



Press Release

HALF-YEAR SALES AND RESULTS 2011

25 July 2011

A GOOD FIRST-HALF 2011

- Continued robust business growth
- Solid operating performance
- Confirmed strong balance sheet

Consolidated Financial Results (in € millions)	H1 2010	H2 2011	Change
	<i>Rounded figures in € millions</i>		
Revenue	1,555	1,719	+10.6 %
Operating margin	168	155	-7.6 %
Operating profit	141	152	+7.2 %
Profit attributable to equity holders of the parent	89	93	+4.5 %
Net financial debt (at 30 june)	208	257	+ €49m

Commenting on the first-half 2011 results, Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB, said:

"Our first-half results attest to our sustained growth dynamic and the quality of our strategy, which consists of maintaining a balanced presence between mature markets and emerging economies. They also demonstrate our determination and ability to meet our overall goal of continuing to grow the business.

Operating margin is solid after reaching an all-time high in 2010. We continued to strengthen our commercial efforts and investment in marketing and advertising to improve our market positions, and in innovation to prepare the future.

Our strong balance sheet allows us to take up external growth opportunities as they arise, as we did this year with the Imusa acquisition in Colombia and the Asia Fan acquisition in Vietnam. These two new businesses represent another step forward in our international growth strategy.

Despite present market uncertainties, we are confident in the outlook for the second half of the year and reaffirm our objective of achieving again solid revenue growth and improved operating margin, in value terms, in 2011."

Robust business growth

In first-half 2011, the macro-economic environment was generally favourable but with significant contrasts:

- Demand held up well in Western Europe, except for some countries such as Greece, Spain and Portugal.
- Emerging markets remained vibrant.
- Most markets were fiercely competitive, leading to high levels of promotional activity.

GROUPE SEB

Financial Communications Direction

In this context, and in spite of a very high base in first-half 2010, Groupe SEB reported first-half revenue of €1,719 million, up 10.6% at current exchange rates. Growth was led by increased unit sales. Imusa, which was consolidated from 1 March, contributed €32 million to the total. At constant scope of consolidation and exchange rates, revenue grew 8.4% over the period, made out of an exceptionally high increase of 11.6% in the first quarter and a growth by 5.4% in the second, reflecting consumer spending slowdown in several countries and a normalisation of growth pace in China.

The exchange rate volatility remained very high during the period, but the final net currency effect was not material as the positive effect in the first quarter was cancelled out by the negative effect in the second.

Sales by Region

Revenue in €m	H1 2010	H1 2011	% change (based on exact figures)	
			Reported	Like-for-like
France	297	291	-2.2 %	-2.2 %
Other Western European countries	323	341	+5.8 %	+5.8 %
North America	167	172	+3.1 %	+2.0 %
South America	148	190	+27.9 %	+9.6 %
Asia Pacific	357	433	+21.5 %	+19.6 %
Central Europe, Russia and other countries	263	292	+11.0 %	+12.2 %
TOTAL	1,555	1,719	+10.6 %	+8.4 %

In France, the small domestic equipment market continued to grow in the first half, although the pace slowed as the period wore on. In a fiercely competitive environment, Group sales contracted by 2.2% against a series of promotional offers in the small electrical appliance segment and competition from a loyalty programme deployed by a major retailer in the cookware segment. Strong demand for flagship products such as the Air Force vacuum cleaner, Nespresso, Dolce Gusto and Fresh Express, along with renewed momentum in the hair care and hair removal segments, nonetheless helped to limit the decline.

In other Western European countries, the situation varied depending on the market and was generally more challenging in the second quarter. Groupe SEB nevertheless reported sales up 5.8% in this region and consolidated its positions in most countries, in part by relaunching the Moulinex brand. In Northern Europe, although sales remained flat in the Netherlands in a difficult market, business was brisk in the United Kingdom and Austria and the Group enjoyed firm demand in Germany and Belgium. In Southern Europe, sales contracted in Spain and Greece whereas they were slightly up in Portugal and fast-growing in Italy.

In North America, the recovery in consumer spending is struggling to take hold. Groupe SEB revenue in this market rose 3.1% as reported, including the contribution of Imusa USA, and 2% like-for-like. In the United States, growth was led by robust demand for T-fal and Emeril mid-range cookware and the successful launch of the new Rowenta irons. In the premium segment, the forthcoming introduction of new All-Clad and Krups assortments continued to dampen sales. In Canada, the Group's marketing offensive in a buoyant consumer-spending environment drove strong growth. In Mexico, business was brisk but sales were held back by the non-renewal of a loyalty programme.

In South America, excluding Argentina, demand continued to trend upward despite the negative impact of bad weather conditions on fan sales. Group turnover in the region rose 27.9% as reported, including Imusa, and 9.6% like-for-like. In Brazil, the Group continued to make inroads in the market, thanks to the strong dynamics of linen care appliances (washers, dryers, irons), hair care appliances and coffeemakers with Dolce Gusto. Cookware sales were also higher and the Group increased its market share. In Colombia, business remained robust in all product categories except for fans, and revenue was also boosted by the contribution of Imusa. Throughout the region, expansion of the Group's network of proprietary stores helped to drive up revenue.

In the **Asia-Pacific region**, sales rose 21.5% at current exchange rates and 19.6% at constant rates, reflecting growth in all markets. In China, the Group's second largest market, Supor performed well in the first half in both cookware and small electrical appliances, and increased its market share. The region's other growth driver is South Korea. Demand in this market was very strong during the period,

particularly in hair care and food preparation appliances. In Japan, although March's dramatic events led to a decline in consumer spending, the Group's sales held firm. In Australia, sales recovered strongly following deployment of the Group's flagship Actifry, Air Force and Fresh Express products.

In Central Europe, Russia and other countries (Turkey, the Middle East and Africa) sales were up 11% as reported and 12.2% at constant exchange rates. Business was uneven, however. In the fiercely competitive Russian market shaped by extensive promotional activity, the Group increased its market share and extended its lead thanks to a growth spurt in the second quarter. In Ukraine, the Group continued to enjoy rapid growth and outperformed the market. In Central Europe, sales were held back by lacklustre demand, except in Poland where the Group benefited from the economic recovery. In Turkey, turnover expanded rapidly in a very buoyant market, despite high inflation, the weakening Turkish lira and continued protectionist measures. This performance was achieved by leveraging the Group's powerful brands and deep retail presence, notably through its Tefal Shops.

Operating margin

First-half operating margin amounted to €155 million, down 7.6% from €168 million in the year-earlier period which represented an exceptionally high basis of comparison. At 9% of revenue, the margin rate was good for the first half of the year.

In uneven markets, targeted adjustments were made to the Group's marketing strategy to sustain momentum over the full year by reinforcing the level of investment in growth drivers. The impact on operating margin was as follows:

- Increased volumes reflecting market share gains added €38 million, and allowed to maintain a good level of capacity utilisation.
- Changes in price and mix had a €27 million negative impact: price increases (passed in Europe, Turkey,...), were concealed by the effect of significant promotional activity in markets, sale price realignments in certain countries and the increased weighting of new economies in the sales mix.
- Increased investment in innovation, advertising, marketing and to develop the network of proprietary stores trimmed €22 million from operating margin.

In addition, higher metal and plastic prices drove up direct production costs and the cost of finished products, with a €25 million negative impact on operating margin. This was partly offset by the €21 million positive currency effect, which included the favourable impact on purchases of the dollar's decline against the euro.

The only change in the scope of consolidation was the acquisition of Imusa and the impact on operating margin for the period was not material.

Operating profit and attributable profit

Operating profit for first-half 2011 totalled €152 million, compared with €141 million in first-half 2010. The 7.2% increase was mainly attributable to a €14 million gain realized on the sale of a plot of land in Brazil at the beginning of the year.

Finance costs and other financial income and expense represented a net expense of €7 million, unchanged from first-half 2010.

Income tax expense was €38 million, corresponding to an effective rate of 26% unchanged from first-half 2010. Minority interests, which concern Supor, amounted to €13 million versus €10 million in first-half 2010, reflecting the strong growth in Chinese operations over the period. Profit attributable to equity holders of the parent for first-half 2011 amounted to €93 million, an increase of 4.5% compared with the year-earlier period.

Financial position

The Group shows a solid, comfortable financial position at 30 June 2011, with a strong balance sheet.

Equity stood at €1,561 million, more or less unchanged from €1,571 million at 31 December 2010.

Net debt came to €257 million versus €131 million at 31 December 2010. The €126 million increase in the first six months was mainly due to the Imusa and Asia Fan acquisitions.

Balance sheet ratios remained healthy at 30 June 2011. The bond issue carried out in May further diversified the Group's sources of financing while also extending the average maturity of its debt.

Outlook

In first-half 2011, Groupe SEB gained market shares and reported strong like-for-like sales growth despite very high prior period comparatives. It also maintained a solid level of operating margin.

With the economic environment expected to remain broadly unchanged in the coming months, demand should remain positive in mature markets while consumer spending in emerging markets should stay buoyant. However, like in the first-half, the markets are likely to be fiercely competitive, with high levels of promotional activity.

Raw materials prices look set to stay on an upward trend and exchange rates are expected to remain volatile, although if the dollar continues to weaken against the euro this will help reduce the cost of the Group's purchases.

On this basis, the Group has entered the second half of the year with confidence, and while remaining prudent nevertheless reaffirms targeting continued revenue growth and improved operating margin, in value terms, in 2011.

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

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

The First-Half Financial Report is available in French on www.groupeseb.com.

The English version will be available on August 17.

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 25,000 employees worldwide.

CONSOLIDATED INCOME STATEMENT

<i>(in € millions)</i>	2011 6 months	2010 6 months	2010 12 months
Revenue	1,719.4	1,555.1	3,651.8
Operating expenses	(1,564.3)	(1 387.2)	(3,213.9)
OPERATING MARGIN	155.1	167.9	437.9
Discretionary and non-discretionary profit-sharing	(19.1)	(18.5)	(50.4)
RECURRING OPERATING PROFIT	136.0	149.4	387.5
Other operating income and expense	15.7	(8.0)	(38.5)
OPERATING PROFIT	151.7	141.4	349.0
Finance costs	(6.4)	(6.4)	(12.0)
Other financial income and expense	(0.6)	(0.6)	(3.9)
Share of profits/(losses) of associates	0.0	0.0	0.0
PROFIT BEFORE TAX	144.7	134.4	333.1
Income tax expense	(37.9)	(35.3)	(89.5)
PROFIT FOR THE PERIOD	106.8	99.1	243.6
Minority interests	(13.4)	(9.8)	(23.2)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	93.3	89.3	220.4
EARNINGS PER SHARE			
Basic earnings per share	1.94	1.89	4.65
Diluted earnings per share	1.89	1.86	4.55

STATEMENT OF FINANCIAL POSITION

ASSETS (in €millions)	30/06/2011	30/06/2010	31/12/2010
Goodwill	417.8	450.4	409.1
Other intangible assets	414.0	416.3	398.7
Property, plant and equipment	448.9	426.3	426.5
Investments in associates		0.0	0.0
Investments in non-consolidated companies	11.6	0.5	0.6
Other non-current financial assets	8.6	8.0	7.9
Deferred tax assets	50.0	60.0	40.2
Other non current assets	7.7	6.7	4.2
Long-term derivative instruments - assets		0.3	2.5
NON-CURRENT ASSETS	1,358.6	1,368.5	1,289.7
Inventories	752.7	641.4	635.5
Trade receivables	506.2	464.6	733.9
Other receivables	63.4	58.5	59.4
Current tax assets	35.4	6.8	26.8
Short-term derivative instruments - assets	10.0	2.0	14.1
Cash and cash equivalents	475.0	226.2	236.6
CURRENT ASSETS	1,842.7	1,399.5	1,706.3
TOTAL ASSETS	3,201.3	2,768.0	2,996.0
EQUITY AND LIABILITIES (in € millions)			
Share capital	50.0	50.0	50.0
Reserves and retained earnings	1,398.7	1,311.1	1,409.9
Treasury stock	(55.7)	(82.6)	(61.7)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1,392.9	1,278.5	1,398.2
MINORITY INTERESTS	168.5	169.4	173.1
EQUITY	1,561.4	1,447.9	1,571.3
Deferred tax liabilities	64.1	61.0	54.9
Long-term provisions	120.2	115.9	120.0
Long-term borrowings	536.6	201.2	201.8
Other non-current liabilities	26.3	25.0	23.7
Long-term derivative instruments - liabilities	0.7	1.9	0.3
NON-CURRENT LIABILITIES	747.9	405.0	400.7
Short-term provisions	57.3	75.6	78.3
Trade payables	409.3	385.9	494.4
Other current liabilities	184.5	186.6	250.8
Current tax liabilities	35.2	20.3	24.6
Short-term derivative instruments -liabilities	7.6	15.9	5.8
Short-term borrowings	198.1	230.8	170.1
CURRENT LIABILITIES	892.0	915.1	1,024.0
TOTAL EQUITY AND LIABILITIES	3,201.3	2,768.0	2,996.0