



Press Release

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PROVISIONAL 2009 SALES

Very Buoyant Fourth Quarter Sales Stable Year-on-Year, Higher than Expected

- Business shows solid resilience
- Product mix holds firm
- International development strategy demonstrates its validity

(in € millions)	2008 sales	2009 sales	% change <i>Percentages based on exact figures</i>	
			Current exchange rates	Constant exchange rates
France	668	685	+2.6	+2.6
Other Western European countries	734	728	-0.9	+0.4
North America	394	349	-11.4	-12.6
South America	269	263	- 2.3	- 0.2
Asia-Pacific	499	600	+20.2	+13.1
Central Europe, CIS and other countries	666	552	-17.0	-5.0
TOTAL	3,230	3,177	-1.6	+0.1

After a lacklustre third quarter, the end of the year – December in particular – saw a sharp upswing in business in several of the Group's major markets. Organic growth stood at 6.1% in fourth-quarter 2009, compared with 1.3% in the prior-year period, reflecting more regular retailer orders in an environment shaped by sustained consumer demand.

The Group's full-year sales came to €3,177 million, a limited 1.6% decline as reported and a very slight increase at constant exchange rates. In light of the problems encountered in a number of important countries, this highly satisfactory performance demonstrated the resilience of the small household equipment sector and Groupe SEB's ability to stay the course despite the ups and downs of the business cycle. It takes into account:

- A negative €55 million currency effect, which was much higher than the negative €18 million at 30 September. This was due to the faster decline in the dollar, the renminbi and the yen against the euro, which severely impacted fourth-quarter sales.
- A sharp drop-off in unit sales for the year that was offset by a favourable price and product mix.

This buoyant year-end period will have a positive impact on the Group's operating margin, which should grow compared to 2008, as well as on the level of debt, with a very significant reduction versus 31 December 2008.

GROUPE SEB ■

DIRECTION DE LA COMMUNICATION FINANCIERE

Sales by region

In France, sales to end users generally held up well in cookware and small electrical appliances and were supported late in the year by more consistent restocking, following several months when retailers massively drew down inventory. The Group's sales improved throughout the year, especially in the fourth quarter, fuelled by a large number of pre-Christmas television, print and online advertising campaigns for such flagship products as the Actifry deep fryer, Silence Force vacuum cleaner, Fresh Express food preparation appliance and ProPerfect steam generator. As a result, the year ended on a solid performance in a more receptive consumer environment.

In the other Western European countries, the slight increase in sales represented a success in itself, even though results varied from one country and one period of the year to another. After a steady slump in business over the first three quarters, the end of the year saw a significant improvement, with Spain, Greece, Belgium and Germany all posting very good performance and robust sales growth. The Group also made sustained advances in Portugal, held its own in Austria and, thanks to a strong fourth quarter, limited the revenue decline in Italy. However, business remained sluggish in the United Kingdom and the Netherlands, where consumer demand focused mainly on low-priced products and private labels.

In North America, the economic environment was gloomy in all three countries. In the United States, the year was shaped by slower consumer spending and considerable price pressure. In this challenging environment – and despite a slight improvement in the fourth quarter – the high-end segment suffered, which weighed on Krups, Rowenta and All-Clad sales, the latter being the most hit. However, T-fal held its own, as the brand's mid-range positioning boosted demand and led to new retail listings. Moreover, the WearEver brand, which had encountered difficulties early in the year, achieved a very good second half. Canada and Mexico saw a sharp decline in sales, which were hampered by a highly competitive, promotional environment.

In South America, following a slow start, the Group gradually turned the situation around and ended the year on a satisfactory note. This was especially true in Brazil, where small electrical appliance sales picked up considerably in the second half – particularly in the fourth quarter – driven by strong demand for semi-automatic washing machines, blenders and fans and by the launch of the Dolce Gusto line. Sales of cookware, however, remained slow because of very aggressive price-driven competition. In Colombia, sales held up well despite a more challenging environment whereas in Argentina, the Group continued to make inroads, with market share gains and a very solid increase in revenue. Business contracted in Venezuela and the phenomenon was amplified by the impact on 2009 sales of the recent devaluing in the Bolivar.

In Central Europe, the CIS countries, Africa and other markets, 2009 was a difficult year, marked by currency weakness against the euro, tighter credit and a collapse in consumer spending in some countries. In Russia and Ukraine, the Group unfortunately was unable to avoid the recession's highly negative impact and sales for the year were sharply lower. In Central Europe, where demand held up relatively well until the summer, business slowed considerably toward the end of the year, especially in Poland. Conversely, the Group defended its positions quite well in Turkey, where it offset the effect of the decline in the lira against the euro, and relaunched the business in the Middle East thanks to a new distributor, with encouraging initial results.

In Asia-Pacific and China, sales were higher in practically all markets, led by China, which alone accounts for half of the region's revenue. Following a tense period at the beginning of the year, the positive signs that appeared in the third quarter continued through the end of the year, and Supor returned to double-digit growth in the fourth quarter. The turnaround in consumer spending, the expanded Supor portfolio and new openings of Supor Lifestores resulted in sharply higher sales and market share gains. In the highly competitive South Korean market, Groupe SEB held its own and even saw a slight increase in sales at constant exchange rate. In Japan, it had an exceptional year, with buoyant sales of pressure cookers and kettles and the successful launch of steamers.

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 170 million products a year, it deploys a long-term strategy focused on innovation, international development, competitiveness and service to clients. Groupe SEB has 20,500 employees worldwide.
