WORLD LEADER
IN SMALL DOMESTIC EQUIPMENT

26 February 2015

2014 Full-Year Results

Groupe SEB: solid operating performance
Adverse currency effect

- **Revenue of €4,253 million, growing by 4.6% like-for-like***
- **13 % like-for-like* growth in operating result from activity**
- **Negative currency effect of €94 million leading to a reported operating result from activity of €368 million, - 10 %**
- **Net profit of €170 million, - 15 %**
- **Solid operating cash flow generation and healthy financial structure**
- **Proposed dividend of €1.44 per share, up 3.6%**

**Like-for-like / Organic: at constant exchange rates and scope of consolidation*

Commenting on the 2014 results, Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB, said:

" Groupe SEB achieved a quality year, despite the generally lacklustre economic environment and a highly adverse currency context. Our operating performance is solid, in line with our objective to deliver sustained organic growth in revenue and operating result from activity. It was an ambitious target, which we met despite the poor market conditions that we had to face in two of our major countries, Russia and Japan.

The key drivers of this performance were our determined focus on innovation, continued international expansion and a considerably strengthened commercial dynamic. The remarkable commitment of all our teams to our operational efficiency programmes led to substantial progress and helped the Group to offset more than half of the currency impacts we suffered in 2014.

In 2015, in a persistently uncertain macro-economic environment and with further adverse currency fluctuations, we will continue to leverage our strategy as multi-specialist, which enables us, in the long term, to capture all profitable growth opportunities in a resilient small domestic equipment market. At the same time, we are accelerating the implementation of our competitiveness improvement programme.

Our target for 2015 is to achieve further sustained organic revenue growth and to accelerate like-for-like growth in operating result from activity versus that of 2014.

Despite the current headwinds, the Group will continue to focus on its long-term goal of strengthening its international reach and its status as the world reference in small domestic equipment."

Consolidated Financial Results (in €m)	2013	2014	Change 2014/2013 As reported
Revenue	4,161	**4,253**	**+2.2%**
Like-for-like growth*			***+4.6%***
Operating result from activity	410	**368**	**-10.3%**
Like-for-like growth*			***+12.6%***
Operating profit	364	**314**	**-13.8%**
Profit attributable to owners of the parent	200	**170**	**-14.9%**
Net debt at 31 December (in €m)	416	**453**	**+€37m**
Diluted earnings per share (in €)	4.08	**3.45**	**-15.4%**
Dividend (in €) To be proposed at the AGM on 12 May 2015	1.39	**1.44**	**+3.6%**
**Like-for-like: at constant exchange rates and scope of consolidation*	*Rounded figures in € millions*		*% based on non-rounded figures*

Solid organic growth

The year was shaped by high volatility in currencies. The continued weakness of many currencies against the euro increased further in the last few months of the year, with in particular the collapse of the rouble and the Ukrainian hryvnia, while the US dollar and the Chinese yuan appreciated. In a highly competitive and promotional environment, the market for small domestic equipment remained positive but uneven across the various geographies and product categories.

In this strained environment, Groupe SEB generated revenue of €4,253 million, an increase of 2.2% on a reported basis and 4.6% on a like-for-like basis. This sustained organic growth was driven by a positive contribution from almost all of the Group's key markets with the exception of Russia and Japan, as well as by innovation, which once again confirmed its role as growth driver.

As in 2013, reported revenue in euros was severely impacted by a €132 million negative currency effect (versus a negative €116 million impact in 2013), mainly due to the yen, rouble, real, hryvnia and Turkish lira. The yuan and the dollar, on the other hand, had a positive effect at the end of the year. Reported revenue also includes a positive scope effect of €33 million, following the consolidation as of 1 January 2014 of Maharaja Whiteline and Canadian company Coranco.

Activity was broadly buoyant in 2014, with a sharp recovery in sales in France, while the rest of Europe, the Americas and Asia-Pacific – driven mainly by vibrant demand in China – delivered some very good performances from an already high basis of comparison, and Turkey moved back to robust growth. The Group's difficulties were largely concentrated in Russia and Japan, where sales declined significantly in extremely difficult market conditions.

In this environment, Group revenue rose by 2% in mature markets (which accounted for 54% of 2014 revenue) and by 8% in emerging economies (46% of 2014 revenue).

Reported operating result from activity of €368 million, penalised by the currency effect, but up 12.6% to €462 million at constant exchange rates

At €368 million, operating result from activity was down 10,3 % compared with 2013, severely penalised by a €94 million negative currency effect, about three times higher than in 2013. This impact stemmed mainly from the depreciation of the rouble, yen, Brazilian real and Turkish lira against the euro. Operating result from activity on a like-for-like basis came to €462 million, up 12.6%, higher than the 7.2% growth achieved in 2013.

The factors driving the like-for-like growth in operating result from activity were:

- a positive volume effect, due to sustained organic revenue growth;
- a return to a positive price mix, due partly to compensatory price increases in countries with a sharp currency depreciation (Russia, Japan and Brazil mainly) and partly to an improved product mix driven by new product launches and upselling;
- improved operational efficiency – driven by productivity gains, simplification programmes and savings on purchases – which more than offset sub-capacity output at some French sites linked to the situation in Russia;
- strengthened investments in growth drivers, including a more than 7% like-for-like increase in spending on advertising and marketing;
- higher selling and administrative costs, reflecting the reinforcement of teams in the field, growth support investments at Supor, scope effects and one-off costs related to the new head office.

Operating profit and net profit impacted by the fall in operating result from activity

Operating profit amounted to €314 million versus €364 million in 2013, mainly reflecting the decline in operating result from activity. This was after discretionary and non-discretionary profit-sharing of €33 million, down €4 million on 2013. Other operating income and expenses resulted in a net expense of €21 million, including various restructuring costs and provisions (industrial streamlining in Brazil, cease of the weighing scale manufacturing at Rumilly in France...).

Finance costs and other financial income and expense continued to improve, resulting in a net expense of €49 million, compared with a net expense of €55 million in 2013 and €63 million in 2012. Finance costs were stable compared with last year at €31 million. However, other financial expenses were lower due to the non-recurrence of the €7.5 million impairment loss taken in 2013 against the Group’s investment in Indian company Maharaja Whiteline.

After tax at an effective rate of 26.9% (28.2% in 2013 and 30.9% in 2012), profit attributable to owners of the parent was €170 million, compared with €200 million in 2013, while net profit attributable to non-controlling interests amounted to €24 million, reflecting an excellent performance from Supor in China.

A healthy financial position

At 31 December 2014, consolidated equity totalled €1,725 million, significantly up on year-end 2013, thanks in particular to a positive currency effect from the yuan.

Net debt stood at €453 million, compared with €416 million at end-2013, following a number of exceptional outlays in 2014, including acquisition/construction of the new head office, acquisitions of the remaining interests in Maharaja Whiteline and Asia Fan, and purchases of treasury shares. However, operating cash flow remained highly satisfactory at €175 million, given the decline in operating result from activity. In addition, working capital remained broadly stable in absolute value and was up slightly as a percentage of revenue.

With a debt-to-equity ratio of 26% (versus 27% at end-2013 and 38% at end-2012) and a debt-to-EBITDA ratio of 1.0 (versus 0.9 at end-2013 and 1.2 at end-2012), Groupe SEB's balance sheet remains perfectly healthy, backed by a solid, diversified financing structure.

Dividend

At its meeting on 24 February 2015, the Board of Directors decided to propose a 2014 dividend of €1.44 per share, an increase of 3.6% over the previous year. The increase takes into account the decline of the net profit in 2014 but at the same time testifies to the Board's confidence in the Group's future performance. The shares will be quoted ex-dividend from 15 May 2015 and the dividend will be paid as from 19 May 2015.

Outlook

2015 began in a similar context as the one which prevailed in 2014, with an uncertain economic backdrop and potentially new significant currency headwinds.

At this stage, the Group anticipates for 2015 continued buoyant demand overall although likely to be uneven across the various geographies. It intends to consolidate on its performance in Europe and in North America, to maintain a robust momentum in China and to return to growth in Japan. As regards Russia and Ukraine, the current context leads us to be cautious.

The persistent weakness of a number of currencies, coupled with a rise in the two key purchasing currencies (dollar and yuan) is likely to lead to a further negative impact on operating result from activity. Against this backdrop, the Group will continue to invest in innovation and in-store marketing while stepping up its programme to improve operational efficiency.

In this context, Groupe SEB aims to achieve in 2015 further sustained organic revenue growth and to accelerate like-for-like growth in operating result from activity versus that of 2014.

Groupe SEB's 2014 consolidated and company financial statements were approved by the Board of Directors on 24 February 2015.

Press Release

Webcast and presentation at 2.30 pm
on our website **www.groupeseb.com** or click here

Upcoming events

26 March
Registration document filed with the AMF

23 April
Q1 2015 revenue and financial information

12 May
Annual General Meeting

23 July
H1 2015 revenue and results

Contacts

Investors/Analysts
Groupe SEB
Financial Communication and Investor Relations
Isabelle Posth and Emmanuel Fourret
Chemin du Petit Bois - BP 172
69134 Ecully Cedex, France

Phone: +33 (0) 4 72 18 16 40
comfin@groupeseb.com

Media Relations
Image Sept
Estelle Guillot-Tantay
Caroline Simon
7 rue Copernic
75116 Paris

Phone: +33 (0) 1 53 70 74 70
Fax: +33 (0) 1 53 70 74 50

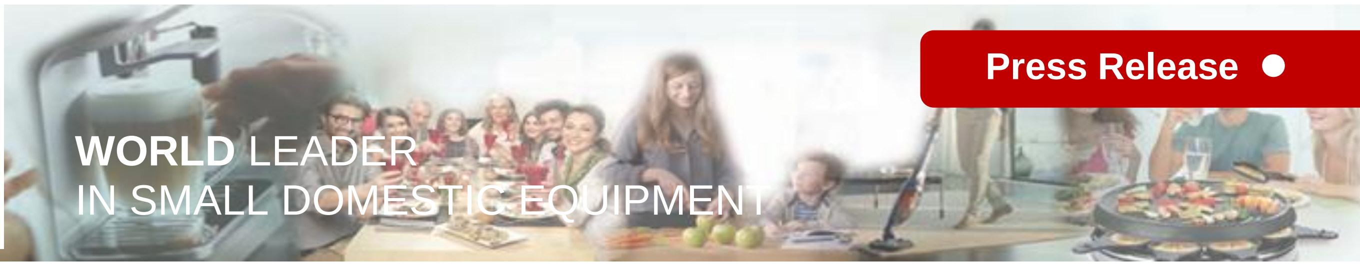
Find us on www.groupeseb.com

The world leader in small domestic equipment, Groupe SEB operates in nearly 150 countries with a unique portfolio of top brands including Tefal, Rowenta, Moulinex, Krups, Lagostina, All-Clad, and Supor, 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.

Consolidated income statement

Year ended 31 December

(in € millions)	31/12/2012	31/12/2013	31/12/2014
Revenue	4,059.7	4,161.3	4,253.1
Operating expenses	(3,644.3)	(3,750.9)	(3,885.1)
OPERATING RESULT FROM ACTIVITY	**415.4**	**410.4**	**368.0**
Discretionary and non-discretionary profit-sharing	(48.2)	(37.2)	(33.3)
RECURRING OPERATING PROFIT	**367.2**	**373.2**	**334.7**
Other operating income and expense	0.4	(9.5)	(21.0)
OPERATING PROFIT	**367.6**	**363.8**	**313.7**
Finance costs	(29.3)	(31.0)	(31.2)
Other financial income and expense	(33.4)	(23.9)	(17.8)
Share of profits of associates	-	-	-
PROFIT BEFORE TAX	**304.9**	**308.9**	**264.7**
Income tax expense	(94.2)	(87.2)	(71.2)
PROFIT FOR THE PERIOD	**210.7**	**221.7**	**193.5**
Non-controlling interests	(16.5)	(22.0)	(23.6)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**194.2**	**199.8**	**170.0**
Basic earnings per share (in €)	**4.07**	**4.13**	**3.49**
Diluted earnings per share (in €)	**4.01**	**4.08**	**3.45**



Consolidated balance sheet

At 31 December

	31/12/2012	31/12/2013	31/12/2014
ASSETS *(in € millions)*			
Goodwill	461.7	448.2	**512.1**
Other intangible assets	434.0	411.8	**464.1**
Property, plant and equipment	491.0	485.9	**587.1**
Investments in associates	-	-	**-**
Other investments	38.0	57.4	**16.0**
Other non-current financial assets	9.1	9.5	**13.9**
Deferred tax assets	47.9	52.0	**34.9**
Other non-current assets	9.0	6.0	**5.9**
Long-term derivative instruments	-	- -	**8.5**
NON-CURRENT ASSETS	**1,490.8**	**1,470.8**	**1,642.5**
Inventories	681.0	731.1	**822.8**
Trade receivables	835.8	740.2	**768.3**
Other receivables	83.8	116.7	**137.8**
Current tax assets	41.0	33.3	**35.0**
Short-term derivative instruments	14.9	2.8	**50.9**
Other short-term investments	-	-	**172.5**
Cash and cash equivalents	398.7	426.3	**341.4**
CURRENT ASSETS	**2,055.1**	**2,050.4**	**2,328.7**
TOTAL ASSETS	**3,545.9**	**3,521.2**	**3,971.2**
EQUITY & LIABILITIES (in € millions)			
Share capital	50.2	50.2	**50.2**
Reserves and retained earnings	1,372.7	1,414.2	**1,579.9**
Treasury stock	(91.1)	(74.7)	**(79.0)**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,331.8**	**1,389.7**	**1,551.0**
NON-CONTROLLING INTERESTS	**130.3**	**142.6**	**173.5**
EQUITY	**1,462.1**	**1,532.3**	**1,724.5**
Deferred tax liabilities	82.0	71.3	**65.3**
Long-term provisions	179.7	180.9	**192.9**
Long-term borrowings	653.6	627.0	**576.9**
Other non-current liabilities	30.8	33.3	**38.4**
Long-term derivative instruments	-	-	**1.9**
NON-CURRENT LIABILITIES	**946.1**	**912.5**	**875.4**
Short-term provisions	50.6	45.6	**55.6**
Trade payables	508.0	524.8	**637.3**
Other current liabilities	239.7	251.3	**260.3**
Current tax liabilities	31.4	26.6	**20.8**
Short-term derivative instruments	9.5	13.5	**8.2**
Short-term borrowings	298.6	214.6	**389.1**
CURRENT LIABILITIES	**1,137.7**	**1,076.4**	**1,371.3**
TOTAL EQUITY AND LIABILITIES	**3,545.9**	**3,521.2**	**3,971.2**