

14 June 2012

PZ Cussons Plc
(the “Group”)

TRADING UPDATE

PZ Cussons Plc today issues the following trading update in respect of the year ended 31 May 2012.

Overview

The Group is pleased to confirm that performance since the last trading update has been in line with expectations.

As previously indicated, profits before exceptional items for the year are expected to be approximately 15% lower than the previous year. This reflects a robust performance in the UK, strong trading in the beauty division and positive momentum in Indonesia, more than offset by the impact of three previously identified factors: approximately £25m of increased costs from the significant year-on-year raw material cost inflation; a worsening trading environment in the Australian homecare category; and the well publicised social and economic tensions in Nigeria.

The balance sheet remains strong with only a small net debt position at the end of the year.

The major supply chain optimisation project, announced in March, is on track and the benefits will begin to be seen in the new financial year.

Overall, despite the uncertainty in certain key markets, the Group remains confident that it will return to profitable growth in the new financial year.

Trading Update

Europe

The UK washing and bathing division has produced a robust performance, despite challenging retail trading conditions as a result of the promotional environment and weak consumer demand. Our focus on brand innovation and renovation across the portfolio of Imperial Leather, Carex and Original Source continues.

The Group is today pleased to announce the launch of an important new brand, **‘Cussons Mum & Me’**, a range of personal care products specifically designed for mothers and babies. The range caters for the three life-stages of bump, new mum and baby and will be available in full UK national distribution by the end of July.

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The beauty division has continued to perform well both in the UK and overseas, with particularly strong growth from St Tropez in the US. An exciting development for the Sanctuary is this month's launch of a new range of skincare products called '*Active Reverse*', with ballet star Darcey Bussell as brand ambassador. The Fudge haircare brand, acquired in January, has performed well post acquisition with integration into the division now complete.

Trading in Poland has been strong. The trading environment in Greece remains extremely difficult due to the challenging political and economic environment, although the unit's results are immaterial to the Group as a whole.

Asia

The positive momentum in Indonesia has continued with further growth in revenue and profitability. The market leading Cussons Baby range has continued to grow through portfolio improvements and distribution expansion.

As previously advised, the trading environment in the Australian homecare category worsened during the year, resulting in a 25% reduction in revenue and lower margins. Measures to address the underperformance of the Australian business are being successfully implemented with operating results improving on a monthly basis.

Africa

In Nigeria, strong revenue growth was achieved in the first half as a result of positive momentum following the elections last year. However, the national strike in January, the social instability in the North, and reduced consumer spending power following the removal of part of the fuel duty subsidy, combined to result in broadly flat revenue performance during the second half of the financial year.

Construction of the palm oil refinery with Wilmar is on track with completion due by the end of the calendar year.

Outlook

Across the Group, the focus remains on driving revenue growth through brand innovation and renovation, whilst reducing costs through margin improvement initiatives. The major supply chain optimisation project, announced in March, is on track to significantly reduce the overhead footprint of the Group's manufacturing activities, and the benefits will begin to be seen in the new financial year.

Whilst input costs have shown signs of short term easing, they remain volatile and close to their highest levels.

Overall, despite both the uncertain economic environment in Europe and the economic and social tensions in Nigeria, the Group remains confident that it will return to profitable growth in the new financial year.

Preliminary Results

Preliminary results for the year ended 31 May 2012 will be announced on Tuesday 24 July 2012.

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.

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