HEALTH • HYGIENE • HOME

INTERIM MANAGEMENT STATEMENT Q1 2014

16 April 2014

Q1 ON TRACK

Results at a glance	**Q1 £m**	**% change actual exchange**	**% change constant exchange**	**% change LFL***
Total Net Revenue	**2,368**	-6%	+3%	+2%
- Growth (ex RBP)		-5%	+5%	+4%
Net Revenue by Segment				
-ENA	1,227	-3%	+2%	+2%
-LAPAC	589	-6%	+12%	+8%
-RUMEA	310	-12%	+4%	+4%
-Food	72	-5%	+3%	+3%
Total ex RBP	**2,198**	**-5%**	**+5%**	**+4%**
-RB Pharmaceuticals	170	-15%	-11%	-11%
Total Net Revenue	**2,368**	**-6%**	**+3%**	**+2%**
Net Revenue by Category				
-Health	639	+7%	+15%	+11%
-Hygiene	932	-9%	+2%	+2%
-Home	444	-9%	+0%	+1%
-Portfolio Brands	111	-15%	-4%	-3%

* Like-for-like ("LFL") growth excludes the impact of changes in exchange rates, acquisitions, disposals and discontinued operations.

Highlights: Q1 (at constant rates)

- Total net revenue growth (ex RBP) of +5% and LFL net revenue growth (ex RBP) of +4%.
- Strong performance in ENA against tough comparatives.
- Sustained growth in LAPAC and RUMEA in challenging markets.
- Excellent growth and outperformance in Health. Strong innovation and sell-in offsetting tough comparatives.
- Hygiene reduced by strong Dettol / Lysol comparatives and planned trade de-stocking in Middle East.
- RBP – total US market volume film share 64% - excellent result. Strategic review progressing well. Capital markets solution is emerging as a strong option.
- Strong foreign exchange headwind of -9%, as signaled with full year numbers.

Commenting on these results, Rakesh Kapoor, Chief Executive Officer, said:

"We have made a robust start to the year and net revenue growth is on track for our full year targets, which we reiterate.

I'm particularly pleased with how our focus on consumer health is driving growth and outperformance, supported by larger innovation roll-outs. Additionally, our recent agreement on the acquisition of KY will give us a stronger position in the sexual wellbeing category in key markets of the US and Brazil. The deal is of course subject to regulatory approval.

On Suboxone, our patient-preferred sublingual film in the US delivered an excellent result in keeping up a 64% market share given the competitive backdrop. Our strategic review of RBP continues and we expect to provide a fuller update at our interim results."

Summary Analysis: % net revenue growth				
Q1 2014	**Like-for-like**	**Acquisitions & Disposals***	**Exchange**	**Reported**
ENA	+2%	+0%	-4%	-3%
LAPAC	+8%	+4%	-18%	-6%
RUMEA	+4%	+0%	-16%	-12%
Food	+3%	+0%	-8%	-5%
TOTAL ex RBP	**+4%**	**+1%**	**-10%**	**-5%**
RBP	-11%	+0%	-5%	-15%
TOTAL GROUP	**+2%**	**+1%**	**-9%**	**-6%**

* Reflects the impact of the BMS collaboration agreement and the disposal / discontinuance of a couple of minor businesses.

Note: Due to rounding this table will not always cast.

ENA **58% of core net revenue**

YTD net revenue was £1,227m, with LFL growth of +2%. This is a strong start to the year given continued subdued market growth and strong comparatives. Growth in the quarter was primarily driven by our Health care brands as larger scale innovations and launches experienced strong sell-in to customers. From a geographic stand point, growth was driven by Europe which saw stabilizing market conditions, the launch of Megared and strong demand for our new Scholl Velvet Smooth Express Pedi. With the exception of Southern Europe all European regions continue to grow. The US experienced a tougher quarter as sell-in from the launch of Mucinex Allergy was offset by very strong comparatives in a number of other brands including Airborne, Lysol and the rest of the Mucinex range.

LAPAC **28% of core net revenue**

YTD net revenue was £589m, with LFL growth of +8%. Actual growth was -6% as our underlying growth and the positive impact of the BMS collaboration agreement were more than offset by significant foreign exchange translation headwinds. Growth was broad based across all regions. LATAM experienced strong growth, led by Brazil and Mexico. South East Asia saw slower markets in India and Thailand, although our businesses are making good progress. In North Asia, our China business continues to focus on distribution and penetration improvements. In ANZ, our Australian business performed well.

RUMEA **14% of core net revenue**

YTD net revenue was £310m, with LFL growth of +4%. Actual growth was -12% due to significant foreign exchange translation headwinds in a number of markets. The slight improvement in the growth rate from the prior quarter is due to gradual operational improvements from the corrective actions we have put in place in Turkey and South Africa. Turkey in particular performed well behind share gains in Finish and consumer health. This operational improvement was partially offset by some reduction in market growth in Russia. Dettol growth in RUMEA was weak due to tough comparatives where we are lapping the outbreak of the MERS virus in the Middle East, compounded by some planned trade de-stocking.

Food

YTD net revenue was £72m, with LFL growth of +3%. This was driven by strong growth in Franks Red Hot Sauce across all channels and international expansion of the business.

Pharmaceuticals

Q1 2014 net revenue was £170m, a decrease of -11% (constant). Our volume market share for film in the US exited the period at 64%*, a 400bps decline from the 2013 year end exit share of 68%. The underlying volume growth in prescriptions in the US continues to be low double digit. This growth is offset by the loss of our higher margin tablet sales in the US following our voluntary withdrawal of Suboxone tablets in March, the entry of generic tablets, some loss in Film share, and some pressure on pricing.

There have been no further material developments in the three Hatch-Waxman challenges to our Film patents in USA. We expect the litigation to follow the typical timelines for Hatch-Waxman litigation, and believe the formulation and process patent protection to be strong.

The strategic review we announced in October of last year continues to progress well. All options continue to be considered. A capital markets solution is emerging as a strong option. We expect to provide a fuller update on our strategic review at the time of the interim results presentation. An RBP information pack has been placed on our RB Group website. It sets out a summary of publicly available information, providing a background to the business and the key value drivers.

*Source: Healthcare Analytics Retail Phast Weekly Data as at 4 April 2014

Q1 2014 Category Review

Summary Analysis: % net revenue growth				
Q1 2014	**Like-for-like**	**Acquisitions & Disposals***	**Exchange**	**Reported**
Health	+11%	+4%	-8%	+7%
Hygiene	+2%	+0%	-11%	-9%
Home	+1%	+0%	-9%	-9%
Portfolio	-3%	-1%	-11%	-15%
Food	+3%	+0%	-8%	-5%
TOTAL ex RBP	**+4%**	**+1%**	**-10%**	**-5%**
RBP	-11%	+0%	-5%	-15%
TOTAL GROUP	**+2%**	**+1%**	**-9%**	**-6%**

* Reflects the acquisition of the BMS collaboration agreement and the disposal / discontinuance of a couple of minor businesses.

Note: Due to rounding this table will not always cast.

Category review is at constant exchange rates.

Health 30% of core net revenue

YTD net revenue was £639m, a LFL increase of +11%. This exceptionally strong growth on the back of strong comparatives reflects a combination of factors. Large scale innovations and launches drove strong sell-in to customers. These included the rollout of Megared in 20 countries across Europe and the launch of Mucinex Allergy in the US ahead of the upcoming season. Innovation also played an important part in the strong performance. Our new Scholl Velvet Smooth Express Pedi has proven very successful across many European markets. Durex saw strong growth across all areas driven by a combination of innovation, with the recently launched Embrace pleasure gels performing very well, and in-store execution programmes. Gaviscon growth was strong, driven by sales of Double Action across all of our major Gastro Intestinal (GI) markets. Revenue from the BMS collaboration added 4% to the overall growth rate of the category with strong growth from Picot in Mexico and Luftal in Brazil. We lap the start of the BMS collaboration in May.

Hygiene 44% of core net revenue

YTD net revenue was £932m, a LFL increase of +2%. The combination of tougher comparatives in Lysol in the US, slower market growth in India, and planned trade de-stocking of Dettol in the Middle East following the MERS virus, resulted in a weak quarter for Dettol / Lysol. On a more positive note, the longer term growth potential of our flagship hygiene brands remains clear, as evidenced by share gains in the quarter. Finish benefited from the launch of Power and Pure across a number of markets and Veet had a strong result underpinned by penetration building programmes and the success of our recently launched Veet Naturals in countries such as China.

Home 21% of core net revenue

YTD net revenue was £444m, a LFL increase of +1%. Growth was driven by a strong performance from Vanish behind our recently launched Vanish super bar in certain emerging markets and further penetration gains from our Vanish Tip exchange programme which has now been rolled out to 30 countries. Airwick experienced a mixed performance with market weakness offset by our fragrance event activations with our new “rare scents” range of air fresheners.

Portfolio Brands 5% of core net revenue

YTD net revenue was £111m, a LFL decline of -3%, driven by continued weakness in laundry detergents and fabric softeners in Southern Europe.

Financial Position

There has been no material change to the financial position of the Company since the published 2013 Annual Report and Accounts.

2014 Targets

The Group is on track to achieve its FY 2014 financial targets:

- net revenue growth of +4-5%*
- flat to moderate operating margin** expansion

These targets exclude RBP.

* At constant rates including the immaterial residual impact of the BMS collaboration.
**Adjusted to exclude the impact of exceptional items.

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Cautionary note concerning forward-looking statements

This document contains statements with respect to the financial condition, results of operations and business of RB and certain of the plans and objectives of the Group with respect to these items. These forward-looking statements are made pursuant to the "Safe Harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing to the Company, anticipated cost savings or synergies and the completion of strategic transactions are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors discussed in this report, that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including many factors outside Reckitt Benckiser's control. Past performance cannot be relied upon as a guide to future performance.

Basis of Presentation and Exceptional Items

Where appropriate, the term "like-for-like" (LFL) describes the performance of the business on a comparable basis, excluding the impact of acquisitions, disposals, discontinued operations and foreign exchange.

Where appropriate, the term "core business" represents the ENA (Europe and North America), RUMEA (Russia / CIS, Africa, North Africa, Middle East and Turkey) and LAPAC (Latin America, North Asia, South Asia and ANZ) geographic areas, and excludes RBP and Food.