Press Release

FIRST-HALF 2010

30 August 2010

VERY STRONG GROWTH DYNAMIC
RECORD-HIGH RESULTS

- **Ongoing upswing in business**
- **Excellent operating performance**
- **Solid financial position**

Consolidated Financial Results (in €m)	H1 2009	H1 2010	Change
Revenue	**1,374**	**1,555**	**+13.2%**
Operating margin	**106**	**168**	**+58.4%**
Operating profit	**63**	**141**	**x 2.2**
Profit attributable to equity holders of the parent	**27**	**89**	**x 3.3**

Rounded figures in € millions

Commenting on the first-half 2010 results, Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB, said:

"Continuing the trend observed in fourth-quarter 2009, first-half 2010 saw an upswing in consumer spending – although sometimes uncertain – in virtually all markets and a gradual return to normal in the retail sector. Moreover, negative factors in first-half 2009 created a favourable basis for comparison.

"In this context, the Group turned in a remarkable operating performance over the first six months of the year. Revenue was up sharply, reflecting a robust recovery in business and a positive currency impact. Our operating margin improved strongly, led by a substantial increase in manufacturing output, and was still relatively unaffected by the rise in raw material costs. In addition, the Group is underpinned by a very solid balance sheet.

"Consequently, we've entered the second half of the year with confidence while remaining attentive to changes in the economic environment."

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Solid growth dynamic

Revenue for the six months ended 30 June totalled €1,555 million, an increase of 13.2% as reported and 9.5% at constant exchange rates, reflecting firm demand in mature markets and a strong contribution from emerging markets. This organic growth was driven almost exclusively by sales volumes, which were much higher than in first-half 2009's highly unfavourable environment.

The €50-million positive currency impact (compared with a €3-million negative effect in first-half 2009) was due to a sharp rise against the euro in many of the Group's functional currencies (Brazilian real, Russian ruble, Korean won, Mexican peso, etc.).

Revenue growth reflected the strong sales performance of the Group's flagship products: cookware items such as frying pans, pressure cookers or woks, the Air Force and Silence Force vacuum cleaners, steam generators, the Fresh Express small food preparation appliance, products stemming from partnerships like the Nespresso and Dolce Gusto coffee makers, kitchen electrics in Asia (electric pressure cookers, soymilk makers, induction hobs, etc.) as well as fans and blenders in South America.

Very sharp increase in operating margin: 58%

Operating margin rose by 58.4% to €168 million, from €106 million in first-half 2009, due to a combination of factors:

- A highly positive €61-million volume effect, unlike in first-half 2009. The upswing in demand led to a return to normal in manufacturing operations, which in turn drove an improvement in overhead absorption rates.
- A €7 million positive price-mix impact including on one hand a firm product mix and on the other hand Group targeted price reductions in countries whose currencies had risen again sharply.
- A favourable currency effect that increased operating margin by €25 million. The gain in the dollar against the euro had still no impact on first-half purchases while the Group's other functional currencies had a positive effect on margins.
- Purchasing expenses were up €11 million in the first half, due mainly to the impact of higher metal prices at Supor. However, the increase in raw material and sourced product costs had virtually no impact on the rest of the Group.
- An increase of €20 million in other expenses, reflecting mainly an upturn in marketing and advertising expenditure, which had been reduced in the year earlier period.

A steep rise in both operating profit and attributable profit

Operating profit for the period totalled €141 million, compared with €63 million in first-half 2009. This very sharp increase was due essentially to the improvement in operating margin as well as to a decline in other expense following a first-half 2009 shaped by heavy provisions for restructuring programmes. Discretionary and non-discretionary profit-sharing amounted to €18 million in first-half 2010 (versus €8 million for the prior-year period), reflecting mainly strong industrial output in France.

Finance costs and other financial income and expense, net, amounted to a net expense of €7 million, significantly lower than the net expense of €16 million recorded in first-half 2009. This was due to the substantial decline in average debt following the considerable paydown of debt in second-half 2009.

At €89 million, **profit attributable to equity holders of the parent** was up sharply from the €27 million reported in the prior-year period.

A still robust balance sheet

The balance sheet at 30 June 2010 attests to the Group's solid financial position.

Equity at 30 June stood at €1,448 million, versus €1,220 million at 31 December 2009. This substantial increase was due to earnings for the period but also – and more importantly – to strongly positive translation differences (€163 million) stemming from the impact of the rise in the Chinese renminbi, Brazilian real, Russian ruble and US dollar on the local subsidiaries' equity.

Net debt at 30 June 2010 amounted to €208 million compared with €243 million at end-December 2009, a decline of €35 million over the first half. The Group pursued its investment strategy and adjusted management of working capital requirement to the recovery in demand.

With the increase in equity and the reduction in debt, gearing improved significantly, reflecting the quality of the Group's fundamentals.

Outlook

The Group's forecasts for the second half of the year are based on a generally favourable environment in Europe and continued growth in emerging economies but no improvement in the US market. In addition, exchange rates are likely to be less favourable and the uptrend in raw material and sourced product prices looks set to continue. Based on these observations, management is prudent in its outlook, especially because of high prior-year comparatives in fourth-quarter 2009.

Nonetheless, the Group is confident in achieving 2010 full-year revenue growth and operating margin improvement in line with the expectations of financial markets.

The world leader in small domestic equipment, Groupe SEB operates in close to 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 20,700 employees worldwide.

CONSOLIDATED INCOME STATEMENT

(in € millions)	2009 6 months	2009 12 months	2010 6 months
Revenue	1,373.7	3,176.3	1,555.1
Operating expenses	(1,267.7)	(2,820.9)	(1,387.2)
OPERATING MARGIN	**106.0**	**355.4**	**167.9**
Discretionary and non-discretionary profit-sharing	(8.1)	(33.5)	(18.5)
RECURRING OPERATING PROFIT	**97.9**	**321.9**	**149.4**
Other operating income and expense	(34.9)	(73.8)	(8.0)
OPERATING PROFIT	**63.0**	**248.1**	**141.4**
Finance costs	(14.0)	(22.6)	(6.4)
Other financial income and expense	(2.2)	(4.6)	(0.6)
Share of profits/(losses) of associates	0.0	0.0	
PROFIT BEFORE TAX	**46.8**	**220.9**	**134.4**
Income tax expense	(12.3)	(58.1)	(35.3)
PROFIT FOR THE PERIOD	**34.5**	**162.8**	**99.1**
Minority interests	(7.2)	(16.8)	(9.8)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**27.3**	**146.0**	**89.3**
EARNINGS PER SHARE			
Basic earnings per share	0.59	3.14	1.89
Diluted earnings per share	0.59	3.13	1.86

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ASSETS *(in € millions)*	30/06/2009	31/12/2009	30/06/2010
Goodwill	413.5	386.6	450.4
Other intangible assets	372.5	372.2	416.3
Property. plant and equipment	386.8	391.4	426.3
Investments in associates			
Investments in non-consolidated companies	0.8	0.5	0.5
Other non-current financial assets	7.5	7.2	8.0
Deferred tax assets	73.5	38.1	60.0
Other non current assets	4.1	5.0	6.7
Long-term derivative instruments - assets		0.0	0.3
NON-CURRENT ASSETS	**1,258.7**	**1,201.0**	**1,368.5**
Inventories	570.9	466.3	641.4
Trade receivables	444.0	627.1	464.6
Other receivables	48.8	48.1	58.5
Current tax assets	16.7	15.1	6.8
Short-term derivative instruments - assets	4.4	5.2	2.0
Cash and cash equivalents	223.2	307.8	226.2
CURRENT ASSETS	**1,308.0**	**1,469.6**	**1,399.5**
TOTAL ASSETS	**2,566.7**	**2,670.6**	**2,768.0**
EQUITY AND LIABILITIES *(In € millions)*			
Share capital	50.0	50.0	50.0
Reserves and retained earnings	993.9	1,140.1	1,311.1
Treasury stock	(120.2)	(108.8)	(82.6)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**923.7**	**1,081.3**	**1,278.5**
MINORITY INTERESTS	**131.7**	**138.8**	**169.4**
EQUITY	**1,055.4**	**1,220.1**	**1,447.9**
Deferred tax liabilities	95.1	55.3	61.0
Long-term provisions	113.7	111.3	115.9
Long-term borrowings	210.3	301.1	201.2
Other non-current liabilities	21.2	23.7	25.0
Long-term derivative instruments - liabilities	10.1	2.7	1.9
NON-CURRENT LIABILITIES	**450.4**	**494.1**	**405.0**
Short-term provisions	83.9	86.9	75.6
Trade payables	254.4	398.0	385.9
Other current liabilities	159.0	195.7	186.6
Current tax liabilities	25.5	18.0	20.3
Short-term derivative instruments -liabilities	20.1	11.1	15.9
Short-term borrowings	518.0	246.7	230.8
CURRENT LIABILITIES	**1,060.9**	**956.4**	**915.1**
TOTAL EQUITY AND LIABILITIES	**2,566.7**	**2,670.6**	**2,768.0**