

Sale of Food Business to McCormick

19 July, 2017 – Slough, UK – Reckitt Benckiser Group plc (“RB”) is pleased to announce that it has entered into an agreement to sell its Food business (“RB Food” or “French’s Food”), including the **French’s**, **Frank’s RedHot** and **Cattlemen’s** brands, to McCormick & Company Inc. (“McCormick”) for \$4.2 billion on a cash-free, debt-free basis.

Today’s announcement follows a comprehensive strategic review of French’s Food. The valuation achieved reflects the quality of this highly profitable, growth business.

McCormick will retain the leading brand names of French’s, Frank’s RedHot and Cattlemen’s. RB Food’s focus on creating high quality products with simple ingredients makes it a strong match with McCormick.

Rakesh Kapoor, Chief Executive Officer of RB, said:

“Our French’s Food business is a true reflection of RB’s strengths – a portfolio of great brands driven through a culture of innovation by passionate people to deliver consistent outperformance. We are pleased to be selling to owners who can provide the necessary resources, market expertise and global platform, whilst being a good home for our people. French’s Food is well positioned to continue on its successful growth trajectory under the food-focused ownership of McCormick.”

“Following the acquisition of Mead Johnson Nutrition, this transaction marks another step towards transforming RB into a global leader in consumer health and hygiene, ensuring we continue to deliver for shareholders and give people innovative solutions for healthier lives and happier homes.”

The consideration is subject to customary working capital adjustments at completion. RB intends to use the net proceeds to reduce its debt. The transaction is subject to certain regulatory approvals and completion is expected during Q3 2017. The transaction constitutes a class 2 transaction for the purposes of the UK Listing Rules.

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Inside Information

This announcement is being made in accordance with the Market Abuse Regulation (EU596/2014) and has been determined to contain inside information in line with the definition therein.

About RB Food



RB Food is a world leader in condiments and toppings, with a focused portfolio of iconic brands including French's, Frank's RedHot and Cattlemen's. Tiger's Milk, a nutrition bar brand, will also be sold as part of the transaction and has been included in RB Food.

Headquartered in Chester, New Jersey, RB Food has had a long history of delivering great taste through the highest quality, better-for-you ingredients, and has demonstrated almost 20 years of strong growth and profitability. Elliott Penner was appointed President of The French's Food Company in 2000.

For the financial year ended 31 December 2016, RB's earnings before interest, taxation, depreciation and amortisation attributable to the transaction were £152 million (\$206 million⁽¹⁾). This comprised adjusted operating profit for the Food segment of £118 million, related depreciation and amortisation of £6 million, a £27 million allocation of RB's corporate costs and other stranded costs, and operating profit of £1 million for Tiger's Milk.

For the financial year ended 31 December 2016, RB Food reported US GAAP net revenue of \$564 million (£416 million⁽¹⁾) and US GAAP profit before tax of \$179 million (£132 million⁽¹⁾). As at 31 March 2017, RB Food reported US GAAP gross assets of \$172 million (£138 million⁽²⁾), excluding intercompany balances.

About RB

RB is the global leading consumer health and hygiene company. Driven by a purpose of providing innovative solutions for healthier lives and happier homes, RB has operations in over 60 countries. From the foundations of wellness and infant nutrition, to the fundamentals of a hygienic home, its global brands help people live healthier, happier lives.

RB has world leading Powerbrands which include household names such as Enfamil, Nutramigen, Nurofen, Strepsils, Gaviscon, Mucinex, Durex, Scholl, Clearasil, Lysol, Dettol, Veet, Harpic, Cillit Bang, Mortein, Finish, Vanish, French's, Calgon, Woolite and Air Wick.

RB's unique culture is at the heart of its success. Its drive to achieve, passion to outperform and commitment to quality and scientific excellence are manifested in the work of over 40,000 employees worldwide. RB is proud to lead the Save a Child a Minute campaign, which aims to eliminate child deaths from diarrhoea, one of the world's largest killers of children under five.

Further information

Morgan Stanley has acted as lead financial adviser to RB on the transaction. RB has also received financial advice from Robey Warshaw.

Reckitt Benckiser Group plc's LEI code is 5493003JFSMOJG48V108

⁽¹⁾ Assumes an average GBP / USD exchange rate of 1.3554 for the financial year ended 31 December 2016.

⁽²⁾ Assumes a GBP / USD exchange rate of 1.2450 on 31 March 2017.

