

Croda announces its results for the nine months to 30 September 2012.

Interim Management Statement and announcement of disposal

Croda International Plc (“Croda”) today announces its interim management statement for the period since 1 July 2012 and the disposal of its Italian business based in Cremona. All figures in this statement, including those for the comparative periods, exclude this business which will be treated as discontinued in the full year accounts.

Trading

Trading in the third quarter was robust considering the depressed market conditions, particularly in Europe. Underlying* Group sales were up 3.2% compared to 2011.

Month to month trading has been volatile: sales were in line with expectations in July and August but trading weakened in September, usually a strong month. Adverse currency translation averaged 2.8% but the exit rate for the quarter was 6.2%. Including the adverse currency impact, continuing sales were up 0.5% at £256.5m (2011: £255.2m). As in previous quarters, we saw turnover decline in Europe but experienced growth in all other major regions. Volumes were up 8.9% overall but the strongest growth came in lower value products in Performance Technologies and Industrial Chemicals (which were weak in the third quarter of 2011). This meant that average selling prices fell by 5.7%. We fully recovered raw material inflation.

Despite an adverse mix, operating margins increased to 23.3% (2011: 22.3%). As a result, continuing operating profit increased 4.7% to £59.7m (2011: £57.0m) and continuing pre-tax profit increased 4.4% to £59.3m (2011: £56.8m). Against a very strong third quarter in 2011, Consumer Care sales were down 2.7% due to slow Personal Care sales, particularly in Europe. Health Care and Crop Care both saw sales increase in the quarter. Return on sales grew 2.5 percentage points to 31.4% driven primarily by a number of successful product launches but also due to a lower allocation of central costs as a consequence of the reduced turnover. This resulted in operating profit growth of 5.7% to £44.2m (2011: £41.8m).

Performance Technologies sales were up 2.5% at £94.7m (2011: £92.4m). We saw growth in all business sectors apart from Lubricant Additives. Again, we successfully launched a significant number of new products but the strongest growth in the quarter came from existing, lower margin, less differentiated products. The higher volumes relative to Consumer Care led to an increased allocation of central costs to this segment. These factors reduced overall return on sales to 14.1% (2011: 14.8%) and resulted in a profit reduction of 2.2% to £13.4m (2011: £13.7m).

Industrial Chemicals performed strongly with sales up 16.1% to £20.9m (2011: £18.0m). Profits in this sector increased 40.0% to £2.1m (2011: £1.5m).

Despite the soft trading environment in Europe and the currency headwinds, our operating profit for the year to date at £193.5m is 8.2% ahead of a strong 2011 comparative period. This continues to vindicate our strategy of concentrating on high value, niche markets with innovative technologies, supplying to customers both large and small around the world.

* Excluding acquisitions, disposals and currency

Financial Position

Net debt reduced by £5.8m to £202.2m in the quarter despite a £10.2m payment to the pension fund as part of the funding plan announced with the interim results.

There were no significant events or transactions during the period which resulted in a material impact on the financial position of the Group.

Disposal

We are announcing today the sale of our Italian business based in Cremona to a private company located in Italy for a consideration equivalent to the working capital value. Completion is subject to a number of minor conditions but is expected to take place before the year end. The business was acquired with Uniqema in 2006 and is focused on the manufacture of basic products for the Performance Technologies and Industrial Chemicals sectors. In the first nine months of the year it had a turnover of £25.4m (2011: £32.2m) and made an operating loss of £0.1m (2011: operating profit £4.1m). In the third quarter it had sales of £7.8m (2011: £10.4m) and broke even (2011: £0.6m profit).

Commenting on the outlook, Martin Flower, Chairman of Croda said:

“Quarter four has started well. However, with the market remaining weak, particularly in Europe, and currency headwinds, we expect a similar performance in quarter four to that seen in the third quarter. Looking further forward, the Board remains confident that Croda has the right strategy for continued growth.”

For further information please contact:

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The company will host a conference call for analysts at 8.00am today.

Please dial +44 (0) 20 3140 0722 and quote “Croda International” to gain access to the call.

Additional Information

| £m | Q3 | | 9 months | | | |
|---------------|-------|-------|----------|-------|-------|-------|
| | 2012 | 2011 | 2012 | 2011 | | |
| Consumer Care | 140.9 | 144.8 | -2.7% | 450.1 | 437.0 | +3.0% |

| | | | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Performance Technologies | 94.7 | 92.4 | +2.5% | 298.9 | 291.9 | +2.4% |
| Industrial Chemicals | 20.9 | 18.0 | +16.1% | 62.8 | 64.1 | -2.0% |
| Continuing turnover | 256.5 | 255.2 | +0.5% | 811.8 | 793.0 | +2.4% |
| Consumer Care | 44.2 | 41.8 | +5.7% | 140.9 | 128.6 | +9.6% |
| Performance Technologies | 13.4 | 13.7 | -2.2% | 46.3 | 42.5 | +8.9% |
| Industrial Chemicals | 2.1 | 1.5 | +40.0% | 6.3 | 7.7 | -18.2% |
| Continuing operating profit | 59.7 | 57.0 | +4.7% | 193.5 | 178.8 | +8.2% |
| Operating margin | 23.3% | 22.3% | | 23.8% | 22.6% | |
| Interest | (0.4) | (0.2) | | (1.5) | (0.7) | |
| Continuing pre tax profit | 59.3 | 56.8 | +4.4% | 192.0 | 178.1 | +7.8% |
| Analysis of Q3 turnover uplift | | | | | | |
| Price/mix | | | -5.7% | | | +0.7% |

| | | |
|--|--------------|--------------|
| Volume | +8.9% | +3.5% |
| Underlying | +3.2% | +4.2% |
| Acquisition | +0.1% | - |
| Currency | -2.8% | -1.8% |
| Increase in continuing turnover | +0.5% | +2.4% |

Supplementary analysis for continuing operations 30 September 2012

Unaudited £m

| | 2012 | 2012 | 2012 |
|--------------------------|-------|-------|-------|
| | Q1 | Q2 | Q3 |
| Turnover | | | |
| Consumer Care | 159.1 | 150.1 | 140.9 |
| Performance Technologies | 102.7 | 101.5 | 94.7 |
| Industrial Chemicals | 20.1 | 21.8 | 20.9 |
| | _____ | _____ | _____ |
| | 281.9 | 273.4 | 256.5 |

Profits

| | | | | | |
|--------------------------|-------|-------|-------|-------|-------|
| Consumer Care | 48.2 | 48.5 | 44.2 | | |
| Performance Technologies | 15.8 | 17.1 | 13.4 | | |
| Industrial Chemicals | 1.5 | 2.7 | 2.1 | | |
| | 65.5 | 68.3 | 59.7 | | |
| Interest | (0.7) | (0.4) | (0.4) | | |
| | 64.8 | 67.9 | 59.3 | | |
| | 2011 | 2011 | 2011 | 2011 | 2011 |
| | Q1 | Q2 | Q3 | Q4 | Year |
| Turnover | | | | | |
| Consumer Care | 145.7 | 146.5 | 144.8 | 135.1 | 572.1 |
| Performance Technologies | 99.2 | 100.3 | 92.4 | 84.5 | 376.4 |
| Industrial Chemicals | 22.6 | 23.5 | 18.0 | 23.6 | 87.7 |

| | | | | | |
|--|-------|-------|-------|-------|---------|
| | 267.5 | 270.3 | 255.2 | 243.2 | 1,036.2 |
|--|-------|-------|-------|-------|---------|

Profits

| | | | | | |
|--------------------------|------|------|------|------|-------|
| Consumer Care | 41.8 | 45.0 | 41.8 | 42.6 | 171.2 |
| Performance Technologies | 14.6 | 14.2 | 13.7 | 12.8 | 55.3 |
| Industrial Chemicals | 2.7 | 3.5 | 1.5 | 3.5 | 11.2 |

| | | | | | |
|----------|-------|-------|-------|------|-------|
| | 59.1 | 62.7 | 57.0 | 58.9 | 237.7 |
| Interest | (0.2) | (0.3) | (0.2) | 0.5 | (0.2) |

| | | | | | |
|--|------|------|------|------|-------|
| | 58.9 | 62.4 | 56.8 | 59.4 | 237.5 |
|--|------|------|------|------|-------|