Press Release

Monday, 22 February 2010

2009: SATISFACTORY OPERATING PERFORMANCE AND A SOLID BALANCE SHEET

- **Slight 0.3% like-for-like revenue growth**
- **Improvement in operating margin**
- **Limited decline in attributable profit**
- **Very sharp reduction in net debt**
- **Proposed dividend of €1.04 per share, to be submitted for shareholder approval at the Annual General Meeting**

Consolidated Financial Results (in €m)	2008	2009	Change
Revenue	**3,230**	**3,176**	**-1.7%**
Operating margin	**342**	**355**	**+4.0%**
as a % of revenue	*10.6%*	*11.2%*	
Operating profit	**279**	**248**	**-11.1%**
Profit attributable to equity holders of the parent	**152**	**146**	**-3.8%**
Diluted earnings per share (in €)	**3.18**	**3.13**	**-1.6%**
Dividend (in €)	**0.94**	**1.04***	**+10.6%**
Net debt at 31 December	**649**	**243**	**-406 M€**
**To be submitted for shareholder approval at the Annual General Meeting on 12 May 2010*	*Rounded figures in € millions*		*Percentages based on exact figures, before rounding*

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

"2009 promised to be a year of high risk. The slowdown in consumer spending, tighter credit and a fragile retail sector threatened to undermine our unit sales, while fluctuations in exchange rates and raw material prices put our margins in danger. As a result, we began the year with vigilance. However, the small household equipment sector held up better overall than many other industries.

Despite certain difficulties met in a few countries that were caught in a deep recession, Groupe SEB generally outperformed the market and strengthened its positions.

"Beyond the solid sales performance, the Group's responsiveness and the commitment of all team members to confronting this major crisis led to very satisfactory results for the year. Price increases enabled us to preserve local margins in countries whose currencies declined against the euro. In addition, measures to adjust to demand were introduced in plants very early and assertive actions to significantly draw down inventory produced tangible results. Lastly, we launched a program to reduce operating costs that proved highly effective and will be pursued in 2010. Consequently, we improved our operating margin by 4% and generated excellent cash flow, which reduced debt by more than €400 million in one year and considerably strengthened Group's balance sheet.

"Thus backed by very solid fundamentals, Groupe SEB has begun the new year that should remain uncertain. We are nonetheless confident, which is why the Board of Directors will ask shareholders at the Annual General Meeting on 12 May to approve a dividend of €1.04 per share, a 10.6% increase over the amount paid in 2009."

Organic revenue growth

In 2009, Groupe SEB generated €3,176 million in revenue, a 1.7% decline as reported and a 0.3% increase at constant exchange rates. This performance is made of varied elements :

- On one hand, the sharp fall in unit sales and the highly adverse impact on revenue of currencies (due to the combined effect of the decline in a large number of currencies against the euro and of the gradual weakening of the dollar and the renminbi)
- On the other hand, the very positive impact of the Group's actions regarding prices and the product mix.

The fourth quarter was buoyant (6.7% like-for-like growth) and contributed largely to annual sales growth at contant exchange rates.

The Group's performance was shaped by overall resilience in Western Europe, although situations varied from one country to another; a recovery in Latin America, especially in the second half; and solid growth in the Asia-Pacific region, led by China and Japan. To the contrary, revenue was sharply lower in North America, the market being hard hit on the premium segment, as well as in Central Europe/Russia, because of a collapse in consumer spending in this area.

The product dynamic was maintained, nevertheless, with the ongoing introduction of flagship products in new geographical markets and a sustained program of product launches on a par with previous-year programs.

An improvement in operating margin

Operating margin rose by 4% to €355 million and represented 11.2% of revenue. As with revenue, the fourth quarter made a substantial contribution to the improvement in operating margin, which resulted from the combined impact of two phenomena:

- Operating margin felt the effects of the crisis, and in particular the fall in unit sales and the sharply negative impact of the decline against the euro of many operating currencies, notably the Russian ruble, Turkish lira, Polish zloty, Korean won, and British pound. Purchasing was also adversely affected by an average dollar-euro exchange rate that was higher in 2009 than in 2008.
- The Group was able to offset these unfavourable factors thanks to the very positive impact of price and product mix, to strong actions on purchasing conditions, to tight management of advertising and marketing budgets, and strict measures to reduce costs across the board. At the same time, we pursued our long term policy by maintaining research and development spending, intensifying investments in Group retailing et reinforcing Supor's structures.

Significantly lower operating profit but a limited decline in attributable profit

Operating profit declined by 11% to €248 million due to the impact of Other operating income and expense, which represented net other expense of €74 million, compared with €24 million in 2008. The increase was led by higher restructuring costs (including industrial, structural and commercial reorganisations in Europe and America) as well as by asset impairment charges related in part to All-Clad goodwill.

Finance costs and other financial income and expense net amounted to a net expense of €27 million, compared with €49 million in 2008. This clear improvement resulted mainly from the decline in average debt for the year combined with lower interest rates.

Profit attributable to equity holders of the parent declined by a limited 4% to €146 million.

A very solid balance sheet

At 31 December 2009, the Group's balance sheet was considerably stronger than in previous years, with equity of more than €1.2 billion and net debt of €243 billion. The remarkable €406 million reduction in net debt was mainly due to an improvement in working capital requirement, which declined by nearly €200 million in one year and represented 21.9% of revenue, compared with 27.7% at the end of 2008. Initiatives intended to drastically draw down inventory and improve turnover produced results.

The increase in equity and the reduction in net debt resulted in very low gearing of 0.2, compared with 0.6 at 31 December 2008, while the net debt-to-EBITDA ratio declined to 0.58, from 1.65 one year earlier. These improvements demonstrate the Group's financial flexibility and ability to pay off debt quickly.

Dividend

After a dividend that was unchanged in 2009 because of the economic crisis and poor visibility, the Group's business performance and financial solidity led the Board of Directors that met on February 19 to propose a dividend of €1.04 per share, an increase of 10,6% over the previous year. The dividend will be paid as from 20 May.

Outlook

The beginning of 2010 has been shaped by volatility in terms of exchange rates and raw material prices. In spite of uncertainties regarding consumer spending, the retail sector and a return to normal credit conditions, Groupe SEB anticipates a less gloomy environment than in 2009. In this context, we will focus in 2010 on consolidating our positions while preserving our profitability, in particular through a strict control of our costs.

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 more than 20,500 employees worldwide.

CONSOLIDATED INCOME STATEMENT

Years ended 31 December

(in € millions)	**31/12/2009**	**31/12/2008**	**31/12/2007 restated [a]**
Revenue	3,176.3	3,230.2	2,869.6
Operating expenses	(2,820.9)	(2,888.5)	(2,568.5)
OPERATING MARGIN	**355.4**	**341.7**	**301.1**
Discretionary and non-discretionary profit-sharing	(33.5)	(38.2)	(33.3)
RECURRING OPERATING PROFIT	**321.9**	**303.5**	**267.8**
Other operating income and expense	(73.8)	(24.3)	(30.4)
OPERATING PROFIT	**248.1**	**279.2**	**237.4**
Finance costs	(22.6)	(37.9)	(32.3)
Other financial income and expense	(4.6)	(10.7)	(2.6)
Share of profits (losses) of associates	0.0	(1.3)	2.9
PROFIT BEFORE TAX	**220.9**	**229.3**	**205.4**
Income taxe expense	(58.1)	(66.5)	(60.9)
PROFIT FOR THE PERIOD	**162.8**	**162.8**	**144.5**
Minority interests	(16.9)	(11.2)	0.0
PROFITS ATTRIBUTABLE TO EQUITY HOLDERS	**145.9**	**151.6**	**144.5**
EARNINGS PER SHARE (in €)			
Basic earnings per share	3.14	3.20	2.97
Diluted earnings per share	3.13	3.18	2.92

(a) Adjustements made to the reported income statement in order to present restated data for 2007, with a positive impact of €1.6 million, are described in Note 2 of the Registration Document.

STATEMENT OF CONSOLIDATED GLOBAL RESULTS

(in € millions)	**31/12/2009**	**31/12/2008**	**31/12/2007 restated**
Attributable profit before minority interests	**162.8**	**162.8**	**144.5**
Translation reserve	8.2	23.9	(5.0)
Gain (losses) on cash flow hedges	41.7	(35.3)	(13.2)
Gain (losses) recognized directly in equity	**49.9**	**(11.4)**	**(18.2)**
Total gains (losses)	**212.7**	**151.4**	**126.3**
Minority interests	(12.1)	(25.8)	
Ttotal gains (losses) attributable to the equity holders of the parent	**200.6**	**125.6**	**126.3**

CONSOLIDATED BALANCE SHEET

At 31 December

ASSETS			**31/12/2007**
(in € millions)	**31/12/2009**	**31/12/2008**	**retraité [a]**
Goodwill	386.6	419.8	111.1
Other intangile assets	372.2	368.9	261.1
Property, plant and equipment	391.4	381.2	328.9
Investments in associates		0.1	342.7
Other investments	0.5	0.7	0.8
Other non-current financial assets	7.2	9.9	9.5
Deferred tax assets	57.4	48.2	24.9
Other non-current assets	5.0	2.9	6.2
Derivative instruments non-current assets	0.0	0.3	
NON-CURRENT ASSETS	**1,220.3**	**1,232.0**	**1,085.2**
Inventories	466.3	614.6	528.2
Trade receivables	627.1	645.6	627.2
Other receivables	48.1	54.9	53.7
Current tax assets	15.1	38.8	11.4
Derivative instruments	5.2	11.7	4.1
Cash and cash equivalents	307.8	224.6	134.0
CURRENT ASSETS	**1,469.6**	**1,590.1**	**1,358.6**
TOTAL ASSETS	**2,689.9**	**2,822.1**	**2,443.8**

EQUITY & LIABILITIES			**31/12/2007**
(in € millions)	**31/12/2009**	**31/12/2008**	**restated [a]**
Share capital	50.0	50.9	50.9
Reserves and retained earnings	1,140.1	1,005.7	921.7
Treasury stock	(108.8)	(150.7)	(108.6)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,081.3**	**905.9**	**864.0**
MINORITY INTERESTS	**138.8**	**131.6**	**-**
EQUITY	**1,220.1**	**1,037.5**	**864.0**
Deferred tax liabilities	74.6	91.8	37.1
Long-term provisions	111.3	102.3	109.2
Long-term borrowings	301.1	213.5	65.9
Other non-current liabilities	23.7	17.9	15.3
Derivative instruments non-current assets	2.7	21.5	
NON-CURRENT LIABILITIES	**513.4**	**447.0**	**227.5**
Short-term provisions	86.9	77.2	85.8
Trade payables	398.0	366.3	333.4
Other current liabilities	195.7	177.3	176.7
Current tax liabilities	17.9	25.6	16.7
Derivative instruments	11.1	29.7	10.4
Short-term borrowings	246.7	661.5	729.3
CURRENT LIABILITIES	**956.3**	**1,337.6**	**1,352.3**
TOTAL EQUITY AND LIABILITIES	**2,689.8**	**2,822.1**	**2,443.8**

(a) Adjustements made to the reported income statement in order to present restated date for 2007, with a positive impact of €1.6 million, are described in Note 2 of the Registration Document.