27 April 2016

Croda International Plc
Trading update for the first quarter of 2016

Strong innovation supporting continued growth

Croda International Plc (“Croda” or the “Group”), a world leader in speciality chemical ingredients, today updates on its trading during the first quarter of 2016, ended 31 March 2016 (“Q1” or “the quarter”).

Reported sales up 7.7%
Reported sales in Q1 rose by 7.7% to £306.8 million (Q1 2015: £284.9m). Incotec, our seed treatment business, added 4.7% to Group sales in its first full quarter since acquisition. Favourable currency translation increased reported sales by 3.9%, reflecting the impact of the stronger Euro and US dollar.

Continued growth in the core business
Underlying sales from our three core sectors grew by 0.4%. Innovation remained strong, with underlying sales of New and Protected Products (‘NPP’) growing well ahead of overall sales, up by 8.0%. We continue to improve the quality of our product mix and further increase the intellectual property in the business, driving profit ahead of sales.

Improved margin driven by innovation
Profit growth in the first quarter was in line with our expectations. This was achieved through a good performance in consumer markets, successful innovation reflected in NPP growth in all sectors, growth with regional and local customers, and improved mix within our product portfolio. As a result, despite the dilutive effect of Incotec, Group operating margin increased by 60 basis points in the quarter.

Further growth in Asia
In the core business, Asia continued to grow strongly, with underlying sales up 7.2%. Sales to regional and local customers performed well and the transfer from local distributors to direct sales is underway. Europe also continued to deliver steady growth, with underlying sales up 2.7%. Underlying sales in North America declined 1.8%. Export customers have been impacted by the strong dollar and we have seen US customers relocate manufacturing overseas. Volume in Latin America remained weak due to difficult macroeconomic conditions, and sales, whilst up strongly in local currency, were down 11.5% on an underlying basis.

Strong margin growth in Personal Care
Operating margin in Personal Care continued to grow, reflecting an improved product mix and increased NPP sales. Reported sales rose 3.0%, whilst underlying sales were 1.1% lower, largely reflecting a tougher comparator in Latin America and lower export-driven sales in North America. We continue to focus on innovation and higher value products. We have seen encouraging growth from our Sederma skin actives business, supported by expansion in sun care ingredients for UV protection across the personal care market and new product launches. We saw good demand from regional and local customers in Asia and Europe, supporting our strategy of winning by getting closer to customers.
Growth in Life Sciences boosted by improved Crop Care sales
Underlying sales in Life Sciences grew by 4.6%, similar to the exit rate from 2015. Crop Care delivered strong growth, outperforming the market. We achieved success with both the multinational customers and the second and third tier customers. In Health Care, high purity excipients performed well, whilst sales of our pharmaceutical grade Omega 3 APIs were lower, as expected, following supply chain stocking in the comparator period. Sector operating margin remained robust.

Reported sales in Life Sciences rose 31.6%, reflecting currency translation and the acquisition of Incotec. During 2016 we are combining the technology and operational capability of Incotec with Croda, to improve operating margin and identify sales opportunities.

Improving product mix in Performance Technologies
We are implementing our plan to improve the operating margin in Performance Technologies to 20%. Q1 saw progress to exit low-margin products in Coatings & Polymers, driving better profitability through greater differentiation. Sector reported sales increased by 3.2%. Underlying sales were down by 0.6%, reflecting soft industrial markets, but operating margin improved. There were signs that the downturn in Geo Technologies is starting to stabilise. Sales from NPP are increasing as we focus on greater innovation, particularly in Lubricants and Polymer Additives. Home Care performed well in the quarter and we made good progress expanding into the Asian market.

Creating novel applications in Industrial Chemicals
In Industrial Chemicals we are reducing sales of low value added products and tolling business, whilst increasing our focus on creating new niches in industrial markets and adding value to co-streams. As a result, reported sales reduced by 7.8%, with underlying sales 10.7% lower.

Robust financial position
Net debt at the end of the quarter was similar to the 2015 year-end, in line with expectations. This reflected an increase in capital expenditure for construction of our non-ionic bio-surfactant facility in North America. The proposed 100 pence per share special dividend, which was announced in February, is due to be paid in June, subject to shareholder approval at today’s Annual General Meeting.

Outlook reaffirmed
As set out at the time of our full year results in February, despite a challenging environment, our strong innovation pipeline and the benefits of our customer-led investment in technology mean that we are confident of delivering continued progress in 2016.

Sales growth data

<table>
<thead>
<tr>
<th>Sector</th>
<th>Reported sales</th>
<th>Underlying sales</th>
</tr>
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<tbody>
<tr>
<td><strong>Q1 2016 versus Q1 2015</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Care</td>
<td>3.0</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>31.6</td>
<td>4.6</td>
</tr>
<tr>
<td>Performance Technologies</td>
<td>3.2</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Core sectors</strong></td>
<td><strong>9.8</strong></td>
<td><strong>0.4</strong></td>
</tr>
<tr>
<td>Industrial Chemicals</td>
<td>(7.8)</td>
<td>(10.7)</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>7.7</strong></td>
<td><strong>(0.9)</strong></td>
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Further information
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A conference call for investors and analysts will be held at 0800h BST on 27 April 2016. Dial in +44 1452 580111 with conference ID 91144415

**Definitions:**
Underlying sales are presented at constant currency and exclude the impact of acquisitions. Sales in Latin America are primarily based on US dollars, which is used as the functional currency for constant currency sales translation.
The core business comprises Personal Care, Life Sciences and Performance Technologies. The Industrial Chemicals sector sells co-streams, undertakes toll processing and develops novel industrial applications.
Operating margin is adjusted operating profit divided by sales, at constant currency. Adjusted operating profit is before exceptional items, acquisition costs and amortisation of intangible assets arising on acquisition.
Net debt is borrowings and other financial liabilities less cash and cash equivalents.