

6 December 2012

PZ Cussons Plc
(the “Group”)

TRADING UPDATE

PZ Cussons Plc announces its trading update in respect of the half year to 30 November 2012.

First half trading

The overall performance of the Group for the first half of the year has been in line with management expectations. Whilst revenue has been broadly flat, mainly as a result of difficult trading conditions in Nigeria, profits have increased by approximately 10% versus the comparative period, driven in particular by an improvement in the profitability of the Australian business and a robust performance in the UK.

The financial position of the Group is strong with cash generation during the period also in line with expectations.

Trading - Update

Europe

In the UK washing and bathing division, the core brands of Imperial Leather, Carex and Original Source have performed well with an increase in profitability versus the prior period despite continued high levels of promotional activity in the trade. Significant investment was made during the period in the launch of Cussons Mum & Me, the new range of products for mother and baby, which achieved full UK distribution by the end of July. An extensive media campaign has been underway since August and the brand has been very positively received by consumers with encouraging early rates of sale.

Profitability in the beauty division is also ahead of the prior period. Whilst St Tropez was adversely affected by the poor summer, Sanctuary has performed particularly well benefiting from the launch of the new Active reverse skin care range with ballet star Darcey Bussell as brand ambassador. The Fudge hair care brand, acquired earlier in the year, has also performed well with a new Fudge.com e-commerce site launched towards the end of the period.

Performance in Poland has been robust with revenue and profit ahead of the prior period.

Revenue and profitability in Greece are lower as a result of the domestic economic situation.

Asia

Whilst trading conditions in Australia remain challenging, the measures taken to improve the performance of the business have now been successfully implemented. The production facility has been closed as part of a move to a variable cost model and the business returned to profitability in the period.

Continued positive momentum in Indonesia has delivered another period of revenue and profit growth largely from the market leading Cussons Baby range.

Trading in the smaller territories of Thailand and the Middle East has been in line with expectations.

Africa

In Nigeria, sales rates during the period have been affected by social unrest in the north of the country, flooding in a large number of states, and the more general impact on consumer disposable income as a result of the removal of part of the fuel subsidy earlier in the year. As a result, revenue is slightly lower than the prior period although margins in home and personal care are improving as a result of lower raw material costs and margin improvement projects.

Construction of the palm oil refinery with Wilmar in Nigeria is almost complete with commissioning of the facility due to commence this month. Sales of consumer products under a new brand are expected to begin before the end of the financial year.

Performance in the smaller territories of Ghana and Kenya has been in line with expectations.

Full year outlook

Trading conditions in most markets remain challenging with continued pressures on consumer disposable income. The situation in the Group's important Nigerian market continues to be fragile although the longer term opportunity remains exciting.

The Group's focus remains on new product development and further margin improvement. Raw material cost trends are expected to be favourable this year and the benefits of the supply chain optimisation project are also beginning to be seen.

The Board remains confident of a return to profitable growth in the current financial year.

Interim Announcement

Interim results for the half year to 30 November 2012 will be announced on Tuesday 29th January 2013.

An analysts' presentation will be given at 9:30am on that day at the new offices of Panmure Gordon, One New Change, London EC4M 9AF.

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