Press Release

FIRST-QUARTER 2011 SALES

26 April 2011

A robust early-year performance, in line with 2010

- **Revenue up very sharply**
- **€92 million in operating margin, an all-time first-quarter high**
- **A solid, healthy financial situation**

Revenue in €m	Q1 2010	**Q1 2011**	**% change** *(based on exact figures)*	
			Reported	**Like-for-like**
France	148	**147**	-0.6%	-0.6%
Other Western European countries	164	**180**	9.5%	9.2%
North America	74	**81**	10.3%	4.6%
South America	72	**94**	31.6%	14.8%
Asia-Pacific	185	**236**	27.2%	20.9%
Central Europe, Russia and other countries	127	**152**	19.5%	17.5%
TOTAL	770	**890**	**15.6%**	**11.6%**

In a generally buoyant macro-economic environment – and despite the socio-political troubles in North Africa and the Near East and the tragic events in Japan – Groupe SEB benefited in the first quarter from generally firm consumer spending overall and a small domestic equipment market that trended favourably. For the period, the Group achieved record-breaking performance in line with those of 2010.

Revenue was up a robust 15.6% as reported and 11.6% like-for-like. The increase was led by organic growth, which was driven mainly by higher sales volumes, and by the consolidation as from 1 March 2011 of Colombia's Imusa, which generated €8 million in revenue for the quarter. Business was fuelled by the Group's on-going rapid development in emerging markets (up 23% on average) as well as by sustained growth in mature markets (up 5% on average). The positive €23-million currency effect reflected mainly the appreciation against the euro, compared with first-quarter 2010, of the Japanese yen, Brazilian real, Chinese yuan and Russian rouble, with the US dollar remaining stable.

Combining solid sales and sustained manufacturing output, operating margin increased to €92 million, an all-time record for the period compared with an already-strong first-quarter 2010.

Net debt at 31 March 2011 stood at €137 million, including financing for the acquisition of Imusa.

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 small domestic equipment market continued its upswing, led by single-serve coffeemakers, personal care products and vacuum cleaners. Nonetheless, the market saw heightened competition, in particular with a large number of promotional offers launched by certain major retailers. In this environment, Groupe SEB maintained its sales and market share in small electrical appliances overall but saw slower sales and a slight decline in its competitive positions in cookware following the launch of a major loyalty operation by one of its main customers. However, the drop-off was nearly offset by higher sales to other customers and by the success of new breakfast line-ups, Silence Force and Air Force vacuum cleaners, new-model barbecues and plancha hot-plate grills, as well as Dolce Gusto and Nespresso coffeemakers.

In other Western European countries, market trends remained generally favourable despite lacklustre conditions in Greece, Spain and Portugal. Excluding these countries, where the Group's sales were adversely impacted by the economic slowdown, sales were higher overall – with oustanding performance in certain countries. In the United Kingdom, where prior-period comparatives were indeed low, the Group confirmed its return to growth in a market that was once-again buoyant and receptive to new products. The same was true for Italy, where the Group achieved increases in both sales and market share. In Austria, new advances were recorded thanks in particular to an extended line-up. Lastly, in Germany and Benelux, growth was very sustained, led by flagship products. In Western Europe as a whole, the Group's sales were lifted by the re-launch of the Moulinex brand, which enjoyed an encouraging start.

In North America, in an economic environment that varied from one country to another, organic growth in revenue amounted to 4.6% in the first quarter. Imusa USA, which was consolidated for one month, added €1.6 million to the revenue total. In the United States, the Group's performance was very satisfactory in mid-range cookware products with new gains by the T-fal and Emeril brands. In linen care products, Rowenta returned to solid growth thanks in particular to strong sales of new-model irons, while Krups is awaiting the arrival of new product ranges late in the year. In the premium segment, All-Clad is currently reorganising its offer, which resulted in a temporary drop-off in sales before the new assortment is brought to market. In Canada, the Group continued to recover thanks to an assertive sales and marketing strategy while in Mexico, it maintained its growth momentum and outperformed the market.

In South America, in a generally favourable economic environment, the Group's sales rose by 14.8% like-for-like, with Imusa, consolidated for one month, adding €6.4 million to revenue for the period. In Brazil, the decline in fan sales, due to unfavourable weather conditions, was more than offset by a number of decisive successes in the small electrical appliance segment (steam irons, vacuum cleaners, Dolce Gusto coffeemakers, washers and spin dryers…), an assertive cookware product plan, the steady growth in proprietary stores and a more-efficient, optimised sales team. In Colombia, the decline in fan sales (for the same reasons as in Brazil) combined with a lowering of customs duties on imported electrical products led to a temporary decline in the Group's first-quarter revenue.

In Asia-Pacific, the region's very strong growth in sales in fact comprised contrasting situations. China, the Group's largest market for the quarter, continued to be the main growth driver in the region. Supor's sales rose by nearly 40% in the domestic market, with significant new gains in cookware and extremely strong demand for small electrical appliances. In South Korea, the deployment of electrical products continued with the introduction of new categories that helped drive significant sales growth. In Japan, despite a declining trend in consumer spending, a high basis for comparison and last March's dramatic events, sales were maintained on a par with first-quarter 2010. In Australia, after two difficult years, the Group returned to growth thanks to the success of several flagship products.

In Central Europe, Russia and other countries (Turkey, the Middle East and Africa), the economic rebound and Groupe SEB's sales growth varied from one market to another, although the overall pace of development was faster. In Russia, the recovery took hold but the crisis left its mark, with a more commoditised market, greater consolidation in the retail sector and price wars. In this more challenging environment, Groupe SEB nonetheless enjoyed a significant increase in sales. In Ukraine, the Group was the main beneficiary of very strong demand, which led to extremely robust sales growth and stronger market positions. In Central Europe, in a still uncertain economic environment, sales were re-energised, fuelled by flagship products, in particular cookware, irons, vacuum cleaners and Dolce Gusto coffeemakers, as well as by loyalty programs with a number of retailers and new retail listings. In Turkey, business growth was buoyant, driven by gains in vacuum cleaners, the very strong success of the Actifry deep fryer and the effectiveness of the local network of Tefal shops.

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Analysis of growth in operating margin

Operating margin for the first three months of 2011 reached an all-time high of €92 million, up 6% from the €87 million reported in first-quarter 2010 – a record at the time and thus a high basis of comparison. This new improvement was due to higher sales volumes that provided an additional direct contribution and helped to more effectively absorb production costs. Moreover, the increase in raw materials prices had an impact on direct production purchases and sourced products, while the currency effect was positive.

Analysis of debt at 31 March 2011

Net debt at 31 March 2011 totalled €137 million, including financing for the acquisition of Colombia's Imusa in late February 2011. Since the beginning of the year, the Group has continued to pay down debt, thereby maintaining a solid, comfortable financial position.

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

Next publication: First-half results on 25 July at 9:00 p.m.

Media
Image Sept
Estelle Guillot-Tantay
7, rue Copernic
75116 Paris, France

Tel: 33 (0) 1 53 70 74 93
Fax: 33 (0) 1 53 70 74 80

Investors / Analysts
Groupe SEB – Investor Relations
Isabelle Posth
BP 172
69134 Ecully cedex, France

Tel: 33 (0) 4 72 18 16 40
comfin@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 more than 24,000 employees worldwide.