Press Release

Monday – 27 April 2009

PROVISIONAL FIRST-QUARTER 2009 SALES

PROVISIONAL SALES OF €686 MILLION IN A SHAKY AND MIXED ENVIRONMENT

- **Small household equipment relatively resilient to the economic crisis**
- **Limited decline in revenue: down 5.5% as reported and 4.8% at constant exchange rates**
- **Operating margin down to €47 million, adversely affected by exchange rates**
- **Financial situation still solid**

In € millions	Q1 2008	**Q1 2009**	% change	
			Current exchange rates	**Like-for-like**
France	142	**139**	**-2.3**	**-2.3**
Other Western European countries	160	**155**	**-3.1**	**-0.8**
North America	89	**71**	**-21.2**	**-26.5**
South America	61	**49**	**-19.6**	**-11.0**
Central Europe, CIS and other countries	152	**121**	**-20.2**	**-5.7**
Asia-Pacific	122	**151**	**+24.3**	**+7.4**
TOTAL	726	**686**	**-5.5**	**-4.8**

First-quarter 2009 was shaped by an economic crisis that is now firmly established and led to a sharp decline in consumer spending in certain markets as well as currency volatility. Against this backdrop, the small household equipment segment generally demonstrated greater resilience than other sectors, because of the type and affordability of its products.

Groupe SEB limited the decline in revenue to 5.5%, compared with a very dynamic first-quarter 2008, when organic growth of 8.5% created a high prior-year comparative. The decline reflects:

- **A sharp drop in unit sales in certain countries, but satisfactory results in others.**
- **A favourable price mix due on one hand to price increases intended to offset higher costs and the decline in certain currencies against the euro and on the other to firm sales of high value-added products.**
- **A negative €5.5 million currency effect that varied greatly, with increases in the dollar, yen and yuan and decreases in the rouble, Brazilian real, Turkish lira, pound sterling, and South Korea won.**
- **Sales differed depending on the product category. Demand remained strong for the Actifry deep fryer, the Silence Force vacuum cleaner, steam generators, Nespresso machines and other flagship products, but was sluggish for food processors and personal care products.**

Operating margin declined by 36% to €47 million, from €74 million in first-quarter 2008, reflecting, as with revenue, high prior-year comparatives. The decline was due

mainly to a negative currency effect. As in years past, revenue and operating margin are usually low in the first quarter and cannot be extrapolated over the entire year.

With net debt of €519 million at 31 March 2009, compared with €489 million one year earlier, the Group's financial position remains solid.

Sales by region

In **France,** sales of small household equipment trended upwards in the first quarter but manufacturers felt the impact of drastic retailer inventory drawdowns. Although sales declined by a modest 2.3%, compared with first-quarter 2008 when organic growth was a strong 12.9%, the Group outperformed the market as a whole, led by sustained demand for deep fryers (Seb's Actifry as well as Moulinex ranges), the Silence Force vacuum cleaner and new models of steam generators. Sales of breakfast appliances and food processors, however, were adversely affected by fiercer competition. Demand remained strong for cookware, a segment in which the Group holds leadership positions.

In other **Western European countries**, the slowdown in consumer spending noted in late 2008 persisted, although certain markets continued to hold up well. Belgium and Portugal enjoyed very satisfactory growth, led by irons and steam generators, vacuum cleaners and the Actifry deep fryer. Results in Germany were also very positive. The small household appliance segment expanded despite a generally lacklustre consumer environment, and the Group performed well, recording market share gains. In the Netherlands, Spain and Greece, sales growth was more modest but still significant, driven by the success of Actifry and the Dolce Gusto and Nespresso partnerships. While sales were down slightly in Italy, the Group encountered major difficulties in Scandinavia and the United Kingdom, which was hit by a deep recession and where business was also seriously impacted by the decline in the pound.

In **North America**, the first-quarter economic environment remained very gloomy. The sharp slowdown in consumer spending put pressure on retailers – especially premium chains – requiring them to draw down inventories drastically and postpone orders. In addition to lacklustre markets, the region was also seriously disrupted by fluctuations in the Canadian dollar and Mexican peso. In the United States, the Group was again faced with a challenging environment. While sales of T-fal cookware remained strong, the other brands did not perform well, especially in the premium segment, where demand dropped considerably. In Canada, the sluggish economy weighed on the Group's sales. Mexico was adversely affected by high prior-year comparatives because of a B-to-B campaign that was not renewed in 2009 and the bankruptcy of a major customer in late 2008.

In **South America**, the very challenging economic climate had a direct impact on consumer spending, and the sharply downward trend noted in late 2008 persisted. This was especially true in Brazil, where the Group's position deteriorated due to price increases on certain imported electrical appliances and cookware. Nonetheless, the Group maintained a steady stream of new product launches, especially in the hair care and home comfort segments. The introduction of Dolce Gusto and milder weather boosted sales late in the quarter. Conditions in the other South American countries were also challenging. In Chile, where the retail sector is highly consolidated, sales were down following a customer bankruptcy. Revenue in Colombia was stable at constant exchange rates and increased slightly in Venezuela, in a difficult economic and political environment. Only Argentina returned to 2008 growth rates.

In **Asia-Pacific**, which accounts for 22% of consolidated revenue, business performance varied from one country to another. Despite depressed macro-economic indicators, Japan remains a promising market for the Group, led by strong business in pressure cookers, kettles and the Ingenio cookware line. Conditions in Australia were difficult, as retailers considerably reduced their orders even though small household equipment sales held firm. In South Korea, where sales were also down, the Group nevertheless outperformed the market in both the cookware and small household equipment segments. Supor contributed €94 million to revenue, compared with €78 million in first-quarter 2008. Revenue growth was driven by higher demand and the favourable impact of a stronger yuan. Despite a sharp slowdown in consumer spending, Supor sales in its domestic market were up, amounting to €82 million, a 7% increase at constant exchange rates. Backed by a steadily expanding product portfolio, small electrical appliances slightly outperformed cookware.

In **Central Europe, CIS and other countries** (Turkey, other Middle Eastern countries and Africa) sharp currency declines against the euro impacted business, especially in Russia, Ukraine, Central Europe and Turkey. To offset these declines, the Group introduced significant price increases to maintain its marketing subsidiaries' local margins and partially achieved its first-quarter target. In Central Europe, Poland held up well and the Group's sales increased. Groupe SEB also acquired leadership positions in the Czech Republic and Slovakia. In Ukraine, the critical economic situation slowed consumer spending with only bread machines holding their own. In Russia, seriously deteriorated macro-economic conditions led to a major drop in consumer spending, resulting in extensive inventory drawdowns and seriously weakening the retailing segment in certain regions. The small electrical appliance segment was negatively impacted while cookware sales were more resilient. Overall, the Group outperformed the market but sales nonetheless slowed considerably. The economic situation was also tenuous in Turkey, where the market for small domestic equipment contracted. The market leader, Groupe SEB maintained its revenue at constant exchange rates. In Saudi Arabia, business is expected to pick-up in the second quarter with a new agent.

Analysis of growth in operating margin

The Group's business is seasonal and the first quarter is traditionally a low season for both revenue and operating margin. Consequently, operating margin for the first three months of the year cannot be considered as representative of full-year performance.

For the three months ended 31 March 2009, operating margin amounted to €47 million, a 36% decrease over the €73.5 million reported for the year-earlier period. It included a contribution of €10.2 million from Supor, compared with €6.3 million in first-quarter 2008, with the increase in the yuan against the euro accounting for €1 million.

The main reason for the decline in operating margin was the sharply negative currency effect, reflecting the impact of a stronger dollar on higher purchasing costs and the highly unfavourable impact of the decline in certain currencies against the euro, including the rouble. Purchasing expenses were higher because of the mid-2008 price increases for sourced products.

Analysis of debt at 31 March

Debt stood at €519 million at 31 March 2009, up €30 million compared to one year earlier. Taking into account the May 2008 acquisition of minority interests in Supor and other exceptional outlays like the buyback of SEB shares between April 2008 and January 2009, this moderate increase demonstrates the Group's ability to generate cash from operations.

Based on equity of €1,082 million at 31 March 2009, gearing stood at 48%, a slight improvement from one year earlier. This means that the Group's financial position is healthy and robust, which will help it to weather the current crisis without any financing problems.

A first-quarter business review has also been published. More detailed than the press release, it will be available on the Groupe SEB website www.groupeseb.com on May 4th 2009.

The world leader in small domestic equipment, Groupe SEB operates in more than 120 countries with a unique portfolio of top brands marketed through multi-format retailing. Selling some 200 million products a year, it deploys a long-term strategy focused on innovation, international development, competitiveness and service to clients. Groupe SEB has nearly 19,000 employees worldwide.

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