Press Release

26 February 2013

2012 CONSOLIDATED RESULTS

Performance holds firm after two record years

- Revenue generally stable like-for-like
- Earnings lower but still solid
- Very satisfactory cash generation and a healthy financial position
- Recommended dividend of €1.32*, up 5.6%

Consolidated Financial Results (in €m)	2011 reported (a)	2012	Change
Revenue	**3,963**	**4,060**	**+2.4%**
Operating Result from Activity	**453**	**415**	**-8.4%**
as a % of revenue	*11.4%*	*10.2%*	
Operating profit	**400**	**368**	**-8.2%**
Profit attributable to equity holders of the parent	**235**	**194**	**-17.2%**
Net debt at 31 December (in €m)	**673**	**556**	**-117**
Diluted earnings per share (in €)	**4.78**	**4.01**	**-16.1%**
Dividend (in €)	**1.25**	**1.32***	**+5.6%**

***To be submitted for shareholder approval at the Annual General Meeting on 14 May 2013**

Rounded figures in € millions

Percentages based on non-rounded figures

(a) 2011 reported figures, before restatement for the retrospective application of IAS 19R, which does not have a material impact on the income statement (see adjusted accounts in the appendix)

Commenting on the 2012 results, Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB, said:

"Our performance over the past ten years, particularly the record results reported in 2010 and 2011, attest to the robustness of our business model and the validity of our strategy. These results represented a very challenging basis of comparison in last year's recessionary economic environment.

"Nonetheless, our revenue exceeded €4 billion for the first time, and although down from 2011 our operating result from activity remained among the best in our Group's history. The high level of cash generation allowed us to reduce debt by nearly €120 million and we have a healthy, well-structured balance sheet.

"We are approaching 2013 cautiously. The economic context remains uncertain and the improvement in the environment may be very gradual. In 2013 we are aiming to achieve a slight organic revenue growth, to consolidate our market positions and to protect our operating result from activity. Over the medium term, small domestic equipment is a supply-driven market whose growth momentum will continue to be fed by product innovation and the development of the middle class in emerging markets. The leading multi-specialist manufacturer, Groupe SEB is well positioned to capture all the growth potential that the market has to offer. With the support of our shareholders and the momentum provided by our skilled and engaged teams, the Group will continue to succeed and advance."

Firm revenue despite a difficult overall environment and high comparatives

Last year's sluggish economic environment led to a slowdown in consumer spending in many markets and heightened tensions in the retail sector, resulting in a highly competitive, promotion-driven environment. While demand for small domestic equipment narrowed slightly, the market proved again rather resilient.

The Group reported 2012 revenue of €4,060 million, up 2.4% as reported and down 0.9% like-for-like (i.e. at constant exchange rates and based on a comparable scope of consolidation). This represented a satisfactory performance in a sluggish economic environment, particularly considering the very high comparatives in 2010 and 2011, when revenue grew 9.6% and 6.9% respectively. The slight downturn in like-for-like revenue was due to lower volumes. Changes in the price and product mix had a small positive impact, with price rises in several markets (such as Europe and Brazil) offset by competition- and promotion-driven reductions in others (such as Japan and the United States).
The €20 million positive impact of changes in scope of consolidation concerned Imusa (with an extra two months' revenue contribution in 2012) and Asia Fan (five months more than in 2011). The Group decided not to consolidate its 55%-owned Indian subsidiary, Maharaja Whiteline, because of a lack of reliability in the company's reporting at year-end and the non-material impact of the company on the Group's financial indicators.
Lastly, as in prior years, exchange rates were highly volatile. In 2012, volatility led to a €114 million positive currency effect (versus a negative €26 million in 2011 and a positive €170 million in 2010) that was due to the euro's decline against most of the Group's functional currencies, particularly the US dollar and the Chinese yuan.

Sales varied from one region to another. They were down sharply in both Western and Central Europe and also lower in China, reflecting more than in 2009 an economic slowdown related to the global recession. At the same time, while sales were flat in the United States, business was brisk in Canada and Mexico, the trend was positive in South America in the latter part of the year and Russia continued to enjoy vibrant demand. In this contrasted environment, Group revenue declined by 2% in mature markets (which accounted for 54% of 2012 revenue) and rose 1% in emerging economies (46% of the total).

A measured decline in operating result from activity

Operating result from activity amounted to €415 million in 2012, a decline of 8% from the previous year's historical high of €453 million which represented a challenging basis of comparison. The decline reflected the net impact of several positive and negative factors:

- A negative volume effect, due to subdued sales and measures to draw down inventories, resulting in an under-absorption of production costs.
- A slightly negative impact from changes in the price and product mix, reflecting the effect on prices of inventory drawdowns.
- Savings arising from tight control over raw materials procurement processes and limited increases in product outsourcing costs.

- A steep reduction in operating costs that did not however affect spending on growth drivers, with a greater commitment to research and development and, in weakened markets, a trade-off between scaled back advertising campaigns and increased spending on marketing and point-of-sale promotional events.
- A very unfavourable currency effect, including the strongly negative impact on purchases of gains in the dollar and the yuan against the euro in 2012.

Lower operating profit and net profit

Operating profit amounted to €368 million, down 8% on 2011. This was after discretionary and non-discretionary profit-sharing of €48 million (versus €44 million in 2011), including in particular the impact of the higher "*forfait social*" tax in France and the Group's matching payments under last autumn's employee shareholder plan. Other income and expenses had virtually no impact on operating profit in 2012. In 2011, they represented a net expense of €9 million.

Finance costs and other financial income and expense amounted to a net expense of €63 million. Finance costs rose to €29 million from €19 million in 2011. This was due to the sharp increase in average debt resulting from the late-2011 acquisitions, particularly the purchase of an additional 20% stake of Supor. Although average debt was higher, the average interest rate paid by the Group was significantly lower. Other financial income and expenses included a €25 million impairment charge on the shares in Indian company Maharaja Whiteline that was acquired in December 2011 and whose performance was considerably lower than expected.

Profit attributable to equity holders of the parent amounted to €194 million versus €235 million in 2011.

A healthy financial position

At 31 December 2012, consolidated equity amounted to €1,462 million and net debt at €556 million compared with €673 million one year earlier. The €117 million decrease was due in large part to the high level of cash generated from operations, which stood at a three-year high of €192 million.

These figures confirm Groupe SEB's robust financial position, with gearing of 38% (versus 49% at end-2011) and a debt-to-EBITDA ratio of 1.17 (versus 1.31 at end-2011). In August 2012, the debt profile was further improved through a second successful Schuldschein (German private placement notes) issue, which extended the average maturity of debt while also diversifying the Group's financing sources.

Dividend

At its meeting on 22 February, the Board of Directors decided to recommend setting the 2012 dividend at €1.32 per share, an increase of 5.6% over the previous year. This increase takes into account the change in the Group's 2012 performance and reflects the Board of Directors' confidence in the future. The shares will be quoted ex-dividend from 16 May and the dividend will be paid as from 21 May.

Outlook for 2013 and beyond

Last year's macro-economic environment was difficult and the unfavourable scenario we expected in the first half continued throughout the second half.

For 2013, we expect the environment to be difficult in France and remain lacklustre in the rest of Europe – although the Group will benefit from less challenging prior-year comparatives – while emerging markets should be more buoyant, particularly China. In a small domestic equipment market that will probably continue to be intensely competitive and promotion-driven, we will maintain a robust product dynamic in all markets, sustained by large-scale marketing operations and strengthened growth drivers. At the same time we will strive to improve our responsiveness, in particular through tighter management and strict control of costs and expenses.

Groupe SEB's objectives for 2013 are to return to organic sales growth, consolidate its market positions and protect its operating result from activity.

Groupe SEB's 2012 consolidated financial statements and SEB SA company accounts were approved by the Board of Directors on 22 February 2013.

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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 more than 25,000 employees worldwide.

Consolidated Income Statement

Year ended 31 December

(in € millions)	2012	2011 (a)	2011 (reported)
Revenue	4,059.7	3,963.3	3,963.3
Operating expenses	(3,644.3)	(3,508.3)	(3,510.0)
OPERATING RESULT FROM ACTIVITY (a)	415.4	455.0	453.3
Discretionary and non-discretionary profit-sharing	(48.2)	(43.9)	(43.9)
RECURRING OPERATING PROFIT	367.2	411.1	409.4
Other operating income and expense	0.4	(8.9)	(8.9)
OPERATING PROFIT	367.6	402.2	400.5
Finance costs	(29.3)	(19.1)	(19.1)
Other financial income and expense	(33.4)	(7.8)	(8.1)
Share of profits/(losses) of associates	-	-	-
PROFIT BEFORE TAX	304.9	375.5	373.3
Income tax expense	(94.2)	(113.1)	(112.4)
PROFIT FOR THE PERIOD	210.7	262.4	260.9
Minority interests	(16.5)	(26.4)	(26.4)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS	194.2	236.1	234.6
EARNINGS PER SHARE (in €)			
Basic earnings per share	4.07	4.93	4.90
Diluted earnings per share	4.01	4.81	4.78

(a) Restated for the retrospective application of IAS 19R

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Consolidated Balance Sheet

At 31 December

ASSETS *(in € millions)*	**31/12/2012**	**31/12/2011 (a)**	**31/12/201 (reported)**
Goodwill	461.7	464.5	464.5
Other intangible assets	434.0	445.7	445.7
Property, plant and equipment	491.0	475.5	475.5
Investments in associates		,	,
Other investments	38.0	57.4	57.4
Other non-current financial assets	9.1	9.5	9.5
Deferred tax assets	47.9	48.3	38.2
Other non-current assets	9.0	7.7	7.7
Long-term derivative instruments	-	0.3	0.3
NON-CURRENT ASSETS	**1,490.8**	**1,508.8**	**1,498.7**
Inventories	681.0	702.2	702.2
Trade receivables	835.8	828.4	828.4
Other receivables	83.8	71.6	71.6
Current tax assets	41.0	57.6	57.6
Short-term derivative instruments	14.9	7.8	7.8
Cash and cash equivalents	398.7	196.0	196.0
CURRENT ASSETS	**2,055.1**	**1,863.5**	**1,863.5**
TOTAL ASSETS	**3,545.9**	**3,372.3**	**3,362.2**

EQUITY & LIABILITIES *(in € millions)*	**31/12/2012**	**31/12/2011 (a)**	**31/12/2011 (reported)**
Share capital	50.2	50.0	50.0
Reserves and retained earnings	1,372.7	1,261.6	1,281.7
Treasury stock	(91.1)	(93.3)	(93.3)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	1,331.8	1,218.3	1,238.4
MINORITY INTERESTS	130.3	123.4	123.4
EQUITY	1,462.1	1,341.8	1,361.8
Deferred tax liabilities	82.0	79.0	79.0
Long-term provisions	179.7	157.8	127.6
Long-term borrowings	653.6	534.1	534.1
Other non-current liabilities	30.8	26.8	26.8
Long-term derivative instruments	-	1.5	1.5
NON-CURRENT LIABILITIES	946.1	799.3	769.1
Short-term provisions	50.6	62.1	62.1
Trade payables	508.0	515.6	515.6
Other current liabilities	239.7	238.7	238.7
Current tax liabilities	31.4	66.7	66.7
Short-term derivative instruments	9.5	16.1	16.1
Short-term borrowings	298.6	332.1	332.1
CURRENT LIABILITIES	1,137.7	1,231.3	1,231.3
TOTAL EQUITY AND LIABILITIES	3,545.9	3,372.3	3,362.2

(a) Restated for the retrospective application of IAS 19R

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