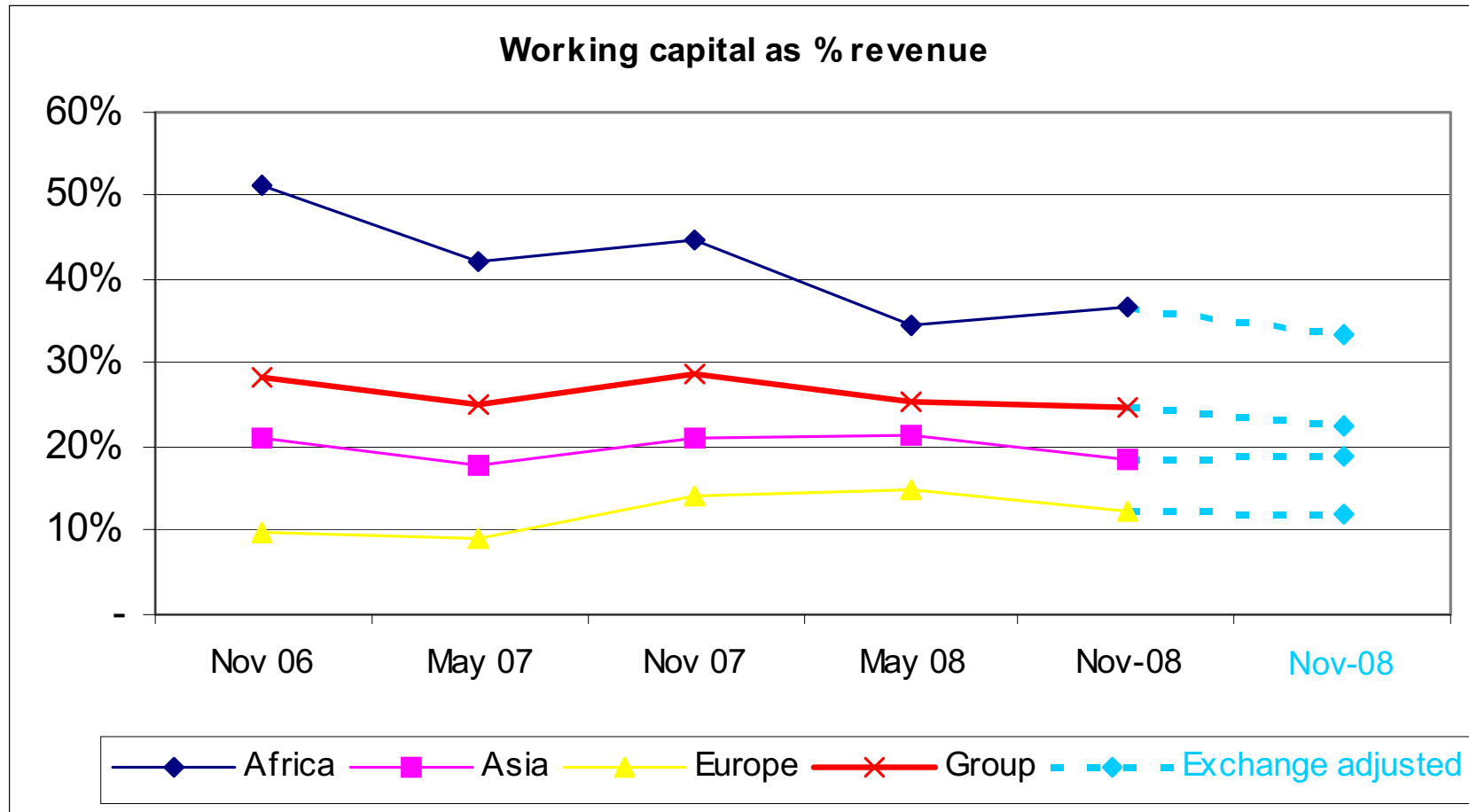
Included above

- | | | | |
|--|--------|--------|--------|
| 1) Net pension deficit | (21.1) | (14.1) | (26.4) |
| 2) £46m benefit from translation of overseas net assets in HY to 30 Nov 2008 | | | |


CASHFLOW STATEMENT

	Half-year to 30.11.08	Half-year to 30.11.07
Cash from operations	37.3	10.5
Returns on investments & servicing of finance	(4.1)	(1.5)
Taxation	(5.9)	(6.8)
Capital expenditure & financial investment	(22.6)	(9.5)
Disposals	4.3	-
Equity dividends paid	(15.5)	(13.9)
Net decrease in cash	<u>(6.5)</u>	<u>(21.2)</u>
Opening net funds	(32.0)	60.3
Exchange difference	(2.3)	1.1
Closing net funds	<u>(40.8)</u>	<u>40.2</u>

NET WORKING CAPITAL AS % OF REVENUE



CAPITAL EXPENDITURE & FINANCIAL INVESTMENT

£m	May 2007	May 2008	Nov 2008	Further Investment	Time frame
Normal additions (net)	(16.7)	(17.5)	(14.2) ²		
Major projects					
- UK (Agecroft)	(3.4)	(13.4)	(5.1)	(4.0)	08/09
- Nigeria (Nutrition JV) ¹	(5.1)	(9.9)	(0.6)	-	
- Nigeria (Project Unity)	-	(3.0)	(2.7)	(33.3)	08/09 -> 10/11
Major disposals					
- UK sites	-	5.2	-	Nottingham/Ellesmere Port -> post 08/09	
- Poland head office	9.2	-	-		
	<u>(16.0)</u>	<u>(38.6)</u>	<u>(22.6)</u>		

¹ Note: The Nutrition JV values represent the PZC share of the investment into the JV

² Normal additions include c. £3m relating to the purchase of a cheese factory in Greece

Overall

- Strong trading performance
- UK and Nigeria in particular strong
- Further raw material prices mitigated
- Net exchange benefit in first half
- Strong cashflow funding investments in factories
- Healthy balance sheet

A robust business model

Alex Kanellis
Group Chief Executive

Overview

- Clear strategy for growth
- Balanced geographical profile
- Local focus = Fast tailored response to local conditions
- Consistent delivery of new product launches
- Capital investment programme – ‘final’ organic capex well underway
- Strong balance sheet and cashflow

**Focus on selected markets, leading brands, first class distribution
and a great team of people**

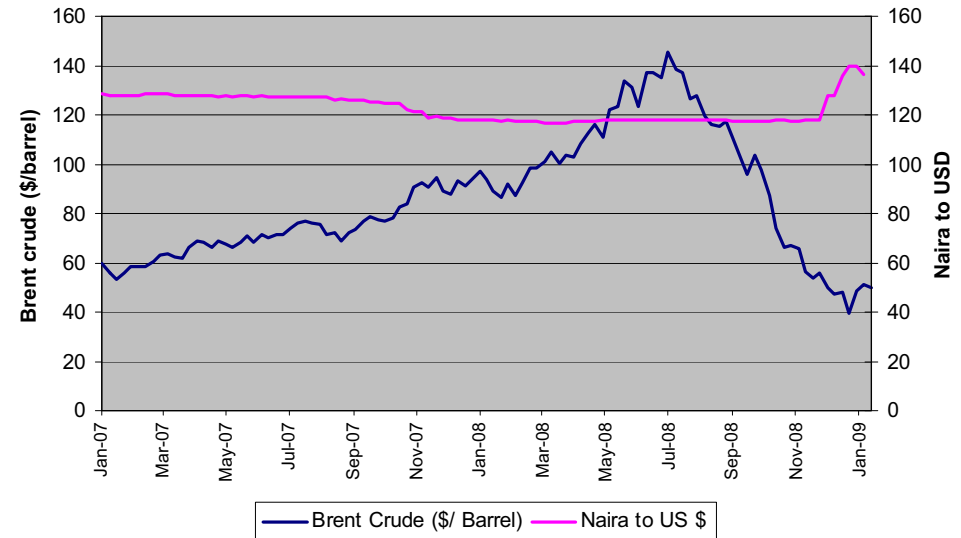
Nigeria

Nigeria – macro overview

Nigeria at a macro level

- Relatively less impacted by global credit crunch – cash economy
- Foreign exchange reserves accumulated while oil price high
- Government budget for 2009 set at similar level to 2008 expenditure based on:
 - oil price of \$40 to \$50 per barrel;
 - managed depreciation of Naira to enhance liquidity levels
- Continued growth in consumer spending

Oil and Naira trends



PZ Cussons Nigeria:

- Revenue and profitability up on the same period last year
- 4 business categories of **Personal Care, Home Care, Electricals and Nutrition**

Consistent delivery of new product launches

Personal Care and Home Care

- Growth driven by the continued renovation of core brands in **hairecare, skincare, babycare, medicaments** and **fabric care**



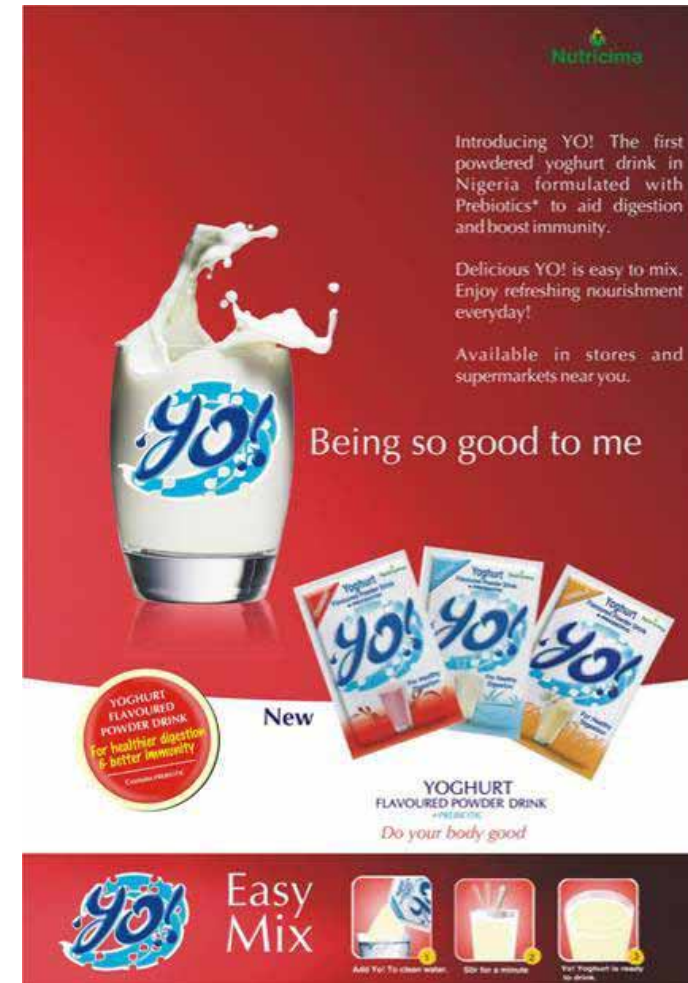
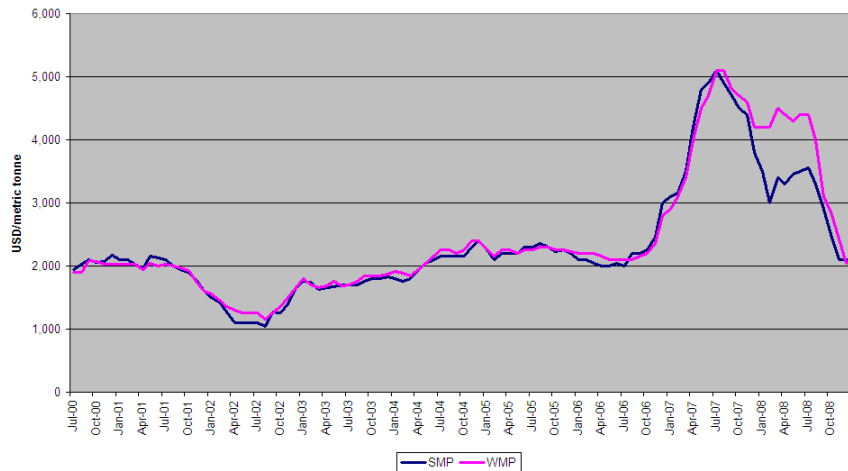
We grow together and share the good and bad times with those who matter most. It's about being there for one another and lending a helping hand wherever necessary. As we grow in size, we realize how fortunate we are to be surrounded by such exceptional people. Just like ROBB.

Feel good, stay healthy the **ROBB** way.

Nutrition

- Core brands '**Nunu**' and '**Coast**' continue to perform well
- Launch of powdered yoghurt drink '**Yo!**'
- Milk costs now falling – anticipated to move into profitability in second half of the year
- UHT factory to come on stream in H2

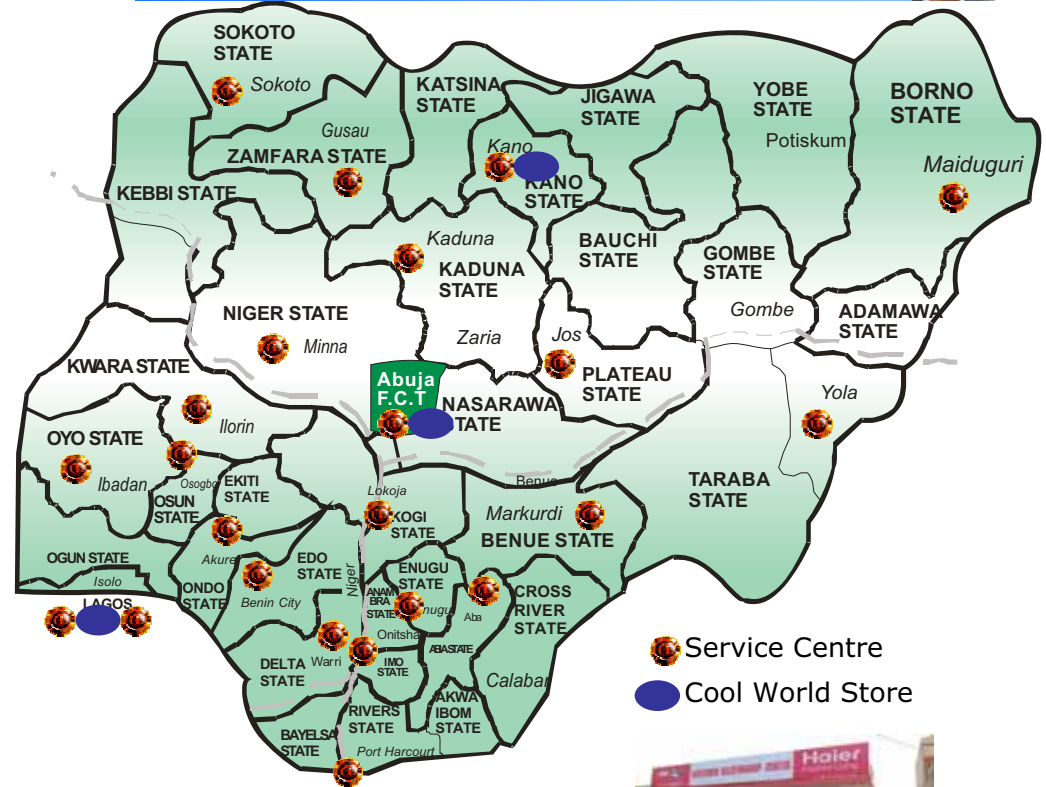
Whole Milk Price vs Skimmed Milk Price 2000 - 2009



Focus on innovation and differentiation

Electricals

- Consumer demand for 'Haier Thermocool' brand continues to increase
- Initiatives to maintain brand price differentiation in the market:
 - Two further HT **Cool World stores** opened - Abuja and Kano
 - New **service centres** (now 23) and **national customer call centre**



Investment in supply chain

Nigerian Manufacturing Investment

- Major investment programme to upgrade Nigerian manufacturing facilities is well underway
- World class standard distribution centre on the Ikorodu site being constructed
- Total expenditure of £39m
 - Phase one £18m/ Phase two £21m



UK

UK overview

- Local focus and speed ensuring No.1 position in personal wash maintained
- Local supply an advantage
- Consistent New Product Development (NPD)
- The Sanctuary performing well
- New Personal Wash Centre of Excellence in Manchester almost complete

New product development (1)

- Performance strong despite the worsening economic environment
- **Imperial Leather** completely re-launched and range extended with the launch of Imperial Leather **'Skin Bliss'** shower gels incorporating **'moisture-lock'** technology



- **Original Source** range extended through product launches including a new men's range of products

New product development (2)

- **Carex** has maintained its position as UK's number one anti-bacterial handwash
- New waterless hand gels performing well



- **Charles Worthington** has also performed well, again supported by new product launches such as the '**Time Defy**' range of products



The Sanctuary

- Margin enhancing
- Strong performance, including during important Christmas period
- Consistent NPD



- Spa at capacity, performing well; will become smaller as a percentage as business grows
- Overall, excellent group fit

Personal Wash Centre of Excellence

UK Innovation Centre

- Construction of the new Innovation Centre in Manchester on schedule – total cost £26m
 - Construction of a new research and development facility
 - Transfer of the fragrance production facility from Ellesmere Port
- **Phase one – completed end 2008**
- **Phase two – to be completed early 2009**



Summary

Summary

- Good start to the year
- Overall performance to date in line with expectations
- Raw material/ exchange rate volatility requires tight management
- Supply chain investment on track
- Strong balance sheet and cashflow
- Full year outlook 'cautiously optimistic'