Press Release

26 August 2009

FIRST-HALF 2009: SATISFACTORY OPERATING PERFORMANCE AND PURSUIT OF THE LONG-TERM STRATEGY

- **Business holds firm**
- **Limited decline in operating margin**
- **A solid, strengthened financial position**

Consolidated Financial Results (in €m)	H1 2008	H1 2009	% change
Revenue	**1,417**	**1,374**	**-3%**
Operating margin	**117**	**106**	**-9%**
Operating profit	**94**	**63**	**-33%**
Profit attributable to equity holders of the parent	**52**	**27**	**-48%**

Rounded figures in € millions

In commenting on the first-half 2009 results, Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB, said:

"While the economy in first-half 2008 was very healthy, 2009 began in a generally more difficult environment shaped by a widespread slowdown in consumer spending, tighter credit, problems in the retail sector and sharp currency fluctuations. Against this backdrop, Group SEB turned in a satisfactory operating performance. Our business—small household equipment—held up better than other industries and the Group, with operations around the world, maintained its strong product dynamic, thereby limiting the decline in first-half sales.

"We responded quickly to the crisis, swiftly introducing a number of measures as from late 2008 to preserve at best our operating margin. These included price increases to offset currency declines as well as cost-reduction programs. At the same time, we substantially tightened management of working capital, which had a significant impact on debt.

"Lastly, we deployed the resources needed to prepare for the future and to reaffirm our long-term strategy, which is based on innovation, continued international expansion and ongoing improvements to make the Group more competitive."

Business holds firm

Revenue for the six months ended June 30 was down just 2.8% at constant exchange rates, with significant differences however from one market to another. The decline was due mainly to a substantial drop in unit sales because of the slowdown in consumer spending, which was very strong in some countries, as well as to problems encountered by the retail sector. A slightly negative net currency effect masked solid gains in some currencies offset by steep falls in others. To offset the impact of sharp declines in a number of currencies, the Group raised prices, which had a very positive effect on revenue. As in the past two years, the product mix was favourable.

The Group's resilient sales were driven by the ongoing success of its flagship products, such as the Actifry deep fryer, the Silence Force and Air Force vacuum cleaners, and the Dolce Gusto pod beverage maker. International deployment of these products continued throughout the half. The Group also benefited from sustained demand for steam generators and Nespresso coffee machines.

A limited decline in operating margin

First-half operating margin, which is generally low compared to the full year, totalled €106 million. Given first-half 2008's high basis of comparison, this represented a decline of 9.1%. The change was due to a combination of several factors:

- Lower unit sales impacted not only revenue but also operating margin, both directly and because of the under-absorption of production costs during the period.
- Prices and the product mix contributed very positively on the Group's margin.
- The currency effect was highly unfavourable, reducing operating margin by €55 million. This reflects the negative impact of the stronger dollar on purchases and lower revenue in euros from subsidiaries located in countries where currencies declined.
- The Group benefited from a softening in the purchase price of certain raw materials. As announced in late 2008, operating costs were also reduced and targeted cutbacks were made in advertising and marketing budgets. Research and development expenditure was resolutely maintained however.

Operating profit and attributable profit adversely affected by restructuring costs

Operating profit for the period declined by 33% to €63 million. It included €31 million in restructuring costs, a sharp rise from the €10 million recorded in the first six months of 2008. These costs concerned reorganisation of the linen care business in Europe, as well as adjustments to the production base in Brazil and the United States and to sales and marketing operations in the United Kingdom, Italy and Norway. They also included the pooling of the Group's R&D and marketing resources in food preparation, beverage and electrical cooking within a single "Kitchen Electric" business unit. This grouping will result in the transfer of employees in Caen and La Défense to other Group facilities.

Finance costs and other financial income and expense, net, amounted to a net expense of €16 million, a slight improvement over first-half 2008 that reflected the Group's strict management of debt and cost of debt.

Profit attributable to equity holders of the parent, after €7 million in minority interests in Supor, declined by 48% to €27 million.

A solid, strengthened financial position

Equity at 30 June stood at €1,055 million, higher than at year-end 2008. Net debt amounted to €504 million, compared with €649 million at 31 December, 2008. The decline in indebtedness was due to a strong cash generation during first-half 2009 that resulted from a substantial improvement in working capital, driven by a significant reduction in inventories and disciplined management of trade receivables. The changes in equity and debt led to an improvement in gearing to 0.48, confirming once again the Group's solid balance sheet backed by financing that is secured over the medium term.

Outlook

Despite an improvement in some economic indicators, the Group does not anticipate a significant upswing in the second half of the year. The situation should continue to vary from one market to another and the lack of visibility on consumer spending, currencies and raw materials in particular is expected to persist.

As a result, the Group is proceeding cautiously while resolutely pursuing its assertive strategy to maintain –or increase– its market shares, remain competitive and strengthen its financial position.

CONSOLIDATED INCOME STATEMENT

(in € millions)	**First-half 2009**	**First-half 2008**	**Full-year 2008**
Revenue	1,373.7	1,416.9	3,230.2
Operating expenses	(1,267.7)	(1,300.1)	(2,888.5)
OPERATING MARGIN	**106.0**	**116.8**	**341.7**
Discretionary and non-discretionary profit-sharing	(8.1)	(10.6)	(38.2)
RECURRING OPERATING PROFIT	**97.9**	**106.2**	**303.5**
Other operating income and expense	(34.9)	(11.8)	(24.3)
OPERATING PROFIT	**63.0**	**94.4**	**279.2**
Finance costs	(14.0)	(16.9)	(37.9)
Other financial income and expense	(2.2)	(0.3)	(10.7)
Share of profits/(losses) of associates	0.0	(0.6)	(1.3)
PROFIT BEFORE TAX	**46.8**	**76.6**	**229.3**
Income tax expense	(12.3)	(19.1)	(66.5)
PROFIT FOR THE PERIOD	**34.5**	**57.5**	**162.8**
Minority interests	(7.2)	(5.3)	(11.2)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**27.3**	**52.2**	**151.6**
EARNINGS PER SHARE (in €)			
Basic earnings per share	0.59	1.10	3.20
Diluted earnings per share	0.59	1.08	3.18

CONSOLIDATED BALANCE SHEET

ASSETS *(in € millions)*	30 June 2009	30 June 2008 Restated	31 December 2008
Goodwill	413.5	371.4	419.8
Other intangible assets	372.5	350.2	368.9
Property, plant and equipment	386.8	379.6	381.2
Investments in associates		1.5	0.1
Other investments	0.8	0.7	0.7
Other non-current financial assets	7.5	9.9	9.9
Deferred tax assets	73.5	41.1	48.2
Other non-current assets	4.1	4.3	2.9
Long-term derivative instruments		1.0	0.3
NON-CURRENT ASSETS	**1,258.7**	**1,159.7**	**1,232.0**
Inventories	570.9	640.8	614.6
Trade receivables	444.0	474.8	645.6
Other receivables	48.8	68.6	54.6
Current tax assets	16.7	23.6	38.8
Short-term derivative instruments	4.4	12.1	12.0
Cash and cash equivalents	223.2	119.1	224.6
CURRENT ASSETS	**1,308.0**	**1,339.0**	**1,590.1**
TOTAL ASSETS	**2,566.7**	**2,498.7**	**2,822.1**
EQUITY AND LIABILITIES *(in € millions)*			
Share capital	50.0	50.9	50.9
Reserves and retained earnings	993.9	940.8	1 005.7
Treasury stock	(120.2)	(126.7)	(150.7)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**923.7**	**865.0**	**905.9**
MINORITY INTERESTS	**131.7**	**107.4**	**131.6**
EQUITY	**1,055.4**	**972.4**	**1,037.5**
Deferred tax liabilities	95.1	55.5	91.8
Long-term provisions	113.7	120.1	102.3
Long-term borrowings	210.3	56.7	213.5
Other non-current liabilities	21.2	16.9	17.9
Long-term derivative instruments	10.1	2.0	21.5
NON-CURRENT LIABILITIES	**450.4**	**251.2**	**447.0**
Short-term provisions	83.9	80.1	77.2
Trade payables	254.4	321.4	366.3
Other current liabilities	159.0	154.7	177.3
Current tax liabilities	25.5	24.4	25.6
Short-term derivative instruments	20.1	4.0	29.7
Short-term borrowings	518.0	690.5	661.5
CURRENT LIABILITIES	**1,060.9**	**1,275.1**	**1,337.6**
TOTAL EQUITY AND LIABILITIES	**2,566.7**	**2,498.7**	**2,822.1**