

AGM Trading Statement - 26 April 2012

Strong start to 2012

Martin Flower, Chairman of Croda International Plc, is due to provide the following update on first quarter trading for the period ended 31 March 2012 at today's Annual General Meeting:

"I am pleased to report that we achieved record Group results in the first three months of 2012, driven by our highest ever quarterly sales and profits in both Consumer Care and Performance Technologies.

Group sales from continuing operations increased 4.7% to £291.0m (2011: £277.9m). We achieved sales growth in all the major geographical areas in which we operate and volumes were much improved versus the run rates seen during the second half of 2011. Group operating profit from continuing operations was up 8.0% to £65.8m (2011: £60.9m).

Group pre-tax profit from continuing operations increased 7.2% to £65.1m (2011: £60.7m).

All business areas within Consumer Care saw very good growth, resulting in a sales uplift of 9.2% to £159.7m (2011: £146.3m) and a 13.7% increase in operating profit to £48.2m (2011: £42.4m). Return on sales was 30.2%.

Performance Technologies sales increased by 2.9% to £106.9m (2011: £103.9m), in line with expectations, and operating profit increased by 1.2% to £16.3m (2011: £16.1m). Return on sales was 15.2%. This was an encouraging result against very strong comparatives in the first quarter of 2011 when we experienced profit growth of 56.3%.

In Industrial Chemicals, which represents less than 2% of Group operating profit, sales fell by 11.9% to £24.4m (2011: £27.7m) due to slow demand in Europe. This led to a 45.8% fall in operating profit to £1.3m (2011: £2.4m).

Raw material costs have started to rise and we began to introduce price increases across a number of product areas from April.

Strong cash generation and a final receipt of £15.9m from the 2008 sale of our Chicago business reduced net debt by £45.2m to £185.9m (year end 2011: £231.1m).

The Board believes that these results represent a strong start to the year and we remain confident that 2012 will be another year of progress for Croda."

Unaudited income statement before tax and exceptional items

31 March 2012

£m

	3 months to	3 months to	Change
	31 March	31 March	
	2012	2012	

Consumer Care	159.7	146.3	+9.2%
Performance Technologies	106.9	103.9	+2.9%
Industrial Chemicals	24.4	27.7	-11.9%
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Revenues from continuing operations	291.0	277.9	+4.7%
Consumer Care	48.2	42.4	+13.7%
Performance Technologies	16.3	16.1	+1.2%
Industrial Chemicals	1.3	2.4	-45.8%
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Operating profit from continuing operations	65.8	60.9	+8.0%
Net bank and loan interest payable	(1.9)	(2.0)	
Net retirement benefit scheme financing	1.2	1.8	

Profit before tax from continuing operations	65.1	60.7	+7.2%
Operating margin	22.6%	21.9%	
Analysis of turnover uplift for continuing operations			
Volume			-1.5%
Currency impact			-0.2%
Price/mix			+6.4%
			+4.7%