PZ CUSSONS PLC

26 January 2016

INTERIM ANNOUNCEMENT OF RESULTS
FOR THE HALF YEAR TO 30 NOVEMBER 2015

PZ Cussons Plc, a leading consumer products group in Europe, Asia and Africa announces its unaudited interim results for the six months ended 30 November 2015.

Reported results (before exceptional items[1])	**Half year to 30 November 2015**	**Half year to 30 November 2014**	Reported % change	Constant currency % change[3]	Like for like % change[4]
Revenue[2]	**£385.9m**	**£386.7m**	(0.2%)	9.6%	(0.3%)
Operating profit	**£45.2m**	**£46.0m**	(1.7%)	3.5%	(1.1%)
Profit before tax	**£42.1m**	**£43.7m**	(3.7%)	2.1%	(2.7%)
Adjusted basic earnings per share	**7.28p**	**7.24p**	0.6%	6.0%	1.2%
Statutory results (after exceptional items[1])					
Operating profit	**£43.1m**	**£42.0m**	2.6%		
Profit before tax	**£40.0m**	**£39.7m**	0.8%		
Basic earnings per share	**6.75p**	**6.53p**	3.4%		
Interim dividend per share	**2.61p**	**2.61p**	-		
Net debt[5]	**(£191.0m)**	**(£134.1m)**			

[1] Exceptional items before tax (2015: costs £2.1m; 2014: costs £4.0m), relate primarily to restructuring costs and are detailed in note 4.
[2] Excludes joint ventures revenue of £90.5m (2014: £160.8m).
[3] Constant currency comparison (2014 results retranslated at 2015 exchange rates).
[4] Like for like comparison after adjusting 2014 for constant currency and 2015 for the impact of acquisitions and disposals made in the current and prior period. Also referred to as 'underlying'.
[5] Net debt, above and hereafter, is defined as cash, short-term deposits and current asset investments, less bank overdrafts and borrowings (refer to note 11).

HIGHLIGHTS

Group

- Revenue and operating profit broadly flat versus the comparative period with a strong performance in Europe offsetting a difficult trading environment in Nigeria and the impact of weaker currencies in Asia and Africa
- Excluding the impact of currency, revenue and operating profit were 9.6% and 3.5% respectively ahead of the comparative period
- New product launches driving maintained or growing market shares in the Group's major markets and categories
- Strong balance sheet with net debt at 1.4 x EBITDA
- Interim dividend maintained at 2.61p per share

Africa

- Low oil prices contributing to environment of tight liquidity and restricted foreign exchange availability
- Robust performance in Nigeria home and personal care despite extremely competitive environment
- Revenue and profits in Nigeria electricals significantly lower as a result of squeeze on disposable income
- Continued strong performance in Nutricima milk business which is now 100% owned following last year's buy-out of JV partner
- Profits ahead in PZ Wilmar edible oil JV in first half although currency liquidity now impacting business

Asia

- Strong revenue growth in Indonesia across both baby care and non-baby care portfolios
- In Australia, good performance from personal care, beauty and food & nutrition brands Rafferty's Garden and five:am mitigating challenging trading conditions in home care

Europe

- UK washing and bathing division performing well driven by a continuous innovation pipeline and the launch of a new range of Carex bodywash products
- Strong performance in the beauty division driven in particular by St Tropez's new in shower gradual tan lotion and a new range of Sanctuary products

PZ CUSSONS PLC

Commenting today, Richard Harvey (Chairman) said:

"These are a steady set of results in what have been challenging markets with overall revenue and profitability broadly flat versus the comparative period. A strong performance in Europe has offset a more difficult trading environment in Nigeria and the impact of weaker currencies in both Asia and Africa.

The Group continues to maintain a strong pipeline of new products with good examples of successful new launches in the period being St Tropez's new in shower gradual tan lotion and the new range of Carex bodywash products. These demonstrate the importance of delivering innovation to the consumer to drive growth in challenging trading conditions, and have ensured that our market share positions are either held or grown in our core categories.

It is particularly pleasing to note that our European businesses are performing strongly and are offsetting the challenges in emerging markets and the impact of currency weakness, and highlights the importance of geographic and category diversity that continues to serve the Group well.

The Group's balance sheet remains strong with net debt at 1.4 x EBITDA at the period end. The strength of our balance sheet gives us the flexibility to further evolve the Group's portfolio into new areas of growth and to take advantage of new investment opportunities as they arise.

Looking through the short-term challenges in Nigeria, we remain confident about the medium and long term opportunities which should begin to materialise once growth returns to that economy.

Performance since the period-end has been in line with expectations."

Press Enquiries

PZ Cussons	**Brandon Leigh (Chief Financial Officer)**
Instinctif	**Tim Linacre / Guy Scarborough**

On 26 and 27 January c/o Instinctif on 020 7457 2020

After 28 January to Brandon Leigh on 0161 435 1236.

An analysts' presentation will be held on 26 January 2016 at 9.30am at the offices of Instinctif Partners, 65 Gresham Street, EC2V 7NQ.

There will be a live webcast of the presentation with Q&A facility beginning at 9.30am which will also be available 'on demand' after the presentation has finished. To register for and access this webcast, please complete the form in the link and click 'Register': http://webcast.instinctif.tv/795-1194-16801

Basis of preparation

In our financial statements we use performance metrics that are not recognised under IFRS. These performance metrics are used to help the readers of our financial statements understand underlying business performance.

Reported results, also termed adjusted, are presented before exceptional items which include, acquisition and disposal related costs and income, and restructuring costs.

The reported results for the current period are presented with variances to reported prior period results and also as variances between the current and prior period on a constant currency and like for like basis. The constant currency impact was derived by retranslating the 2014 result using 2015 foreign currency exchange rates. The adverse translational impact on revenue and operating profit was £34.7m and £2.4m respectively. The like for like impact, or underlying growth/decline, was derived at constant currency and by also excluding the impact of acquisitions and disposals made in the current and prior periods. The current period impact from the acquisition of five:am and the full consolidation of the Nutricima joint venture following the buy out in the prior year, increased revenue in the current period by £3.3m and £31.7m respectively and operating profit by £0.5m and £1.5m respectively.

Business Review

Group Overview

The Group delivered a robust set of results with reported revenue broadly flat versus the comparative period with a strong performance in Europe offsetting a more difficult trading environment in Nigeria and the impact of weaker currencies in both Asia and Africa.

Recent acquisitions in the food category of Rafferty's Garden, five:am and the buy out of Nutricima in Nigeria are performing well and providing further diversification to the Group's category portfolio.

In addition, significant new product development and innovations across all the Group's categories and brands continues to play a major role in delivering organic growth despite ongoing challenging trading conditions.

Regional Overview

Africa's reported results show revenue growth of 1% with a robust performance in Home and Personal Care together with a strong performance from Nutricima (with full consolidation following last year's buy-out of the JV) mitigating the impact on translation from a weaker Naira, as well as an underlying revenue decline in the Electricals business which has suffered as a result of a squeeze on disposable income. Reported operating profit is down 13.1% as a result of the impact on electricals profitability and a broader translational and transactional impact from a weaker Naira.

Asia's reported revenue and operating profit declines of 7.5% and 4.9% are largely due to the impact on translation from the weaker Indonesian Rupiah and Australian Dollar. The strength of the Group's Indonesian business as well as the recent food acquisitions in Australia are mitigating the more difficult trading conditions in Australian Home Care as well as the broader translational and transactional impact from a weaker Indonesian Rupiah and Australian Dollar.

Europe's reported revenue and operating profit growth of 3.8% and 4.7% respectively were driven by strong performances in the UK Washing and Bathing and Beauty divisions as well as a solid contribution from the Group's smaller businesses in Poland and Greece.

Financial position – overview

The Group's balance sheet remains strong with net debt at 1.4 x EBITDA. The net outflow during the period related mainly to the seasonal uplift in working capital in Nigeria and used as a natural hedge against potential further currency devaluation.

Capital expenditure remains above depreciation levels due to the SAP implementation project which is scheduled to complete as planned during the early part of the FY18 financial year.

Regional reviews

Performance by region

Revenue[1] (£m)	**2015**	2014	Reported % change	Constant currency % change[2]	Like for like % change[3]
Africa	**157.8**	156.2	1.0%	17.9%	(5.8%)
Asia	**91.3**	98.7	(7.5%)	2.0%	(1.7%)
Europe	**136.8**	131.8	3.8%	6.3%	6.3%
	385.9	386.7	(0.2%)	9.6%	(0.3%)

Operating profit before exceptional items[4] (£m)	**2015**	2014	Reported % change	Constant currency % change[2]	Like for like % change[3]
Africa	**10.6**	12.2	(13.1%)	0.9%	(13.2%)
Asia	**7.8**	8.2	(4.9%)	4.4%	(2.5%)
Europe	**26.8**	25.6	4.7%	4.3%	4.3%
	45.2	46.0	(1.7%)	3.5%	(1.1%)

[1] Excludes joint ventures revenue of £90.5m (2014: £160.8m).
[2] Constant currency comparison (2014 results retranslated at 2015 exchange rates).
[3] Like for like comparison after adjusting 2014 for constant currency and 2015 for the impact of acquisitions and disposals made in the current and prior period. Also referred to as underlying.
[4] Exceptional items before tax (2015: costs £2.1m; 2014: costs £4.0m), relate primarily to restructuring costs and are detailed in note 4.

Africa

In **Nigeria**, whilst the exchange rate has remained stable against the dollar, low oil prices have continued to contribute to an environment of tight liquidity with additional foreign exchange restrictions imposed for certain imported items. In addition, relative pricing continued to be adjusted during the period across all categories to reflect the impact of the 25% devaluation that took place during the second half of the previous financial year.

During the period, the Group increased its holding in its Nigerian listed subsidiary from 72.8% to 73.0% at a cost of £0.8 million.

In Personal Care and Home Care, performance has been robust despite an extremely competitive environment with revenue and operating profits at a similar level to the comparative period. The Group's diverse portfolio with products at economy, mid and premium price points across soaps, detergents, babycare, skincare, medicaments and dishcare is ensuring market shares are held or grown despite the competitive intensity.

In the Electricals division, revenue and operating profits are significantly lower than the comparative period with the overall category down as a result of the squeeze on disposable income. Margins are also impacted by being unable to fully recover the impact of the previous 25% Naira devaluation. Despite this, the Haier Thermocool brand remains strong with market shares held or grown and will benefit once growth returns to the category.

Performance in the Nutricima milk business has been strong with good revenue and operating profit growth versus the comparative period driven in particular by the success of its two key brands NuNu and Olympic. The Group is benefitting from the full consolidation of Nutricima following the buy out of the former JV partner on 31 March 2015.

The PZ Wilmar edible oil joint venture has also performed well in the first half with good growth of consumer products under the Mamador and Devon King's brands resulting in an increase in profits for the joint venture versus the comparative period. Sales of bulk oil were lower than the comparative period due to currency liquidity impacting the business towards the end of the period.

In the smaller African markets, **Kenya** has performed well with revenue and operating profit ahead of the comparative period whilst continued currency volatility has affected profitability in **Ghana**.

Asia

In **Australia**, whilst trading conditions in the Home Care category remain challenging, good revenue and profit growth has been achieved across the Personal Care, Beauty and Food and Nutrition categories. Rafferty's Garden has delivered exciting growth through a relaunch of the brand with new packaging and variants as well as growth in international distribution into New Zealand, Hong Kong, Singapore and China. five:am has also performed well across both its core range of yoghurts and newer categories such as granolas.

In **Indonesia**, revenue growth has continued to be strong despite the more challenging consumer environment as a result of slower GDP growth and a weaker exchange rate. Cussons Baby has continued to maintain clear market share leadership and good progress has been made in growing other brands within the portfolio such as Imperial Leather, Carex and Original Source.

In the smaller Asian markets, **Thailand** has performed well although revenue and profits in **Middle East** are lower than the comparative period.

Europe

In the **UK,** the Washing and Bathing division has performed well with good revenue and profit growth versus the comparative period driven by a continuous innovation pipeline across its Imperial Leather, Carex and Original Source brands. In addition to a significant number of relaunches across the portfolio, a particular highlight during the period was the launch of a range of Carex bodywash products. Good growth has been achieved across both supermarket and other distribution channels.

The **Beauty** division delivered strong revenue and profit growth versus the comparative period. St Tropez performed particularly well driven in part by the success of the new in shower gradual tan lotion in the UK, US and Australian markets which also had a positive halo effect on the brand. Sanctuary has also delivered good growth benefiting from a new #LetGo campaign as well as the launch of a number of new ranges.

Performance in the smaller markets of **Poland** and **Greece** has been solid with good revenue and profit growth versus the comparative period.

Exceptional items

The Group has incurred exceptional costs of £2.1 million in the period relating to restructuring associated with the previously announced supply chain optimisation project (£1.2 million) and Group structure and systems project (£0.9 million).

Taxation

The effective tax rate before exceptional items was 25.4% (30 November 2014: 25.4%) and the effective tax rate post-exceptional items was 25.5% (30 November 2014: 25.4%).

Related parties

Related party disclosures are given in note 15.

Principal risks and uncertainties facing the Group

Our principal risks and uncertainties are explained in more detail in note 17 and remain as stated on pages 37, 38 and 39 of our 2015 Strategic Report which is available on our website at www.pzcussons.com.

Outlook

The strength of the Group's brand portfolio and innovation pipeline continues to ensure that market shares remain strong in all categories and markets.

Performance in Europe and Asia is expected to be robust in the second half of the financial year despite trading conditions remaining challenging.

In Nigeria, the Personal Care, Home Care, milk and consumer edible oil brands are expected to continue to perform well. The Electricals business will continue to operate significantly below prior year due to the squeeze on consumer disposable income. The key risk for the second half of the financial year in Nigeria is a further potential devaluation of the Naira coupled with low levels of foreign exchange availability. A further devaluation would increase costs and impact margins in the short term until the consumer environment can adjust to the increases in relative pricing.

The geographic and category diversity continues to serve the Group well with performance in Europe and Asia helping to counter the more difficult trading conditions in Africa.

The Group's balance sheet remains strong and well placed to pursue new opportunities as they arise.

Performance since the period end has been in line with expectations.

PZ CUSSONS PLC

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	**Unaudited Half-year to 30 November 2015** Before exceptional items £m	Exceptional items (note 4) £m	Total £m	Unaudited Half-year to 30 November 2014 Before exceptional items £m	Exceptional items (note 4) £m	Total £m	Audited Year to 31 May 2015 Before exceptional items £m	Exceptional items (note 4) £m	Total £m
Continuing operations										
Revenue	3	**385.9**	**-**	**385.9**	386.7	-	386.7	819.1	-	819.1
Cost of sales		**(240.3)**	**-**	**(240.3)**	(236.1)	-	(236.1)	(493.3)	-	(493.3)
Gross profit		**145.6**	**-**	**145.6**	150.6	-	150.6	325.8	-	325.8
Selling and distribution costs		**(66.8)**	**-**	**(66.8)**	(69.7)	-	(69.7)	(146.7)	-	(146.7)
Administrative expenses		**(35.4)**	**(2.1)**	**(37.5)**	(36.3)	(4.0)	(40.3)	(69.0)	(24.8)	(93.8)
Share of results of joint ventures		**1.8**	**-**	**1.8**	1.4	-	1.4	4.3	-	4.3
Operating profit/(loss)		**45.2**	**(2.1)**	**43.1**	46.0	(4.0)	42.0	114.4	(24.8)	89.6
Finance income		**0.1**	**-**	**0.1**	0.5	-	0.5	0.8	-	0.8
Finance costs		**(3.2)**	**-**	**(3.2)**	(2.8)	-	(2.8)	(6.4)	-	(6.4)
Net finance costs	5	**(3.1)**	**-**	**(3.1)**	(2.3)	-	(2.3)	(5.6)	-	(5.6)
Profit/(loss) before taxation		**42.1**	**(2.1)**	**40.0**	43.7	(4.0)	39.7	108.8	(24.8)	84.0
Taxation	7	**(10.7)**	**0.5**	**(10.2)**	(11.1)	1.0	(10.1)	(27.8)	1.7	(26.1)
Profit/(loss) for the period		**31.4**	**(1.6)**	**29.8**	32.6	(3.0)	29.6	81.0	(23.1)	57.9
Attributable to:										
Owners of the Parent		**30.5**	**(1.6)**	**28.9**	30.5	(3.0)	27.5	75.5	(23.1)	52.4
Non-controlling interests		**0.9**	**-**	**0.9**	2.1	-	2.1	5.5	-	5.5
		31.4	**(1.6)**	**29.8**	32.6	(3.0)	29.6	81.0	(23.1)	57.9
Basic EPS (p)	9			**6.75**			6.53			12.45
Diluted EPS (p)	9			**6.75**			6.52			12.44
Adjusted basic EPS (p)	9			**7.28**			7.24			17.94
Adjusted diluted EPS (p)	9			**7.28**			7.23			17.92

The notes on pages 11 to 20 are an integral part of these interim consolidated financial statements.

PZ CUSSONS PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	Unaudited	Audited
	Half-year to 30 November 2015	Half-year to 30 November 2014	Year to 31 May 2015
	£m	£m	£m
Profit for the period	**29.8**	29.6	57.9
Other comprehensive income/(expense)			
Items that will not subsequently be reclassified to profit or loss			
Remeasurement of post-employment obligations	**7.4**	4.4	(6.7)
Deferred tax on remeasurement of post employment obligations	**-**	-	1.3
Total items that will not be reclassified to profit or loss	**7.4**	4.4	(5.4)
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	**0.6**	2.7	(37.5)
Cash flow hedges - fair value (loss)/gain in period	**(0.8)**	2.2	2.8
Tax on items that may be subsequently reclassified to profit or loss	**-**	-	(0.5)
Total items that may subsequently be reclassified to profit or loss	**(0.2)**	4.9	(35.2)
Other comprehensive income/(expense) for the period net of taxation	**7.2**	9.3	(40.6)
Total comprehensive income for the period	**37.0**	38.9	17.3
Attributable to:			
Owners of the Parent	**35.4**	36.2	18.6
Non-controlling interests	**1.6**	2.7	(1.3)

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CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**Unaudited 30 November 2015 £m**	Unaudited 30 November 2014 £m	Audited 31 May 2015 £m
Assets				
Non-current assets				
Goodwill and other intangible assets	6	**356.4**	332.4	356.6
Property, plant and equipment	6	**212.9**	201.2	209.1
Other investments		**0.3**	0.3	0.3
Net investments in joint ventures		**30.6**	47.4	28.6
Trade and other receivables		**1.2**	6.2	1.0
Retirement benefit surplus	12	**47.3**	42.9	43.4
		648.7	630.4	639.0
Current assets				
Inventories		**174.4**	186.6	163.7
Trade and other receivables		**183.7**	205.3	178.5
Current asset investments	11	**0.3**	0.3	0.3
Cash and short term deposits	11	**53.7**	78.6	55.4
		412.1	470.8	397.9
Total assets		**1,060.8**	1,101.2	1,036.9
Equity				
Share capital		**4.3**	4.3	4.3
Capital redemption reserve		**0.7**	0.7	0.7
Currency translation reserve		**(31.3)**	1.7	(31.1)
Hedging reserve		**0.4**	1.1	1.2
Retained earnings		**487.9**	482.2	478.1
Attributable to owners of the Parent		**462.0**	490.0	453.2
Non-controlling interests		**42.9**	51.3	43.8
Total equity		**504.9**	541.3	497.0
Liabilities				
Non-current liabilities				
Borrowings	11	**241.1**	179.0	-
Trade and other payables		**0.6**	0.7	0.6
Deferred taxation liabilities		**48.8**	43.0	47.8
Retirement benefit obligations	12	**18.8**	19.8	27.1
		309.3	242.5	75.5
Current liabilities				
Borrowings	11	**3.9**	34.0	213.1
Trade and other payables		**193.3**	230.0	205.8
Current taxation payable		**37.5**	35.8	32.1
Provisions		**11.9**	17.6	13.4
		246.6	317.4	464.4
Total liabilities		**555.9**	559.9	539.9
Total equity and liabilities		**1,060.8**	1,101.2	1,036.9

The notes on pages 11 to 20 are an integral part of these interim consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Parent						
	Share capital £m	Currency translation reserve £m	Capital redemption reserve £m	Retained earnings £m	Hedging reserve £m	Non controlling interests £m	Total £m
At 1 June 2014	**4.3**	**(0.4)**	**0.7**	**480.5**	**(1.1)**	**52.4**	**536.4**
Total comprehensive income/(expense) for the period	-	2.1	-	31.9	2.2	2.7	**38.9**
Transactions with owners:							
Ordinary dividends	-	-	-	(22.0)	-	-	**(22.0)**
Acquisition of shares by ESOT	-	-	-	(4.8)	-	-	**(4.8)**
Acquisition of non-controlling interest	-	-	-	(3.4)	-	(1.1)	**(4.5)**
Non-controlling interests dividend paid	-	-	-	-	-	(2.7)	**(2.7)**
Total transactions with owners recognised directly in equity	**-**	**-**	**-**	**(30.2)**	**-**	**(3.8)**	**(34.0)**
At 30 November 2014	**4.3**	**1.7**	**0.7**	**482.2**	**1.1**	**51.3**	**541.3**
At 1 June 2014	**4.3**	**(0.4)**	**0.7**	**480.5**	**(1.1)**	**52.4**	**536.4**
Total comprehensive income/(expense) for the period	**-**	**(30.7)**	**-**	**47.0**	**2.3**	**(1.3)**	**17.3**
Transactions with owners:							
Ordinary dividends	-	-	-	(33.0)	-	-	**(33.0)**
Acquisition of shares by ESOT	-	-	-	(8.5)	-	-	**(8.5)**
Share-based payments credit	-	-	-	(0.9)	-	-	**(0.9)**
Deferred tax on share-based payments	-	-	-	(0.2)	-	-	**(0.2)**
Acquisition of non-controlling interest	-	-	-	(6.8)	-	(3.1)	**(9.9)**
Non-controlling interests dividend paid	-	-	-	-	-	(4.2)	**(4.2)**
Total transactions with owners recognised directly in equity	**-**	**-**	**-**	**(49.4)**	**-**	**(7.3)**	**(56.7)**
At 31 May 2015	**4.3**	**(31.1)**	**0.7**	**478.1**	**1.2**	**43.8**	**497.0**
At 1 June 2015	**4.3**	**(31.1)**	**0.7**	**478.1**	**1.2**	**43.8**	**497.0**
Total comprehensive income/(expense) for the period	**-**	**(0.2)**	**-**	**36.4**	**(0.8)**	**1.6**	**37.0**
Transactions with owners:							
Ordinary dividends	**-**	**-**	**-**	**(22.6)**	**-**	**-**	**(22.6)**
Acquisition of shares by ESOT	**-**	**-**	**-**	**(4.0)**	**-**	**-**	**(4.0)**
Share based payments charges	**-**	**-**	**-**	**0.5**	**-**	**-**	**0.5**
Acquisition of non-controlling interest	**-**	**-**	**-**	**(0.5)**	**-**	**(0.3)**	**(0.8)**
Non-controlling interests dividend paid	**-**	**-**	**-**	**-**	**-**	**(2.2)**	**(2.2)**
Total transactions with owners recognised directly in equity	**-**	**-**	**-**	**(26.6)**	**-**	**(2.5)**	**(29.1)**
At 30 November 2015	**4.3**	**(31.3)**	**0.7**	**487.9**	**0.4**	**42.9**	**504.9**

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Half-year to 30 November 2015 £m	Unaudited Half-year to 30 November 2014 £m	Audited Year to 31 May 2015 £m
Cash flows from operating activities			
Cash generated from/(used in) operations (note 10)	**18.6**	(6.2)	61.6
Taxation paid	**(4.8)**	(7.8)	(18.5)
Interest paid (note 5)	**(3.2)**	(2.8)	(6.4)
Net cash generated from/(used in) operating activities	**10.6**	(16.8)	36.7
Cash flows from investing activities			
Interest income (note 5)	**0.1**	0.5	0.8
Purchase of property, plant and equipment (note 6)	**(17.1)**	(11.5)	(36.5)
Proceeds from sale of property, plant and equipment	**2.5**	-	0.1
Costs incurred to gain control of Nutricima joint venture	**-**	-	(21.0)
Acquisition of five:am	**-**	(39.5)	(39.5)
Debt repaid as part of acquisition of five:am	**-**	(6.4)	(6.4)
Acquisition of Greek vinegar brand and assets	**-**	-	(5.4)
Cash and cash equivalents obtained from acquired business	**-**	1.1	1.7
Repayment of short-term deposits with joint ventures	**-**	18.8	18.8
Net cash used in investing activities	**(14.5)**	(37.0)	(87.4)
Cash flows from financing activities			
Dividends paid to non-controlling interests	**(2.2)**	(2.7)	(4.2)
Purchase of shares for ESOT	**(4.0)**	(4.8)	(8.5)
Dividends paid to Company shareholders (note 8)	**(22.6)**	(22.0)	(33.0)
Acquisition of non-controlling interests	**(0.8)**	(4.5)	(9.9)
Repayment of term loan	**(205.5)**	(7.5)	(15.0)
Increase in borrowings	**241.1**	83.0	102.0
Net cash generated from financing activities	**6.0**	41.5	31.4
Net increase/(decrease) in cash and cash equivalents (note 11)	**2.1**	(12.3)	(19.3)
Cash and cash equivalents at the beginning of the period (note 11)	**47.8**	70.0	70.0
Effect of foreign exchange rates (note 11)	**(0.1)**	1.9	(2.9)
Cash and cash equivalents at the end of the period (note 11)	**49.8**	59.6	47.8

The notes on pages 11 to 20 are an integral part of these interim consolidated financial statements.

1. Basis of preparation

The Company is a public limited company incorporated and domiciled in England. It has a primary listing on the London Stock Exchange. The address of its registered office is shown on page 23.

These condensed consolidated interim financial statements for the six months ended 30 November 2015, which have been reviewed, not audited, have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority and in accordance with IAS 34, 'Interim financial reporting' as adopted by the European Union (EU). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 May 2015 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for use in the EU, including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Standard Interpretations Committee (IFRS - IC).

The interim financial statements for the period ended 30 November 2015 do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial information set out in this statement relating to the year ended 31 May 2015 does not constitute statutory accounts for that period. Full audited accounts of the Group in respect of that financial period were approved by the Board of Directors on 21 July 2015 and have been delivered to the Registrar of Companies. The report of the auditors on these accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under section 498 of the Companies Act 2006.

These consolidated interim financial statements were approved for issue on 26 January 2016.

Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 May 2015.

Going concern basis

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review. The financial position of the Group and liquidity position are also described within the Financial Position section of that review.

After making enquiries and having considered the availability of resources, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the Interim Statement.

2. Accounting policies

The accounting policies are consistent with those of the annual financial statements for the year ended 31 May 2015.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The following standards have been issued but are not yet effective and have not been early adopted by the Group.

- IFRS 9 'Financial instruments' (effective 1 January 2018) (not yet EU adopted)
- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)

3. Segmental analysis

The Chief Operating Decision-Maker (CODM) has been identified as the Executive Board which comprises the three Executive Directors.

The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports which include an allocation of central revenue and costs as appropriate.

The CODM considers the business from a geographic perspective with Africa, Asia and Europe being the operating segments. The CODM assesses performance based on operating profit before exceptional items. Other information provided, except as noted below, to the CODM is measured in a manner consistent with that of the financial statements.

Revenues and operating profit of the Europe and Asia segments arise from the sale of Personal Care, Home Care and Food and Nutrition products. Revenue and operating profit from the Africa segment arise from the sale of Personal Care, Home Care, Food and Nutrition and Electrical products.

Business segments

Half year to 30 November 2015	**Africa £m**	**Asia £m**	**Europe £m**	**Eliminations £m**	**Total £m**
Gross segment revenue	158.7	96.9	209.6	(79.3)	385.9
Inter segment revenue	(0.9)	(5.6)	(72.8)	79.3	-
Revenue	157.8	91.3	136.8	-	385.9
Segmental operating profit before exceptional items and share of results of joint ventures	8.8	7.8	26.8	-	43.4
Share of results of joint ventures	1.8	-	-	-	1.8
Segmental operating profit before exceptional items	10.6	7.8	26.8	-	45.2
Exceptional Items	(0.6)	(0.8)	(0.7)	-	(2.1)
Segmental operating profit	10.0	7.0	26.1	-	43.1
Finance income					0.1
Finance cost					(3.2)
Profit before taxation					40.0

Half year to 30 November 2014	**Africa £m**	**Asia £m**	**Europe £m**	**Eliminations £m**	**Total £m**
Gross segment revenue	160.6	104.7	213.5	(92.1)	386.7
Inter segment revenue	(4.4)	(6.0)	(81.7)	92.1	-
Revenue	156.2	98.7	131.8	-	386.7
Segmental operating profit before exceptional items and share of results of joint ventures	10.8	8.2	25.6	-	44.6
Share of results of joint ventures	1.4	-	-	-	1.4
Segmental operating profit before exceptional items	12.2	8.2	25.6	-	46.0
Exceptional Items	(0.4)	(1.1)	(2.5)	-	(4.0)
Segmental operating profit	11.8	7.1	23.1	-	42.0
Finance income					0.5
Finance cost					(2.8)
Profit before taxation					39.7

Year to 31 May 2015	**Africa £m**	**Asia £m**	**Europe £m**	**Eliminations £m**	**Total £m**
Gross segment revenue	362.3	211.6	428.8	(183.6)	819.1
Inter segment revenue	(5.5)	(12.5)	(165.6)	183.6	-
Revenue	356.8	199.1	263.2	-	819.1
Segmental operating profit before exceptional items and share of results of joint ventures	35.3	16.9	57.9	-	110.1
Share of results of joint ventures	4.3	-	-	-	4.3
Segmental operating profit before exceptional items	39.6	16.9	57.9	-	114.4
Exceptional Items	(6.7)	(6.6)	(11.5)	-	(24.8)
Segmental operating profit	32.9	10.3	46.4	-	89.6
Finance income					0.8
Finance cost					(6.4)
Profit before taxation					84.0

3. Segmental analysis (continued)

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit.

The Group analyses its net revenue by the following categories:

	Unaudited	Unaudited	Audited
	Half-year to 30 November 2015	Half-year to 30 November 2014	Year to 31 May 2015
	£m	£m	£m
Personal Care	**195.7**	204.5	415.9
Home Care	**57.1**	68.3	139.8
Food and Nutrition	**82.7**	50.4	116.2
Electricals	**45.4**	61.1	140.6
Other	**5.0**	2.4	6.6
	385.9	386.7	819.1

4. Exceptional items

Half year to 30 November 2015

The Group incurred exceptional costs of £2.1 million as follows:

- Supply chain optimisation project with associated restructuring costs (charge of £1.2 million)
- Group structure and systems project costs (charge of £0.9 million)

Half year to 30 November 2014

The Group incurred exceptional costs of £4.0 million as follows:

- Supply chain optimisation project with associated restructuring costs (charge of £1.3 million)
- five:am acquisition and integration costs (charge of £1.1 million)
- Group structure and systems project costs (charge of £1.6 million)

Year to 31 May 2015

The Group recognised exceptional costs of £24.8 million as follows:

- Polish Home Care brands divestment and manufacturing site disposal (charge of £6.4 million)
- Provision against Nigerian government receivables (charge of £6.0m)
- Supply chain optimisation project with associated restructuring costs (charge of £6.1 million)
- Five:am acquisition and integration costs (charge of £4.3 million)
- Group structure and systems project costs (charge of £2.0 million)

5. Net finance expense

	Unaudited	Unaudited	Audited
	Half-year to 30 November 2015	Half-year to 30 November 2014	Year to 31 May 2015
	£m	£m	£m
Net investment gains	**-**	-	0.1
Interest receivable	**0.1**	0.5	0.7
Interest income	**0.1**	0.5	0.8
Interest payable on bank loans and overdrafts	**(3.2)**	(2.8)	(6.4)
Net finance costs	**(3.1)**	(2.3)	(5.6)

6. Property, plant and equipment and intangible assets

	Goodwill and other intangible assets £m	Property, plant and equipment £m
Opening net book amount as at 1 June 2014	287.7	195.3
Additions	-	11.5
Acquisitions	44.9	3.5
Disposals	-	(0.1)
Depreciation	-	(10.5)
Currency retranslation	(0.2)	1.5
Closing net book amount as at 30 November 2014	**332.4**	**201.2**
Opening net book amount as at 1 June 2015	356.6	209.2
Additions	-	17.1
Disposals	-	(2.8)
Depreciation	-	(10.7)
Impairment	-	(0.2)
Currency retranslation	(0.2)	0.3
Closing net book amount as at 30 November 2015	**356.4**	**212.9**

Goodwill and other intangible assets comprise goodwill of £67.5 million (30 November 2014: £67.5 million) and other intangible assets of £288.9 million (30 November 2014: £264.9 million).

At 30 November 2015, the Group had entered into commitments for the acquisition of property, plant and equipment amounting to £0.5 million (30 November 2014: £1.7 million). At 30 November 2015, the Group's share in the capital commitments of joint ventures was £nil (30 November 2014: £nil).

7. Taxation charge

	Unaudited Half-year to 30 November 2015 £m	Unaudited Half-year to 30 November 2014 £m	Audited Year to 31 May 2015 £m
United Kingdom	**4.2**	3.7	9.1
Overseas	**6.0**	6.4	17.0
	10.2	10.1	26.1

Income tax expense is recognised based on management's best estimate of the weighted average annual tax rate expected for the full financial year. The estimated average annual tax rate to be used for the year ending 31 May 2016, before exceptional items, is 25.4% (the tax rate for the half-year ended 30 November 2014 was 25.4%) and the effective tax rate to be used post-exceptional items, is 25.5% (30 November 2014: 25.4%).

8. Dividends

An interim dividend of 2.61p per share for the half-year to 30 November 2015 (30 November 2014: 2.61p) has been declared totalling £10.9 million (30 November 2014: £11.2 million) and is payable on 7 April 2016 to shareholders on the register at the close of business on 19 February 2016. This interim dividend has not been recognised in this half yearly report as it was declared after the end of the reporting period. The proposed final dividend for the year ended 31 May 2015 of 5.39p per share, totalling £22.6 million, was approved by shareholders at the Annual General Meeting of the Company and paid on 1 October 2015.

9. Earnings per share

Basic earnings per share and diluted earnings per share are calculated by dividing profit for the period attributable to owners of the Parent by the following weighted average number of shares in issue:

	Unaudited	Unaudited	Audited
	Half-year to 30 November 2015	Half-year to 30 November 2014	Year to 31 May 2015
Basic weighted average (000)	**419,013**	421,430	420,851
Diluted weighted average (000)	**419,108**	422,162	421,282

The difference between the average number of Ordinary Shares and the basic weighted average number of Ordinary Shares represents the shares held by the Employee Share Option Trust, whilst the difference between the basic and diluted weighted average number of shares represents the dilutive effect of the Executive Share Option Schemes and the Performance Share Plan (together the 'share incentive plans'). The average number of shares is reconciled to the basic and diluted weighted average number of shares below:

	Unaudited	Unaudited	Audited
	Half-year to 30 November 2015	Half-year to 30 November 2014	Year to 31 May 2015
Average number of Ordinary Shares in issue during the period (000)	**428,725**	428,725	428,725
Less weighted average number of Ordinary Shares held by the Employee Share Option Trust (000)	**(9,712)**	(7,295)	(7,874)
Basic weighted average Ordinary Shares in issue during the period (000)	**419,013**	421,430	420,851
Dilutive effect of share incentive plans (000)	**95**	732	431
Diluted weighted average Ordinary Shares in issue during the period (000)	**419,108**	422,162	421,282

Adjusted basic and diluted earnings per share are calculated as follows:

	Unaudited	Unaudited	Audited
	Half-year to 30 November 2015	Half-year to 30 November 2014	Year to 31 May 2015
Basic earnings per share:			
- Adjusted basic earnings per share	**7.28p**	7.24p	17.94p
- Exceptional items	**(0.53p)**	(0.71p)	(5.49p)
Basic earnings per share	**6.75p**	6.53p	12.45p
Diluted earnings per share:			
- Adjusted diluted earnings per share	**7.28p**	7.23p	17.92p
- Exceptional items	**(0.53p)**	(0.71p)	(5.48p)
Diluted earnings per share	**6.75p**	6.52p	12.44p

The adjusted profit for the period has been calculated as follows:

	Unaudited	Unaudited	Audited
	Half-year to 30 November 2015	Half-year to 30 November 2014	Year to 31 May 2015
Profit attributable to owners of the Parent	**28.9**	27.5	52.4
Exceptional items (net of taxation effect)	**1.6**	3.0	23.1
Adjusted profit after tax	**30.5**	30.5	75.5

10. Reconciliation of profit before taxation to cash generated from/(used in) operations

	Unaudited Half-year to 30 November 2015 £m	Unaudited Half-year to 30 November 2014 £m	Audited Year to 31 May 2015 £m
Profit before taxation	**40.0**	39.7	84.0
Adjustment for net finance costs	**3.1**	2.3	5.6
Operating profit	**43.1**	42.0	89.6
Depreciation (note 6)	**10.7**	10.5	19.8
Impairment loss on tangible fixed assets	**0.2**	-	4.3
Loss on sale of tangible fixed assets	**0.3**	0.1	0.3
Difference between pension charge and cash contributions	**(4.7)**	(3.7)	(7.6)
Share of results from joint ventures	**(1.8)**	(1.4)	(4.3)
Share-based payments charge/(credit)	**0.5**	-	(0.9)
Operating cash flows before movements in working capital	**48.3**	47.5	101.2
Movements in working capital:			
Inventories	**(10.4)**	(23.2)	(3.6)
Trade and other receivables	**(6.6)**	(39.5)	(15.6)
Trade and other payables	**(12.2)**	3.7	(19.4)
Provisions	**(0.5)**	5.3	(1.0)
Cash generated from/(used in) operations	**18.6**	(6.2)	61.6

11. Net debt reconciliation

Group net debt comprises the following:

	Audited 1 June 2015 £m	Unaudited Cash flow £m	Unaudited Foreign exchange movements £m	Unaudited Non cash items £m	**Unaudited 30 November 2015 £m**
Cash at bank and in hand	45.2	1.5	(0.1)	-	**46.6**
Overdrafts	(7.6)	3.7	-	-	**(3.9)**
Short term deposits	10.2	(3.1)	-	-	**7.1**
Cash and cash equivalents	47.8	2.1	(0.1)	-	**49.8**
Current asset investments	0.3	-	-	-	**0.3**
Loans due within one year	(205.5)	-	-	205.5	**-**
Loans greater than one year	-	-	-	(241.1)	**(241.1)**
Net debt	(157.4)	2.1	(0.1)	(35.6)	**(191.0)**

During the period the Group refinanced its committed facilities in the UK. The new facility provided by a syndicate of three banks is composed of a £240 million multi-currency revolving credit facility with a final termination date of 2020.

12. Retirement benefits

The Group operates retirement benefit schemes for its UK and certain overseas subsidiaries. These obligations have been measured in accordance with IAS 19 (revised) and are as follows:

	Unaudited 30 November 2015 £m	Unaudited 30 November 2014 £m	Audited 31 May 2015 £m
UK schemes in surplus	**47.3**	42.9	43.4
UK schemes in deficit	**(11.3)**	(12.2)	(19.5)
Net UK position	**36.0**	30.7	23.9
Overseas schemes	**(7.5)**	(7.6)	(7.6)
	28.5	23.1	16.3

12. Retirement benefits (continued)

The Group has three main defined benefit schemes which are based and administered in the UK and are now closed to future accrual and new entrants.

The key financial assumptions (applicable to all UK schemes) applied in the actuarial review of the pension schemes have been reviewed in the preparation of these condensed consolidated interim financial statements and amended where appropriate from those applied at 31 May 2015. The key assumptions made were:

	Unaudited Half-year to 30 November 2015 % per annum	Unaudited Half-year to 30 November 2014 % per annum	Audited Year to 31 May 2015 % per annum
Rate of increase in retirement benefits in payment	**2.95%**	3.00%	3.00%
Discount rate	**3.65%**	3.75%	3.45%
Inflation assumption	**3.00%**	3.05%	3.05%

The movement during the period in the UK schemes are as follows:

	Unaudited 30 November 2015 £m	Unaudited 30 November 2014 £m
Retirement benefit surplus as at 1 June	**23.9**	22.1
Net pension interest income	**0.4**	0.5
Administration expenses paid by the scheme	**(0.3)**	(0.1)
Contributions paid	**4.6**	3.8
Remeasurement gain/(loss) due to changes in financial assumptions	**14.2**	(18.3)
(Loss)/return on plan assets (excluding interest income)	**(12.4)**	22.7
Remeasurement gain due to scheme experience	**5.6**	-
Retirement benefit surplus as at 30 November	**36.0**	30.7

13. Business combinations

i) Acquisition of 0.19% of share capital of PZ Cussons Nigeria Plc

Throughout the period from 1 June 2015 to 30 November 2015, the Group has acquired additional share capital of its existing subsidiary PZ Cussons Nigeria Plc, increasing the Group's stake from 72.84% to 73.03%. The consideration for these additional shares was £0.8 million and the amount debited to retained earnings was £0.5 million.

14. Financial risk management and financial instruments

The Group's operations expose it to a variety of financial risks that include the effects of changes in exchange rates, credit risk, liquidity and interest rates. The Group's treasury function reports to the Board at least annually with reference to the application of the Group treasury policy. The policy addresses issues of liquidity, funding and investment as well as interest rate, currency and commodity risks.

The condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements. This information and related disclosures are presented in the Group's annual financial statements as at 31 May 2015. There have been no changes in the risk management department or in any risk management policies since the year end.

i) Fair value estimation

The Group holds a number of financial instruments that are held at fair value within the interim financial statements. Financial instruments have been classified as level 1, level 2 or level 3 dependant on the valuation method applied in determining their fair value.

14. Financial risk management and financial instruments (continued)

i) Fair value estimation (continued)

The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The financial instruments held at fair value by the Group relate to foreign currency forward contracts used as derivatives for hedging. The Group holds a cancellable interest rate swap over the amortising term loan and the fair value is immaterial at period-end.

For both the six months ended 30 November 2015, 30 November 2014 and the year ended 31 May 2015 the assets and liabilities arising from foreign currency forward contracts have been classified as level 2. The fair value of these instruments at each of the period-ends was:

	Unaudited Half-year to 30 November 2015 £m	Unaudited Half-year to 30 November 2014 £m	Audited Year to 31 May 2015 £m
Assets			
Foreign currency forward contracts	**-**	0.7	0.7
Liabilities			
Foreign currency forward contracts	**0.6**	0.8	0.4

The Group recognises contingent consideration in respect of the acquisition of five:am at fair value and is a level 3 instrument.

The following table presents the changes in level 3 instruments for the half-year ended 30 November 2015, the half-year ended 30 November 2014 and the year ended 31 May 2015:

	Contingent consideration		
	Unaudited Half-year to 30 November 2015 £m	Unaudited Half-year to 30 November 2014 £m	Audited Year to 31 May 2015 £m
Opening balance	3.9	-	-
Arising on acquisitions	-	3.9	3.9
Used during the year	(2.5)	-	-
Unused amounts reversed	(1.4)	-	-
Closing balance	-	**3.9**	3.9

There have been no transfers between either level 1 and 2 or level 2 and 3 in any period.

The fair value of the following financial assets and liabilities approximate to their carrying amount:

- Trade receivables and other receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings

14. Financial risk management and financial instruments (continued)

ii) Valuation techniques used to derive fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for level 2 derivatives.

The Group's only level 3 measurements are in respect of contingent consideration arrangements arising on the acquisition of five:am in the prior year. The amount due under the contingent consideration arrangements were to be determined based on the profit generated by the business over a pre determined period. Management's estimate of the fair value of the contingent consideration was determined based on their best estimate of forecast profit, made with reference to board approved budgets and adjusted for actual performance throughout the period.

In the six months ended 30 November 2015 the contingent consideration arrangement has been settled and any excess provisions have been released to the income statement.

iii) Group's valuation processes

The Group's finance department includes a treasury team that performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values (as required).

15. Related party transactions

PZ Wilmar Limited and PZ Wilmar Food Limited

The following related party transactions were entered into by subsidiary companies during the year under the terms of a joint venture agreement with Singapore based Wilmar International Limited:

- At 30 November 2015 the outstanding loan balance receivable from PZ Wilmar Limited was £21.1 million (30 November 2014: £21.1 million) (31 May 2015: £21.0 million) and from PZ Wilmar Food Limited was £6.4 million (30 November 2014: £6.4 million) (31 May 2015: £6.4 million).

- The Group sourced and then sold certain raw materials to PZ Wilmar Limited to the value of £0.8 million (30 November 2014: £1.1 million). At 30 November 2015 the outstanding trade balance from PZ Wilmar Limited was £1.5 million (30 November 2014: £0.9 million) (31 May 2015: £0.8 million) and from PZ Wilmar Food Limited was nil (30 November 2014: nil) (31 May 2015: nil). The outstanding trade balance from the Group to PZ Wilmar Food Limited at 30 November 2015 was nil (30 November 2014: nil) (31 May 2015: nil).

All trading balances will be settled in cash. There were no provisions for doubtful related party receivables at 30 November 2015 (30 November 2014: nil) (31 May 2015: nil) and no charge to the income statement in respect of doubtful related party receivables (30 November 2014: nil) (31 May 2015: nil).

Wilmar PZ International Pte Limited

The following related party transactions were entered into by subsidiary companies during the year under the terms of a joint venture agreement with Singapore based Wilmar International Limited:

- At 30 November 2015 the outstanding balance from Wilmar PZ International Pte Limited was £2.1 million (30 November 2014: £1.6 million) (31 May 2015: £1.9 million). The outstanding balance from the Group to Wilmar PZ International Pte Limited at 30 November 2015 was nil (30 November 2014: nil) (31 May 2015: nil).

16. Seasonality

Certain business units have a degree of seasonality with the biggest factors being the weather and Christmas. However, no individual reporting segment is seasonal as a whole and therefore no further analysis is provided.

17. Principal risks and uncertainties

The principal risks affecting the Group and measures taken to reduce these risks are explained in detail on pages 37, 38 and 39 of our 2015 Strategic Report which is available on our website at www.pzcussons.com. The risks were categorised as market risk, financial risk and operational risk and are summarised as follows:

Market risks identified are: political and economic stability due to substantial operations in emerging markets; demand risk arising from changes in consumer preferences and the competitive environment in which the Group operates; and raw material risk relating to price and supply fluctuations in raw materials used in production.

The major financial risk identified is foreign currency and treasury risk due to the international nature of the Group.

Operational risks identified are: the ability to recruit and retain the right calibre of people at all levels; and reputational risk as a result of failure to meet safety, social, environmental and ethical standards in all operations and activities.

The Group Risk Committee is responsible for ensuring, where possible, actions are taken to manage and mitigate the risks identified.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors' confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors of PZ Cussons Plc are listed on page 23. A list of current Directors is maintained on the PZ Cussons Plc website.

By order of the Board

Mr S P Plant
Company Secretary
26 January 2016

Independent review report to PZ Cussons Plc

Report on the consolidated interim financial statements

Our conclusion

We have reviewed PZ Cussons Plc's consolidated interim financial statements (the "interim financial statements") in the interim announcement of results of PZ Cussons Plc for the 6 month period ended 30 November 2015. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated balance sheet as at 30 November 2015;
- the condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of cash flows for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim announcement of results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim announcement of results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim announcement of results in accordance with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim announcement of results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim announcement of results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Leeds
26 January 2016

PZ CUSSONS PLC

Directors

Chairman
R J Harvey *

Chief Executive
G A Kanellis

J A Arnold *
C G Davis
N Edozien *
B H Leigh
H Owers *
C Silver*

* Non-executive

Secretary
S P Plant

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