Press Release

2011 NINE-MONTH BUSINESS REVIEW

24 October 2011

Continued solid growth, operating margin on track
A good third quarter

- **Business generally remained brisk in the third quarter**
- **Operating margin improved**
- **The Group is financially solid**

Revenue in €m	9 months 2010	**9 months 2011**	**% change** *(based on exact figures)*	
			Reported	**Like-for-Like**
France	452	**444**	-1.9%	-1.9%
Other Western European countries	496	**526**	+ 6.2%	+ 6.5%
North America	276	**271**	-1.7%	-1.6%
South America	239	**305**	+ 27.5%	+ 10.4%
Asia-Pacific	543	**651**	+ 19.9%	+ 17.7%
Central Europe, Russia and other countries	417	**461**	+ 10.5%	+ 12.9%
TOTAL	2,423	**2,658**	**+ 9.7%**	**+ 8.0%**

Revenue in €m	Q3 2010	**Q3 2011**	**% change** *(based on exact figures)*	
			Reported	**Like-for-Like**
France	155	**153**	- 1.2%	- 1.2%
Other Western European countries	173	**185**	+ 7.0%	+ 7.8%
North America	109	**99**	- 9.0%	- 7.1%
South America	91	**115**	+ 26.7%	+ 11.7%
Asia-Pacific	186	**218**	+ 16.8%	+ 14.1%
Central Europe, Russia and other countries	154	**169**	+ 9.5%	+ 14.3%
TOTAL	868	**939**	**+ 8.2%**	**+ 7.2%**

In an overall economic environment that was more challenging in the third quarter, demand for small domestic equipment remained generally firm, albeit with a few exceptions. As a result, the Group again delivered solid revenue growth, reflecting its continued strong momentum in emerging markets and resilience in Western Europe. At constant exchange rates and scope of consolidation, like-for-like revenue growth came to 8% for the first nine months of the year and 7.2% for the third quarter alone. Colombia-based Imusa, which was acquired in February and consolidated for seven months, added €58 million to the revenue total.

Currency volatility continued in the third quarter and has accelerated since September with the US dollar, Turkish lira, Brazilian real and Russian rouble all declining against the euro (on the basis of average exchange rates 2011 vs 2010). The dollar in particular has continued to fluctuate widely. The result was a negative currency effect in the third quarter, as in the second quarter, that reduced reported nine-month revenue by €17 million, compared with a €1-million positive impact in the first half year.

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After a satisfactory third quarter, nine-month operating margin totalled €271 million, down 1.9% from the €276 million reported for the first nine months of 2010, as expected.

The Group's financial position remained solid with net debt totalling €305 million at 30 September.

Sales by region

In France, growth in the small domestic equipment market remained positive for the nine-month period, but has turned downwards since the summer. Competition remains lively, accentuated by a still intensely promotional retail environment. Against this backdrop, Groupe SEB's revenue was virtually unchanged in the third quarter, with the decline in cookware sales (following a rival loyalty programme deployed by a customer during the first half) nearly offset by stronger sales of electrical appliances. The Group further strengthened its positions in vacuum cleaners with the continued success of its "silent" models and vacuum brooms, in the breakfast range led by single-serve coffeemakers, and in hair care with a particularly strong performance from new straighteners. Demand also remained very strong for steam generators and the Fresh Express compact shredder.

In other Western European countries, despite a slowdown since the summer, demand for small household equipment continued to trend upwards in most markets, with a sharper contrast between Northern and Southern Europe. The drop in business intensified in Spain and Greece with the collapse in consumer spending, but sales held firm in Portugal despite the steep fall-off in demand, leading to strengthened positions in several product families. The Group turned in a solid performance in all other markets, in particular the United Kingdom, Italy and Austria, with sales of flagship products driving robust growth. In Belgium, Germany and Scandinavia, demand remained very strong. Throughout Europe, sales were boosted by the growing contribution of the Moulinex brand, which was successfully reintroduced early in the year.

In North America, nine-month revenue declined by 1.6% like-for-like, adversely affected by a sharp slowdown in consumer spending in the United States during the third quarter. Imusa USA, consolidated since 1 March, provided an additional €15 million in revenue. In the United States, after several quarters of steady growth, cookware business got more tense and sales of T-fal, WearEver, Emeril and All-Clad brands slowed down, while in electrical appliances, Rowenta held iron sales firm and Krups saw a sharp upturn in business. In Canada, the Group's sales and market share both improved, led by the success of cookware, Dolce Gusto coffeemakers and the Actifry deep fryer. In Mexico, demand remained strong but revenue declined due a not yet renewed loyalty programme by a major retailer.

In South America, in a business environment that remained generally favourable, Group's sales were up an organic 10.4% at end-September, with Imusa adding nearly €43 million to revenue over seven months. In Brazil, demand remained very solid in the small electrical appliance segment, in particular with a sharp recovery in fans and a very good performance by Actifry, Dolce Gusto, personal care products and filter coffee makers. At the same time, the Group continued to drive progress in cookware and expand the proprietary store network, which also boosted sales. In Colombia, buoyant consumer spending combined with the Group's powerful brands and the deployment of Imusa's small electrical appliances led to robust revenue growth. The business also benefited from surging sales in Chile and a recovery in Venezuela.

In Asia-Pacific, all the Group's markets saw strong growth. In China, Groupe SEB's second largest market, sales kept on rising, reaching +25% in the third quarter, driven by the sustained extension of Supor's line-up of small electrical appliances, by robust demand in cookware and by the continued deployment of Supor Lifestores. In Japan, in a slightly more favourable environment, the Group turned in a strong performance, backed by its flagship products, cookware and kettles, as well as by gains in food preparation appliances. In South Korea, sales growth accelerated in the third-quarter, lifted by the success of the recently launched product families such as blenders, breakfast appliances and hair care products. In Australia, the Group's renewed momentum continued at an even faster pace. Development remained strong in new territories like Thailand, Malaysia and Taiwan.

In Central Europe, Russia and other countries (Turkey, the Middle East, Africa, etc.), sales continued to trend very favourably, but the significant decline in certain currencies against the euro represents an issue. In local currencies, business improved in every market during the third quarter, underpinned by still-vibrant consumer spending and led by a number of best-selling products (such as food preparation appliances, vacuum cleaners, Dolce Gusto and Nespresso coffeemakers, and steam generators) as well as by increased sales in proprietary stores. This was especially true in Russia, Poland, the Czech Republic and Ukraine, even though all of these markets have become highly competitive and promotion-driven. In Turkey, the Group confirmed very rapid growth in sales, outperforming the market in small electrical appliances thanks to Actifry, vacuum cleaners, steam generators, yogurt makers and Fresh Express, as well as to the sustained strong business generated by its Tefal shops.

Change in operating margin

Operating margin for the first nine months of 2011 totalled €271 million, compared with €276 million in the prior-year period. It included a good third-quarter, with operating margin amounting to €116 million, compared with €108 million in third-quarter 2010.

Analysis of debt at 30 September 2011

Net debt came to €305 million at 30 September 2011, versus €208 million a year earlier. This amount included financing for first-half acquisitions, such as Imusa in Colombia, 65% of Asia Fan in Vietnam, and Key Ingredients through the SEB Alliance investment fund. It also takes into account share buybacks carried out during the summer. The Group's balance sheet remains healthy and robust.

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

Next publication: 2011 full-year sales, on 17 January 2012 at 5:40 p.m.

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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 nearly 25,000 employees worldwide.