

15 December 2016

**PZ Cussons Plc**  
**(the “Group”)**

**TRADING UPDATE**

PZ Cussons Plc announces its trading update in respect of the half year to 30 November 2016.

**Overview**

The board announces that the overall performance of the Group has been in line with expectations with profits broadly flat versus the comparative period.

The Group's balance sheet remains strong with cash generation for the period also in line with expectations.

**First half trading**

Europe

In the UK, performance in the washing and bathing division has been robust with new product launches under Imperial Leather, Carex and Original Source ensuring great shelf presence in a challenging trading environment.

In the beauty division, whilst a poor summer adversely affected sales of St Tropez in the UK, performance across the brand portfolio has been good for the remainder of the period, with new product launches in the second half of the year to include an extension of the Sanctuary range.

Performance in the smaller markets of Poland and Greece was in line with expectations.

Asia

In Australia, tough trading conditions have continued across all categories with higher levels of promotions required. Market shares have been maintained and new product launches are planned during the remainder of the year across both HPC and Food & Nutrition portfolios.

In Indonesia, good growth has continued across the brand portfolio. Additional brand investment has been incurred in the first half ahead of significant brand initiatives planned for the second half including a relaunch of the Cussons Kids range and a new range of Imperial Leather products.

Performance in the smaller markets of Thailand and the Middle East was in line with expectations.

Africa

In Nigeria, following the introduction of the new flexible exchange rate regime in June which led to a 40% devaluation of the naira, liquidity remains poor with the exchange rate continuing to weaken on both the interbank and secondary markets.

Market shares across personal care, home care, electricals and food and nutrition have either been held or grown in the period, although volumes in all categories are lower as a result of changes to relative pricing. The Group's diverse brand portfolio with product offerings at all price points is working well in an environment where the consumer is under significant inflationary pressure and down trading to lower price points and sizes.

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

### **Full year outlook**

The strength of the Group's brand portfolio and innovation pipeline continues to ensure that the market shares of our products remain strong in all markets despite tough trading conditions.

Brand renovation and innovation will underpin the trading result in the second half in Europe and Asia, with various mitigating actions planned across the UK businesses to counter higher costs.

In Nigeria, the brand portfolio is well positioned for peak season in the country with the Group's heritage and experience serving it well through very challenging macro conditions.

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

### **Interim Announcement**

Interim results for the half year to 30 November 2016 will be announced on Tuesday 24 January 2017.

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