Press Release

2010 NINE-MONTH SALES

26 October 2010

Sales and Margins Sharply Higher
A Very Good Third Quarter

- **Robust growth in revenue**
- **Strong improvement in profitability**
- **A still robust balance sheet**

Revenue in €m	2009 (9 months)	**2010 (9 months)**	**% change *(based on exact figures)***	
			Reported	**Constant exchange rates**
France	434	**452**	4.3%	4.3%
Other Western European countries	457	**496**	8.4%	7.9%
North America	234	**276**	17.5%	10.5%
South America	187	**239**	28.4%	8.5%
Asia-Pacific	418	**543**	29.9%	24.8%
Central Europe, Russia and other countries	374	**417**	11.5%	4.8%
TOTAL	2,104	**2,423**	**15.2%**	**10.3%**

Since the beginning of the year, the Group's business environment has trended favourably overall, shaped by:

- **A generally firm market performance, led by sustained demand although with some areas of uncertainty or weakness (United States and Central Europe in particular).**
- **Persistent currency volatility, especially concerning the dollar, with nonetheless an overall increase in the Group's operating currencies against the euro during 2nd and 3rd quarters 2010. Since late september, the trend has been reversing with the euro strengthening, in particular against the dollar and the rouble.**

In this environment, with a still favourable basis of comparison indeed, Groupe SEB's nine-month sales increased substantially, rising even faster in the third quarter with a like-for-like 11.8% growth. As in the first half, this performance was driven mainly by higher unit sales. The positive currency effect, which became even stronger in the third quarter, has totalled €102 million since the beginning of the year.

Operating margin amounted to €276 million for the first nine months of the year, compared with €194 million for the prior-year period. The gains made in the first half were amplified in the third quarter, in line with the growth in sales volumes.

Net debt at 30 September stood at €207 million, unchanged from 30 June 2010.

GROUPE SEB
DIRECTION DE LA COMMUNICATION FINANCIERE
Chemin du Petit Bois I BP 172 - 69134 ECULLY Cedex France I T.+33 (0)4 72 18 16 40 • Fax +33 (0)4 72 18 15 99
Société par Actions Simplifiée au capital de 806 400 € I 016 950 842 R.C.S Lyon I T.V.A FR 94016950842

Sales by region

In France, the sales momentum in the small household equipment market continued in the third quarter, although with more contrasting situations depending on the product families. Growth was mainly led by cookware, vacuum cleaners and food preparation appliances. In this still favourable environment, Groupe SEB achieved a 3.4% revenue rise in the third quarter, driven in particular by strong sales of cookware, steam generators, vacuum cleaners, the Fresh Express small food processor and Nespresso and Dolce Gusto single-serve pod coffeemakers. Thanks to this solid performance, the Group again strengthened its positions in these market segments.

In other Western European countries, consumer spending and demand for small household equipment held firm in virtually all markets, thereby confirming the positive trend noted in recent months. Led by its flagship products, the Group's revenue was up sharply for the first nine months of the year, with an especially strong third quarter that saw sales jump by 12% at constant exchange rates. This very buoyant environment was lifted by faster growth in Spain, Italy, Austria and Scandinavia as well as by still solid sales dynamic in Germany and the Netherlands. The business also benefited from a dramatic positive turnaround in the United Kingdom and Portugal. Third-quarter revenues were stable in Belgium and lower in Greece.

In North America, a sluggish recovery and lower consumer confidence weighed on demand in the United States and Canada. Nonetheless, the Group's sales were robust in the third quarter, although performance varied depending on the country and the brand. In the US, revenue generated by cookware was up significantly across all market segments: in entry-level products with sustained demand for Mirro; in the mid-range segment with ongoing sales growth for T-fal and WearEver and a strong upsurge for Emeril; and in premium products with All-Clad's continued strong momentum. In small electrical appliances, Rowenta experienced ups and downs, although it turned in a satisfactory third-quarter performance, while Krups' sales continued to decline. In Canada, where the market environment was difficult, nine-month revenue declined despite a positive third quarter, whereas in Mexico, the sales momentum noted since the beginning of the year intensified, helped by the implementation of a loyalty program with a retailer.

In South America, the promising first-half business environment continued and demand held firm in all countries except Venezuela, where the economy has been hit very hard. In Brazil, sales momentum remained strong. In cookware, Panex gained back market share thanks to a strengthened product plan and an aggressive pricing policy. In electrical appliances, despite heavy competition, Arno scored a number of successes. These included fan sales that were boosted by unseasonably warm temperatures, strong sales of new products (among which blenders, Dolce Gusto and washing machines) and a very satisfactory contribution from proprietary stores, which are continuing to be deployed. Sales rose considerably in Argentina and Chile ; they remained in strong growth in Colombia for the nine months despite a third quarter penalised by a sharp decline in fan sales due to bad weather conditions.

In Asia-Pacific, sales continued to rise sharply, driven by China, where Supor's performance was lifted by a fast-growing market, by a strong product dynamic (in both cookware and small electrical appliances) and by the development of Supor Lifestores throughout the country. In Japan, third quarter business was adversely impacted by the slowdown in consumer spending and a decline in store traffic. However the Group could capitalize on its strong positions in cookware and kettles as well as on the reputation of its brands to ensure a good level of performance. In South Korea, sales continued to rise at a sustained pace, thanks in particular to an expanded product offering. Lastly, in Australia, after a number of difficult months, the Group succeeded in stabilising the situation in the third quarter and recovered listings with various retailers.

In Central Europe, Russia and other countries (Turkey, Middle Eastern and African countries, etc.), the economic situation varied from one country to another, with continued weaknesses in certain fields, in particular credit insurance. While the Group reported significantly higher third-quarter sales in the region, performance differed depending on the markets. In Russia and Ukraine, the environment improved considerably as consumer spending picked up, helping to revitalise the Group's sales, especially in the small electrical appliance segment. In Central Europe, on the contrary, the crisis is still present, impacting both consumer spending and the retail environment. As a result, the Group's sales were lower in nearly all these countries. In Turkey, in a highly competitive market that is protected against imports, the Group benefited from the sharp upswing in demand thanks to strong awareness of its brands and to a broad, renewed product portfolio.

Analysis of growth in operating margin

Operating margin for the first nine months of the year totalled €276 million, a 42% rise over the €194 million reported for the first three quarters of 2009. In the third quarter alone, operating margin amounted to €108 million, compared with €88 million in the prior-year period, a 23% increase. This significant improvement resulted mainly from sharply higher unit sales, which on one hand brought an additional contrinution to margins and on the other hand had a positive impact on manufacturing operations and therefore on cost absorption. In addition, purchasing prices still had little negative impact in the third quarter. The Group continued to manage overheads very closely but increased its advertising and marketing budgets, much higher in 2010, as well as its R&D investment, growing significantly. The currency effect, which was very positive in the first half, lessened as forecast and had no impact in the third quarter.

Analysis of debt at 30 September 2010

Net debt at 30 September amounted to €207 million, unchanged from 30 June 2010. This stability is generally in line with the seasonal nature of the Group's business. The balance sheet remains solid and comfortable.

A more complete business review is available on the Group's website: www.groupeseb.com

The world leader in small household 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.