Press Release

27 April 2010

FIRST-QUARTER 2010 REVENUE

VERY SOLID PERFORMANCE
INCREASE IN REVENUE AND OPERATING MARGIN,
FURTHER REDUCTION IN DEBT

- **Sales trend upwards: €769 million in revenue, an increase of 12.1% as reported and 10.9% at constant exchange rates.**
- **Improved profitability: very sharp rise in operating margin to €87 million**
- **Financial solidity confirmed**

Revenue in €m	Q1 2009	**Q1 2010**	**Change** *(Percentages based on exact figures)*	
			Current exchange rates	**Constant exchange rates**
France	139	**148**	6.8%	6.8%
Other Western European countries	155	**164**	6.2%	5.8%
North America	70	**74**	4.3%	7.9%
South America	49	**71**	45.0%	21.9%
Asia-Pacific	151	**185**	22.6%	26.3%
Central Europe, Russia and other countries	122	**127**	4.1%	0.5%
TOTAL	686	**769**	**12.1%**	**10.9%**

2010 began in an economic environment similar to that of fourth-quarter 2009. Supported by year-end advertising budgets and benefiting from low prior-period comparatives, Groupe SEB recorded solid sales growth in first-quarter 2010.

With the exception of a few countries, revenue was higher in nearly all markets, led by a strong recovery in unit sales. Unlike in first-quarter 2009, the currency effect was positive, at €8 million, due to a rise in most of the Group's operating currencies.

Operating margin totalled €87 million at the end of March 2010, compared with €47 million in the first three months of 2009. This strong growth resulted mainly from the improved economic environment and the Group's ongoing cost-control measures.

At 31 March 2010, net debt amounted to €150 million, a decline of €93 million for the first quarter, a period that usually generates large amounts of cash.

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Sales by region

In France, the market for small household equipment saw sustained growth in sales to both retailers and consumers, confirming the fourth-quarter 2009 trend. The inventory drawdowns that characterised 2009 are apparently over. The increase in sales extended across all product families, especially food preparation and floor cleaning appliances. The Group performed in line with the market, with business driven by strong demand for Silence and Air Force vacuum cleaners, the Fresh Express small food preparation appliance and steam generators. It outperformed the market in cookware, owing to excellent sales for Chandeleur, France's traditional pancake day, leading to a strengthening of its positions.

In other Western European countries, markets were generally buoyant and, despite intense competition, trended much more favourably than in first-quarter 2009, continuing the tendency observed in fourth-quarter 2009. Thanks to its flagship products and a broader offering in a number of countries, the Group improved its performance in Spain, Belgium, Austria and Germany. It maintained its growth trajectory in Greece, in spite of a seriously deteriorated market, and managed a sustained recovery in the Netherlands. In Portugal, business slowed, while the situation stabilised in Italy. However, the Group did not see any market improvement in the United Kingdom, where sales continued to decline, as anticipated.

In North America, the overall economic environment was not as depressed as in first-quarter 2009. In the United States, a slight recovery in consumer spending and an improved situation among retailers enabled the Group to return to sales growth. Despite high prior-year comparatives, T-fal cookware sales again rose. Mirro WearEver benefited from solid sales momentum and new retail slots. Rowenta continued to struggle but is gradually turning the situation around by renewing its steam iron range. In the premium segment, Krups' performance again lagged and its sales declined, while All-Clad reverted to strong growth, especially compared with a lacklustre first-quarter 2009. In Mexico, the Group experienced a business recovery but in Canada, the upswing has not yet taken hold.

In South America, the first quarter confirmed the improvement in the business environment, and the favourable trend observed in late 2009 accelerated. In Brazil, in a market shaped by sharply higher demand, increased competition and consolidation in the retail sector, Arno enjoyed strong sales of small electrical appliances, especially blenders, washing machines and fans, and Panex revitalised its sales with new launches and a price repositioning. In the other countries, performance varied, with fast-growing sales in Colombia and Argentina, fuelled by a strong increase in demand, and collapsing revenue in Venezuela.

In Asia-Pacific and China, in a context of sharp currency fluctuations, business was very satisfactory. In Japan, the Group continued to progress in cookware, kettles and steamers and capitalises on the launch of new product families. In South Korea, the improved economic environment led to a sustained recovery in sales. In Southeast Asia, the Group expanded its presence with notably the introduction of products under the Supor brand. In China, Supor enjoyed very strong growth and increased its market share in cookware and small electrical appliances, thanks to a broader offering and the development of the Supor Lifestores network. At the same time, Supor's sub-contracting export business made rapid gains. The region's only setback was in Australia, where the Group's sales declined.

In Central Europe, Russia and other countries (Turkey and other Middle-East countries, Africa…), business remained very challenging, despite an again positive currency effect – notably for the Russian ruble, Turkish lira and Polish zloty – following a year when it had been strongly negative. In these highly competitive and promotional markets, trade receivables must be managed very diligently. The situation nonetheless varied depending on the country or the region. In Poland, the Balkan countries and the Baltic states, the crisis led to a decline in purchasing power and a sharp drop in consumer spending, which adversely affected the Group. In Russia and Ukraine, the environment is gradually stabilizing yet without any clear sign of an upswing in the economy or the Group's sales. In Turkey, slower demand, retailer pressure on prices and protectionist measures against imported electrical products led to a decline in revenue. In Saudi Arabia, a new import agent has helped the business return to growth.

Analysis of growth in operating margin

Because of the seasonal nature of the Group's business, the first quarter – when revenue and operating margin are generally low – is not representative of the full year. First-quarter 2010 operating margin amounted to €87 million, much higher than the €47 million reported in the prior-year period. This sharp improvement was led by organic growth in revenue due to a significant volume effect, by the still favourable impact of purchasing prices and currencies, by carefully managed advertising budgets and continued efforts to control the Group's operating costs.

Analysis of debt at 31 March 2010

Net debt at 31 March 2010 totalled €150 million, compared with €519 million one year earlier and €243 million at 31 December 2009. Cash generation for the first quarter, traditionally strong, amounted to €93 million

A first-quarter 2010 business review has also been published. More detailed than the press release, it will be downloadable on 29 April on www.groupeseb.com.

The world leader in small domestic equipment, Groupe SEB operates in nearly 150 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 20,500 employees worldwide.

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