FIRST-HALF FINANCIAL REPORT
30 JUNE 2010

1 PROFILE AND KEY FIGURES 1

2 MANAGEMENT REPORT 4

Key events 4

Comments on business volume 6

Comments on results 8

Financial structure 9

Outlook 10

3 FINANCIAL REPORT 11

Consolidated income statement 11

Consolidated statement of comprehensive income 11

Consolidated statement of financial position 12

Consolidated cash flow statement 13

Consolidated statement of changes in equity 14

Notes to the condensed consolidated financial statements 15

Statutory auditors' review report 25

Statement by the person responsible for the interim financial report 26

PROFILE AND KEY FIGURES 1

Groupe SEB, in touch with changing times

With a presence in almost 150 countries, Groupe SEB has won strong positions on the various continents, thanks to a wide and very diversified product range whose value is enhanced by an exceptional brand portfolio. Today it is the world leader in small domestic equipment.

This success is based on its ability to innovate and invent for day-to-day life in tomorrow's world.

A multi-specialist Group

Cookware

frying pans, saucepans, casseroles, bakeware, oven dishes, pressure cookers, low-pressure steam pots, kitchen utensils…

Kitchen electrics

Electric cooking: deep fryers, table-top ovens, rice cookers, induction hobs, electric pressure cookers, barbecues, informal meal appliances, waffle makers, grills, toasters, steam cookers, breadmakers…

Preparation: food processors, beaters, mixers, blenders, centrifugal juice extractors, small food-preparation equipment, filter or pod coffee makers, espresso machines, electric kettles, hot water dispensers, home beer-tapping machines…

Domestic care

Personal care: hair styling and hair removal appliances, bathroom scales, foot massagers, baby-care equipment (including feeding bottles, bottle warmers, sterilisers and nightlights)…

Linen care: irons and steam generators, semi-automatic washing machines, garment steam brushes…

Home care: upright and cylinder vacuum cleaners with and without bags (handheld and cordless), fans, heating and air treatment appliances…

World ranking

No.1 Cookware – pressure cookers – irons and steam generators – kettles – steam cookers – food preparation equipment – toasters – deep fryers – breadmakers – informal meal appliances

No.2 Table-top ovens – electric barbecues/grills – waffle and toasted sandwich makers

No.3 Filter and espresso coffee makers

AT 31 DECEMBER 2009

SALES	€3,176 million	-1.7%
OPERATING MARGIN	€355 million	+4%
NET INCOME	€146 million	-4%
NET DEBT	€243 million	-€406 MILLION
CAPITAL EXPENDITURE	€109 million	- 6%
EMPLOYEES	20,663	31/12/09 PEOPLE WORLDWIDE

A LEADING POSITION SUPPORTED BY VERY WELL KNOWN BRANDS:

- worldwide brands: All-Clad, Krups, Lagostina, Moulinex, Rowenta and Tefal;
- regional brands: Calor and Seb (France and Belgium), T-fal, Mirro, WearEver, AirBake and Regal (North America), Arno, Panex, Rochedo, Penedo, Clock and Samurai (South America), Supor (China).

1

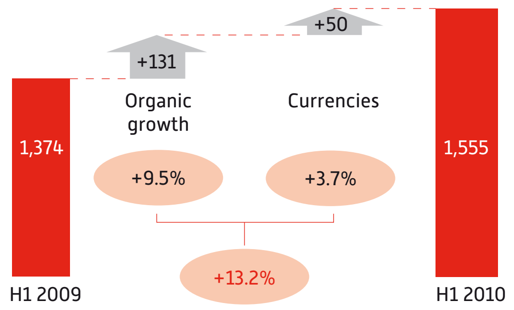
At 30 June 2010

GROUPE SEB CONSOLIDATED RESULTS

(in € millions)	H1 2009	H1 2010
Sales	1,374	1,555
Operating margin	106	168
Other income and expenses	(35)	(8)
Operating profit	63	141
Profit attributable to equity holders of the parent company	27	89

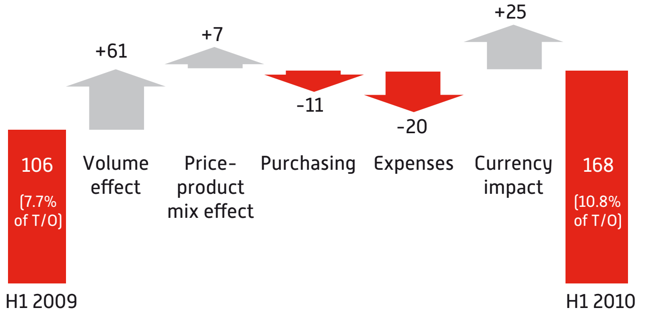
CHANGE IN HALF-YEAR SALES

(in € millions)

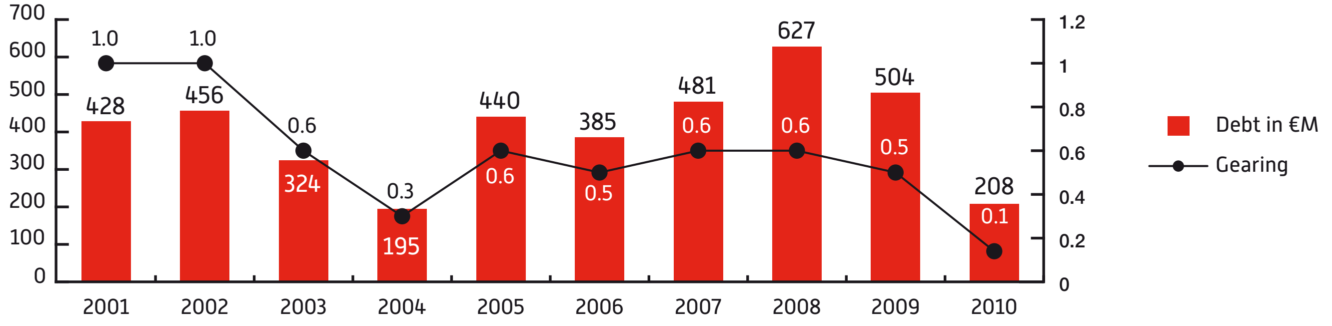


DETAIL OF CHANGE IN OPERATING MARGIN

(in € millions)

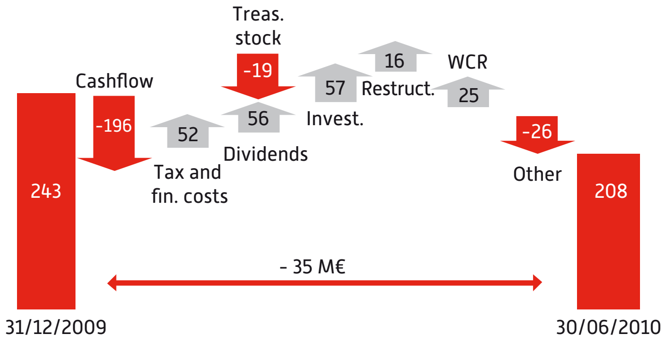


NET DEBT AT 30 JUNE



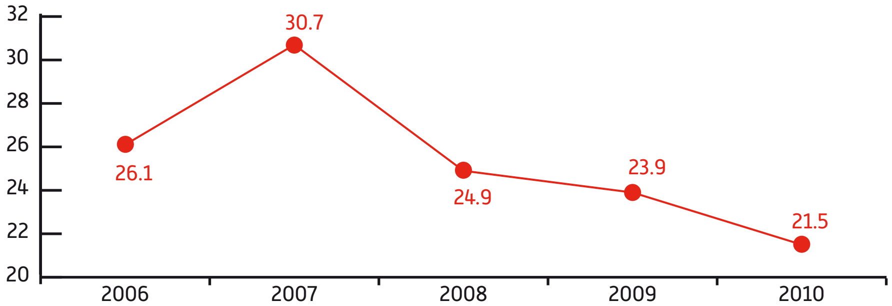
CHANGE IN DEBT OVER 6 MONTHS

(in € millions)

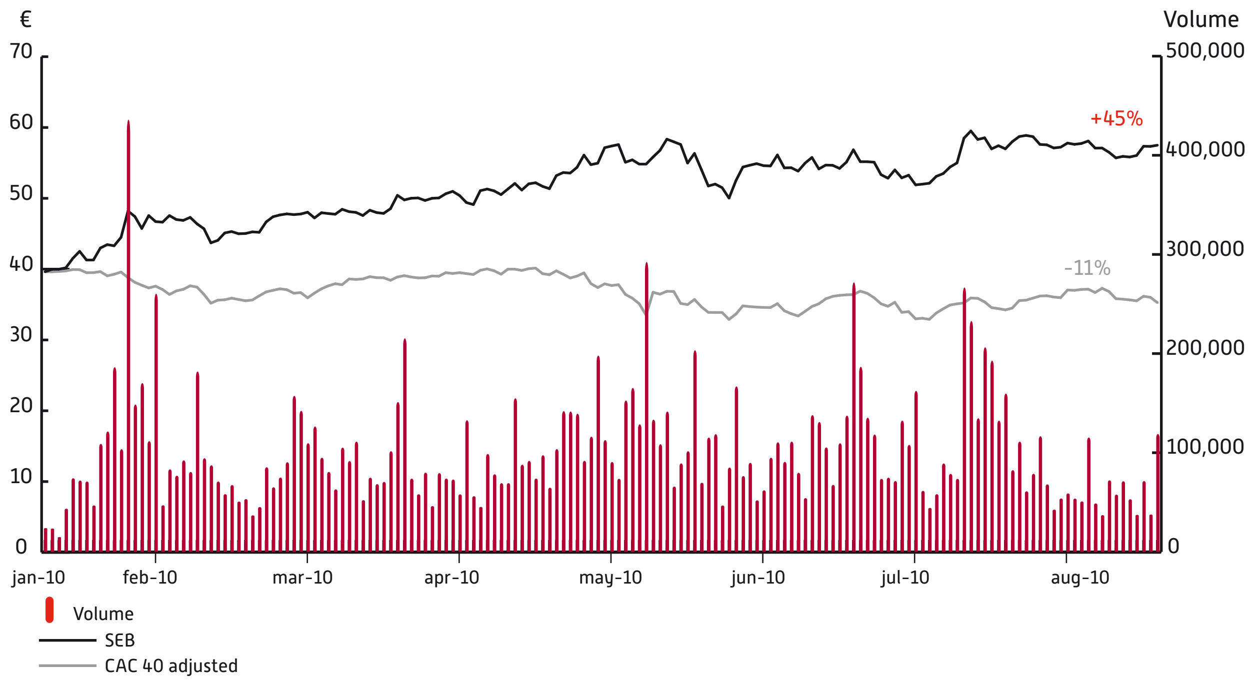


WORKING CAPITAL REQUIREMENT (WCR) AT 30 JUNE

(as a percentage of sales)



SHARE PERFORMANCE



2 MANAGEMENT REPORT

Key events

GENERAL CLIMATE

As in Q4, in H1 2010 Groupe SEB operated in a global economic context of recovery, which was much more favourable than that of 2009. Thus we benefited from the recovery of a certain number of markets, with a rapid resurgence in consumer spending in some cases. Vigilance is still called for since the worldwide situation is far from having been stabilised: the Greek crisis, the weakened economies of some countries, and European austerity plans are all risk factors for consumer spending, and therefore for Groupe SEB's business, although the wide international basis of the business should limit their effects. At the same time, distribution, which had been strongly affected by reduced consumer spending and credit restrictions in 2009, is still under pressure (reflected by conservative restocking) and remains under observation (credit insurance is limited or even non-existent, depending on the market). However the situation is gradually returning to normal.

In this stronger but still volatile environment, small domestic equipment has confirmed its vitality. Being exposed to the major consumer trends, it has benefited from the return to "cocooning" in recession, the "home-made" boom and consumer interest in nutrition and diet.

Currencies. During H1 2010, all the main operating currencies of the Group rose against the euro, in contrast to H1 2009 (when many of them collapsed). The trend in H1 2009 was atypical in this regard, and penalised the Group severely. On the basis of average exchange rates, the main upward movements between H1 2009 and H1 2010 related to the Brazilian real (+23%) with a marked acceleration of the trend during Q2, the Korean won (+17%) and the rouble (+11%), followed at some distance by the Turkish pound, the yen and the pound sterling (6%, 5% and 3% respectively). As to the changes in the dollar and the yuan, these were more variable and showed considerable volatility. Depreciation in Q1 and strengthening in Q2 resulted in a practically neutral effect over the half. In the final analysis the impact on sales for the half was positive at €50 million (+€8 million in Q1, +€42 million in Q2).

Cost of raw materials and transport. The price of raw materials is very sensitive to macro-economic uncertainty and is fluctuating. After a trough at the beginning of 2009, the increase in metal prices continued throughout the year up to Q1 2010. By H1 2010 this had led to tangible increases in prices of aluminium, copper and nickel (a major ingredient of stainless steel) in comparison with the same period in 2009. These increases were 50%, 77% and 83% respectively. This price inflation has only a very limited impact on material costs because the Group makes wide use of annual hedging contracts for its metal requirements. Aluminium increased from USD 1,418/tonne to USD 2,129/tonne, copper from USD 4,020/tonne to USD 7,130/tonne and lastly nickel from USD 11,601/tonne to USD 21,212/tonne. Nevertheless, since the end of April 2010 prices have been easing again. In Q2 alone, aluminium and copper have fallen back by 17% and nickel by 23%, in comparison with 2009.

As to Brent crude, this is also subject to an upward trend. At USD 79 a barrel, it has increased by 62% in comparison with H1 2009 with a slight softening in Q2 2010. Plastic materials follow the same trend on a smaller scale. The price of polypropylene has increased by 20% versus 2009.

The cost of sea transport has also been rising. After a marked fall in 2009, due mainly to weakness in demand, we are now in a catch-up phase and approaching 2008 price levels. As to air and road transport, prices are relatively stable.

RECOGNISED PERFORMANCE

The Group's ability to innovate is a pillar of its strategy and a decisive factor in growth. In May it was recognised in France through two awards:

- panel's special prize for "Best Innovator", awarded by management consultancy firm AT Kearney in partnership with the business daily *Les Echos*;
- Hermes prize for Innovation, awarded at the 3rd National Conference of Innovation Directors, for the ability to bring together technological advances and improvements in consumers' quality of life.

The Group was also voted "International Supplier of the Year 2010" in its category, at an annual conference of suppliers organised by Euronics International and held on 3 June in Hamburg. This award, decided by the Board of Euronics International (an association of independent retailers in 29 European countries) is given for international cooperation.

In June, under the distinguished patronage of the French Secretary of State for SMEs and the Minister for higher education and research, Thierry de La Tour d'Artaise received the prize for Best Business Strategy for the appropriateness of the Group's policy of international expansion over a wide range of product families.

PROPOSED ACQUISITION IN SOUTH AMERICA

On 15 July 2010, Groupe SEB confirmed that it was in negotiations with the principal shareholders of Columbian company Imusa with a view to taking a majority interest.

Founded in 1934, Imusa specialises in small domestic equipment. It manufactures and sells cookware (which represents 2/3rds of its sales) and plastic products for food and domestic use. A major operator in the Columbian market, Imusa has developed a strong presence in all national distribution channels and has opened several stores of its own. In parallel with this it has internationalised its business, with exports to the United States – where it mainly targets the Hispanic population – and to other countries in Latin America (Ecuador, Peru, Venezuela, Panama, Puerto Rico, El Salvador, etc.). Its area of influence covers a total population in the order of 120 million consumers.

In 2009, turnover was almost USD 90 million, achieved as to 57% on the domestic market and as to 43% through exports. The business has grown consistently.

Imusa has the benefit of 2 industrial sites. The business involves around 800 people.

Imusa is listed on the Bogota stock exchange, with a small and very stable free-float in the region of 7% of capital.

Depending on the progress of the negotiations and on obtaining various permissions from the administration, the transaction could be finalised by the end of 2010.

DISTRIBUTION OF FREE SHARES IN SUPOR

On 27 May 2010, in addition to paying a dividend of 0.20 yuan per share, Supor made a distribution of free additional shares to the extent of 3 for 10. As a result of this action, the number of shares making up the capital of the Chinese company rose from 444 million to 577 million. The closing price of Supor shares stood at 23.69 yuan on 26 May and 18.06 yuan on 27 May.

ACTIVITIES OF THE GROUPE SEB FOUNDATION

The Groupe SEB Foundation, whose mission is to combat social exclusion, supported 39 projects of very diverse kinds in 2009. For 2010, the available support budget is €467,000 in cash and €326,000 in gifts of products.

Long-term partnerships have been renewed with *Habitat et Humanisme*, *Envie* and *Fondation de la 2e Chance* (social reintegration through housing and employment) as well as *Fondation d'Auteuil* (training and education), a partner since 2009. The same goes for our partnership with l'*Agence du Don en Nature* (the agency for gifts in kind) which has taken shape since its launch in March 2009 and become stronger.

In H1 2010, the Group also carried out humanitarian work in support of those affected by natural disasters:

- aid to the population of Haiti through *SOS Villages d'Enfants* and *Handicap International* (which were already partners of the Foundation) through a gift of money and products by the American subsidiary to the Red Cross. Total aid value was €330,000 for the Group as a whole;
- 250 product kits for those affected by Atlantic storm Xynthia in the La Rochelle region.

With the same view towards integration and aid for the poorest, 6 new projects have been presented to the Foundation's operations committee. They relate to vulnerable Groups such as those leaving prison, those with unmanageable debts and the handicapped.

2

Comments on business volume

Sales *(in € millions)*	H1 2009	H1 2010	% change (calculated on unrounded figures) Current exchange rates	Constant exchange rates
France	284	297	+4.7%	+4.7%
Other Western European countries	304	323	+6.2%	+5.7%
North America	151	167	+10.4%	+7.5%
South America	111	148	+33.7%	+10.8%
Asia-Pacific	278	357	+28.2%	+26.3%
Central Europe, Russia and other countries	246	263	+7.1%	+1.3%
TOTAL	**1,374**	**1,555**	**+13.2%**	**+9.5%**

The first half of 2010 unfolded in a much more favourable economic climate than in 2009:

- Practically all the Group's operating currencies (including the rouble, the Brazilian real, the Turkish pound, the Korean won, the Mexican peso and the Columbian peso) strengthened against the euro, in comparison with a 2009 pattern which was atypical and which penalised the Group severely in H1 2009.
- The great majority of markets remained stable or even recovered, reflecting to some extent a return to consumption, as well as an improvement in the distribution situation.

The small domestic equipment sector once again showed its dynamism in many markets.

Against this background, Groupe SEB achieved H1 2010 turnover representing an increase of 13.2% at current exchange rates and 9.5% at constant exchange rates (2009: -2.8% at constant exchange rates). The effect of currency fluctuations was greater than €50 million and this strongly favourable impact was mainly felt in Q2, through marked strengthening of the Brazilian real, the rouble, the Korean won and the Mexican and Columbian pesos, amongst others. Organic growth, derived mainly from sales volumes, is practically the same as in Q1, Q2 performance being +8.1% at constant rates, as against -0.7% in 2009.

PRODUCT PERFORMANCE

With about a hundred new products and models launched in H1, Groupe SEB has confirmed its commercial dynamism. It has prepared for the future by defending its market positions and introducing innovations which tap powerful trends such as the interest in home-made food, nutritional issues and quality of life.

Cookware. This area has shown recovery in all segments. We have retaken our position in entry-level ranges through a product offer which is well-positioned in terms of price. The mid ranges, which had resisted the recession well, have continued to perform, while the top ranges, which had been severely affected by 2009 market conditions, have strengthened again.

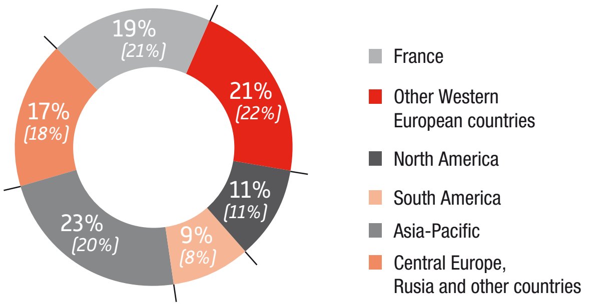
Kitchen electrics. This aspect of the business draws its growth from food preparation and from pod coffee machines such as Dolce Gusto and Nespresso, which still have the wind in their sails. The ranges of meat mincers – specific to the Russian market – and blenders, as well as the Rouge Rubis collection (especially the Fresh Express multi-grater) are benefiting from the recovery in both emerging and mature markets, carried by the "home-made" trend. At the same time, the Nutritious & Delicious range (Actifry, Vitacuisine, etc.) is benefiting from consumer attraction to products which combine taste with diet and nutritional qualities, and is continuing to grow internationally.

Linen and home care. Steam generators are confirming their role as a driving force in a lifeless ironing market. With complementary, differentiated consumer benefits under the two brands of Rowenta and Tefal, we are continuing to gain market share. As to sales of steam irons, these are stable but the iron remains the most suitable basic equipment for developing countries. Concerning floor care, our star products, the Air Force cordless upright vacuum cleaner and the wide range of bagless cylinder vacuum cleaners, are ensuring impressive development especially in Europe.

Personal care. This business sector, roughly treated by the recession, is returning gradually to its feet. This is due in particular to haircare appliances which are currently sought after by consumers: straighteners/curlers, clippers, etc. The partnership with Elite is also a powerful basis for revitalising sales. Well-being lines are currently generating strong interest, and in this regard we are introducing new foot massagers.

GEOGRAPHICAL PERFORMANCE

Groupe SEB is active in almost 150 countries and achieved H1 2010 sales distributed as follows:



(H1 2009 figures)

In France, the market environment was favourable in H1 with growth in all the major families of small domestic appliances as well as cookware. Groupe SEB has benefited from this with a sales increase of 4.7% in H1. These very satisfying results are due to a combination of distribution improvements, significant publicity efforts and the continuing success of our bestselling products. The Group thus recorded sustained growth in cookware, where Clipso in particular performed well, and activities surrounding Pancake Day were very successful. The linen care business has also shown a rise, with special mention for Calor steam generators, a segment where the Group is continuing to gain market share. In addition, the Group has continued to make progress in vacuum cleaners, with excellent sales results from cylinder and upright models (Rowenta Air Force), again representing increased market share. At the same time Fresh Express, the small food processor from Moulinex, is performing well in the food preparation market.

In other Western European countries, Groupe SEB has recorded growth of 6.2% at current exchange rates (5.7% at constant rates), reflecting the stability or recovery of most markets as well as the advantageous position of small domestic equipment in the region.

In Spain, despite an economic climate which remains tense, the Group has recorded remarkable growth, thanks to a strong product dynamic and numerous initiatives in terms of sales, marketing and publicity. Italy had a strong Q2 enabling the Group to return to growth in that market. On the other hand, Portugal has registered a downturn in sales while Greece has experienced a major economic crisis which is reflected in a fall in turnover.

In Germany the economic environment recovered, encouraging consumer spending. The Group recorded a growth in sales with, in particular, sustained business in Dolce Gusto and Nespresso pod coffee machines – which derive from the Nestlé partnership – and cookware. In Belgium, consumer confidence is improving and the Group is moving forward, due especially to the success of new cookware items and to working partnerships. In Austria, Group sales are up thanks to steam generators, the Actifry deep fryer and food preparation articles. The same is true of the Netherlands which has recorded strong performance in cookware and linen care, with market share gains in prospect for the latter category.

In the rest of Northern Europe, the situation is more variable with, on the one hand, a rapid recovery in Sweden and Denmark and, on the other, some markets which are still in difficulty. This is the case in the UK, where Group sales have been affected by last year's price rises. Nevertheless, we observed a trend change at the end of the period which resulted from a rebalancing of market prices and was facilitated by the previous year's weak showing.

In North America, H1 2010 benefited from a stronger economic situation than in 2009, though this did not lead to a great leap in consumer spending.

In the United States, consumer confidence remains low, affected by increased unemployment and reduced access to credit. In this context, Group sales are stable in comparison to the same period of last year. In the mid-range, despite a strong sales history, T-fal saw sustained business in cookware and continued to develop new distribution channels. Mirro WearEver, which has a complementary market position, confirmed its early-year trend in Q2. After a difficult start, Rowenta recovered in Q2, benefiting from the launch of new linen care products – irons and garment steam brushes. As to the top of the range segment – heavily affected by the recession in 2009 – Krups is still in a difficult position, whereas All-Clad's business is recovering, thanks in particular to the success of its most recent D5 range of cookware.

In Canada, in the context of a price war and the erosion of the Canadian dollar against the euro, turnover has fallen. The Group is focusing on improving profitability and launching high value-added products (Actifry, professional haircare range, partnerships, etc.).

Finally, in Mexico growth accelerated sharply in Q2, driven by more favourable economic circumstances – recovery of the peso and financial rehabilitation of certain distributors – by the success of new product launches, and by a loyalty initiative with one of our major clients.

In South America, economic indicators were favourable in H1, confirming the positive trend seen in the early months of the year: unemployment well managed, inflation under control, growth in consumer spending, increase in purchasing power, etc. In Brazil, the Group's largest market in the region and the fourth largest worldwide, the beginning of the year was marked by strong market concentrations in the distribution industry, and by aggressive multilateral competition. The Group has achieved sustained turnover growth driven by very positive results for Arno small appliances – fan sales were encouraged by favourable weather – and strong product momentum through Turbo Silence, blenders – the range is being progressively renewed – Dolce Gusto, breadmakers, etc. On the cookware side, Panex has reinforced and repositioned its product offer to meet competition better and regain market share. In particular, its new ranges of frying pans and saucepans have performed very well, as have Clock pressure cookers. The Group also has the benefit of a network of directly-owned stores in Brazil, which it will continue to develop this year.

Growth has also been seen in the other countries, apart from Venezuela. Thus Argentina has recorded vigorous sales both in terms of cookware and small appliances (kettles, breadmakers, Elite personal care products). The same is true of Chile, where business activity has been sustained in spite of the events of the beginning of the year. Columbia, the other key South American market, has seen robust growth in turnover. Fans, food preparation (new blender models) and the partnership with coffee roaster Juan Valdez (Direct Serve pod machine) are key factors in growth. In addition, the tense political climate in Venezuela has consequences for distribution and inhibits internal demand and imports.

In the Asia-Pacific region, the rise in turnover has been driven by a somewhat more favourable currency situation, and is +28.2% at current exchange rates or +26.3% at constant rates. It thus shows the continuation of the positive trend in Q1. In Japan, in an economic climate which remains difficult and after recording strong growth for several years, the Group's sales growth has shown a degree of settling as a result of the marked drop in consumer spending. Growth is derived from a combination of additions to the Group's directly owned distribution channels (not recurring in H2), the success of pressure cookers and kettles and the introduction of new kitchen electrics. In Korea, the economic climate is favourable and the currency situation is positive. The recovery in sales, which began at the end of 2009, was confirmed in the first 6 months of 2010 and gained pace. The Group achieved very good results in personal care products in particular, thanks to continuous adaptation of the product offer to local requirements. In the other South-East Asian countries, the Group also continued its targeted expansion with satisfying progress in Malaysia and Singapore – development of the Supor brand – in Vietnam – where the irons publicity campaign is bearing fruit – in Taiwan and in some other new territories.

In China, the return to consumer spending has shown its vigour through very strong Supor sales momentum, both in small appliances – with a notable return to growth in induction hobs and progress in soya milk extractors – and in cookware, led by woks. In parallel with this, the continuing roll out of regional Supor Lifestores is contributing to turnover growth. In contrast, turnover has reduced in Australia, where our business is taking time to recover.

In Central Europe, Russia and other countries (including Turkey and the Middle East, and Africa), the general climate is proving to be less unfavourable than in H1 2009, and the Group has achieved sales growth of 7.1% at current exchange rates and 1.3% at constant rates. In these countries the Group is operating with great caution, especially in view of the severe reduction, even disappearance, of credit insurance. The situation nevertheless varies from country to country.

Central Europe, where conditions were still favourable in H1 2009, was affected by the recession late. The downturn has directly affected consumer spending and, of particular relevance to the Group, the market for small domestic appliances. Against this background, Poland saw a marked fall in sales in H1 2010 (whereas performance in H1 2009 had still been good), caused partly by the downturn in the market and partly by price increases which the Group introduced in order to maintain profitability. In the other Baltic countries (Bulgaria, Croatia, Bosnia, Serbia, Romania and Slovenia) the Group has maintained its strong positions, while in the Czech Republic, Slovakia and Hungary the situation remains satisfactory, thanks partly to the resounding success of Dolce Gusto.

In Russia, the economic situation is gradually returning to health. Consumer spending showed signs of recovery at the end of the period and the market is gradually rising, although price sensitivity is high and there is a phenomenon of high concentration within the distribution industry. Against this background the Group, which is the market leader, has returned to growth but remains cautious in light of a major credit insurer's withdrawal from the country. In Ukraine, the recent recovery in consumer spending and fall in inflation have been catalysts for the Group's business, which has been very successful with recently launched products.

In Turkey, the market is gradually recovering after a difficult start to the year, marked by a fall in demand. The Group had a more vigorous Q2 and maintained its market share. In the Middle East, the situation is relatively healthy and less affected by the recession. In Saudi Arabia our business remained satisfactory in H1, despite a high basis of comparison due to launch stock having been supplied to the new sales agent in H1 2009.

Comments on results

Like Q4 2009, H1 2010 was characterised by a stronger economic climate more favourable to the recovery in consumer spending. Demand was stable – or even resurgent – in most markets, in comparison to a 2009 start of year which had been strongly affected by the recession, meaning that comparisons with that year are made against weak figures. The currency situation, which has been very volatile over the last 2 years, was much more favourable to business than in H1 2009, as the great majority of the Group's operating currencies strengthened against the euro during the period. This resulted in increased contributions to consolidated turnover and to operating margin from the subsidiaries concerned. The **operating margin** for the first 6 months is €168 million (€106 million for H1 2009) representing 10.8% of sales against 7.7% a year previously.

The 58% rise in **operating margin** results from the juxtaposition of contrasting factors with significant impacts:

- the effect of sales volumes, in contrast to the same period last year, has been strongly positive (+€61 million). This reflects a sustained recovery in consumer spending, and therefore in the Group's sales in several important markets. Following significant inventory reductions by distributors in 2009 (especially in H1), this growth has been fuelled by increased internal production, which has resulted in appreciably greater use of manufacturing capacity and hence better absorption of committed fixed costs;
- after a very marked contribution in 2009, the effect of price-product mix remains positive in spite of selected price adjustments made by the Group in certain countries to take account of favourable currency changes – this follows significant rises implemented in 2009 to compensate for currency depreciation. Product mix, for its part, has held up well;
- currency effects, positive to the extent of €50 million in relation to sales, amount to +€25 million on operating margin. In fact, the effect of movements in the dollar on Group purchasing was practically neutral in H1 and the appreciation of most of the Group's other operating currencies (the rouble, the Korean won, the Mexican peso, the real, etc.) had a positive impact on profitability;
- additional purchasing costs of €11 million, due mainly to the impact of rising metals prices on Supor procurement. As of H1, the rest of the Group has not yet suffered as a result of price rises in certain raw materials or sourced products; H2 is expected to see heavier purchasing costs;
- a rise of €20 million in expenses, including in particular an increase in publicity and marketing investments in comparison to a 2009 H1 which was very subdued in this area, as a result of severe recession. At the same time, the Group has maintained its strict policy on operating costs (travel costs, in particular) while pursuing its research and development investments.

As to operating profit, this amounts to €141 million, against €63 million in H1 2009. While this excellent progress results mainly from the improvement in operating margin, the gap compared to H1 2009 also represents a softening in the "Other income and expenses" item, which is far lower than last year (-€8 million vs -€35 million). By contrast, the Group has recorded an increase in bonus and profit-sharing schemes, up from €8 million in H1 2009 to €18 million for the first 6 months of 2010. This marked rise is explained by the improved performance of the French entities over the period but, taking into account the fact that the comparison is made against weak 2009 figures, it cannot be extrapolated over the whole of the 2010 financial year.

Net financial expense, at -€7 million, is down sharply from the -€16 million of H1 2009. This improvement is attributable to the significant diminution in finance costs. This is a result of the large reduction in average debt (€195 million against €555 million in H1 2009) following, in particular, the massive debt reduction effected in 2009. The average finance rate, 5.12% in H1 2009, increased in the first 6 months of 2010 to 6.56%. These figures are stated on a consolidated basis and include available cash, which automatically increases the average debt ratio.

Net profit attributable to equity holders of the parent company for the period stands at €89 million (€27 million at 30 June 2009). It reflects a tax burden of €35 million, which is almost 3 times higher than the €13 million of H1. This represents a tax rate of 26.3%, which is identical to last year's rate. Net profit is also stated after deduction of the amount referable to minority interests (Supor). This stands at €10 million, compared to €7 million in H1 2009, and reflects a further improvement in the profitability of the Chinese subsidiary.

Financial structure

The statement of financial position at 30 June 2010 shows the Group in a sound position. As at that date, total **shareholders' equity** in the Group has reached €1,448 million, strengthening significantly compared to 31 December 2009. This is due in part to business results for the period, but above all to strongly positive (€163 million) changes in conversion rates resulting from the impact of currency appreciation on the capital of several subsidiaries. This effect was greatest in relation to China, Brazil, Russia and the United States. Shareholders' equity is stated after payment of dividends (in a total sum of €56 million) and deduction of SEB treasury stock. It should be noted that SEB S.A. made on-market sales of treasury stock during H1 in order to cover the exercise of stock options (651,170 shares).

Equally, at 30 June 2010 **net debt** amounted to €208 million, which compares to €243 million at the end of December 2009, and represents a fall of €35 million over the first 6 months of the year. This positive development is due to a number of different movements. The positive factors include solid cashflow and the sale of treasury stock mentioned above. The negative factors include: payments out – relating to tax, finance costs, dividends, and some of the restructuring operations for which provision was made in 2009 – continuing investments (€57 million) and consumption of working capital (to the extent of €25 million) due mainly to a controlled increase in stock after the drastic falls of 2009, and to currency effects. As a result of the increase in shareholders' equity and the fall in debt, the debt-to-equity ratio stands at 14%, as against 48% at the end of June 2009. The debt/EBITDA ratio, which reflects the Group's ability to pay off its debts, has fallen from 1.45 at 30 June 2009 to 0.46 at 30 June 2010 and this also represents a clear improvement. Going beyond the strength of the structure, the financial architecture has also been reinforced through diversification of the finance mechanisms used by the Group and deferment of debt maturity.

2

Outlook

H1 2010 again showed significant currency volatility but unfolded in a much more favourable economic environment than in 2009, when the effects of the recession were strongly felt until summer. Consumer spending has held up or even increased in the majority of countries, and the distribution situation is returning to normal with careful but regular restocking. The small domestic equipment sector showed excellent resistance during the recession and the trends it has followed in H1 2010 have been favourable. In this context, and in comparison with the weak showing of the previous figures, the Group has returned to growth in several of its major markets and achieved very satisfactory performance, thanks among other things to a level of industrial productivity which is much more in line with its usual standards. The result is an appreciable – even robust – rise in turnover and profit, and a renewed strengthening of the statement of financial position.

In the months to come, the Group anticipates renewed currency uncertainties and continuing price increases in relation to certain raw materials such as metals and plastics. The established upward trend of the dollar will translate into a negative impact on Group purchasing in H2 (especially on sourced products). The rise in prices of aluminium, nickel and copper should have a limited negative impact as a result of the hedging policy which has been adopted. The Group also expects the economic climate in Europe to be favourable overall, and growth to continue in the new economies (including China, Brazil, Russia and Turkey). However it does not anticipate an improvement in the American market. In this environment, the Group's business should remain satisfactory in H2 but more difficult than H1 in terms of purchasing. Moreover, the comparison with 2009 is more demanding over the second part of the year, and Q4 was particularly strong.

The Group will pursue its development priorities and its operations so as to make the most of the economic situation and reinforce its positions by:

- targeting growth in all markets and in the most promising segments, especially through the breadth of its product offer and the strength of its brands;
- identifying new directions and areas for development, for example through expansion of the product offer in China and the continuing rollout of Supor Lifestores;
- maintaining product momentum: some 170 new products and models should energise and strengthen the range in the period up to the end of 2010, especially with the development of market-specific launches in some countries;
- effectively directing investments in sales, marketing and publicity as a function of developing demand within its markets, with what appears to be a marked strengthening of these growth factors in some regions;
- maintaining strict control of the Group's operating costs (purchasing, travel, fees, support functions, administrative expenses, etc.) and its working capital requirement.

However, the Group will not sacrifice its long term strategy. It will continue to invest in the research and development which underpins its innovation-based approach, to improve its competitiveness at global level, and to pursue its international growth – including growth by acquisitions such as the Imusa project in Columbia.

Taking currently-available economic indicators into account, the Group is confident in its ability to achieve sales growth and improve operating margin in 2010, in line with the expectations of the financial markets.

FINANCIAL REPORT

Condensed consolidated financial statements for the six months ended 30 June 2010

3

Consolidated income statement

(in € millions)	**2010 6 months**	**2009 6 months**	**2009 12 months**
Revenue (Note 3)	1,555.1	1,373.7	3,176.3
Operating expenses (Note 4)	(1,387.2)	(1,267.7)	(2,820.9)
OPERATING MARGIN	**167.9**	**106.0**	**355.4**
Discretionary and non-discretionary profit-sharing (Note 5)	(18.5)	(8.1)	(33.5)
RECURRING OPERATING PROFIT	**149.4**	**97.9**	**321.9**
Other operating income and expense (Note 6)	(8.0)	(34.9)	(73.8)
OPERATING PROFIT	**141.4**	**63.0**	**248.1**
Finance costs (Note 7)	(6.4)	(14.0)	(22.6)
Other financial income and expense (Note 7)	(0.6)	(2.2)	(4.6)
Share of profits/(losses) of associates	0.0	0.0	0.0
PROFIT BEFORE TAX	**134.4**	**46.8**	**220.9**
Income tax expense (Note 8)	(35.3)	(12.3)	(58.1)
PROFIT FOR THE PERIOD	**99.1**	**34.5**	**162.8**
Minority interests	(9.8)	(7.2)	(16.8)
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**89.3**	**27.3**	**146.0**
EARNINGS PER SHARE *(IN €)*			
Basic earnings per share	1.89	0.59	3.14
Diluted earnings per share	1.86	0.59	3.13

The accompanying Notes 1 to 14 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(in € millions)	**2010 6 months**	**2009 6 months**	**2009 12 months**
PROFIT FOR THE PERIOD	**99.1**	**34.5**	**162.8**
Exchange differences on translating foreign operations	162.9	6.1	8.2
Gains (losses) on cash flow hedges	(2.5)	27.1	41.7
OTHER COMPREHENSIVE INCOME	**160.4**	**33.2**	**49.9**
TOTAL COMPREHENSIVE INCOME	**259.5**	**67.7**	**212.7**
Minority interests	(35.3)	(4.6)	(12.0)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**224.2**	**63.1**	**200.7**

Consolidated statement of financial position

ASSETS

(in € millions)	30 June 2010	30 June 2009	31 December 2009
Goodwill	450.4	413.5	386.6
Other intangible assets	416.3	372.5	372.2
Property, plant and equipment	426.3	386.8	391.4
Investments in associates	0.0	0.0	0.0
Investments in non-consolidated companies	0.5	0.8	0.5
Other non-current financial assets	8.0	7.5	7.2
Deferred tax assets	60.0	73.5	38.1
Other non-current assets	6.7	4.1	5.0
Non-current derivative instruments - assets	0.3	0.0	0.0
NON-CURRENT ASSETS	**1,368.5**	**1,258.7**	**1,201.0**
Inventories	641.4	570.9	466.3
Trade receivables	464.6	444.0	627.1
Other receivables	58.5	48.8	48.1
Current tax assets	6.8	16.7	15.1
Current derivative instruments - assets	2.0	4.4	5.2
Cash and cash equivalents (Note 11)	226.2	223.2	307.8
CURRENT ASSETS	**1,399.5**	**1,308.0**	**1,469.6**
TOTAL ASSETS	**2,768.0**	**2,566.7**	**2,670.6**

EQUITY AND LIABILITIES

(in € millions)	30 June 2010	30 June 2009	31 December 2009
Share capital	50.0	50.0	50.0
Reserves and retained earnings	1,311.1	993.9	1,140.1
Treasury stock (Note 9)	(82.6)	(120.2)	(108.8)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,278.5**	**923.7**	**1,081.3**
MINORITY INTERESTS	**169.4**	**131.7**	**138.8**
EQUITY	**1,447.9**	**1,055.4**	**1,220.1**
Deferred tax liabilities	61.0	95.1	55.3
Long-term provisions (Note 10)	115.9	113.7	111.3
Long-term borrowings (Note 11)	201.2	210.3	301.1
Other non-current liabilities	25.0	21.2	23.7
Non-current derivative instruments - liabilities	1.9	10.1	2.7
NON-CURRENT LIABILITIES	**405.0**	**450.4**	**494.1**
Short-term provisions (Note 10)	75.6	83.9	86.9
Trade payables	385.9	254.4	398.0
Other current liabilities	186.6	159.0	195.7
Current tax liabilities	20.3	25.5	18.0
Current derivative instruments - liabilities	15.9	20.1	11.1
Short-term borrowings (Note 11)	230.8	518.0	246.7
CURRENT LIABILITIES	**915.1**	**1,060.9**	**956.4**
TOTAL EQUITY AND LIABILITIES	**2,768.0**	**2,566.7**	**2,670.6**

The accompanying Notes 1 to 14 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

(in € millions)	2010 6 months	2009 6 months	2009 12 months
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**89.3**	**27.3**	**146.0**
Depreciation, amortisation and impairment losses	47.8	49.0	123.6
Change in provisions	(12.7)	15.8	17.6
Unrealised gains and losses on financial instruments	3.0	2.0	7.1
Income and expenses related to stock options	3.2	3.4	6.0
Gains and losses on disposals of assets	0.0	0.2	0.4
Other	(0.1)	0.6	0.1
Minority interests	9.8	7.2	16.8
Current and deferred taxes	35.4	12.3	58.1
Finance costs, net	6.4	13.9	22.6
CASH FLOW [a]	**182.1**	**131.6**	**398.3**
Change in inventories	(127.5)	49.4	155.9
Change in trade receivables	205.9	205.4	31.3
Change in trade payables	(44.5)	(109.0)	28.1
Change in other receivables and payables	(22.1)	(11.9)	24.8
Income taxes paid	(45.3)	1.4	(58.3)
Interest paid	(6.4)	(13.0)	(22.5)
NET CASH FROM OPERATING ACTIVITIES	**142.2**	**253.9**	**557.6**
Proceeds from disposals of assets	7.3	6.2	6.5
Purchases of property, plant and equipment	(52.3)	(46.8)	(92.2)
Purchases of software and other intangible assets	(7.7)	(7.8)	(17.0)
Purchases of financial assets	0.1	(0.5)	0.4
Acquisitions of subsidiaries, net of the cash acquired	0.0	0.0	0.0
Effect of other changes in scope of consolidation	0.0	0.1	(0.1)
NET CASH USED BY INVESTING ACTIVITIES	**(52.6)**	**(48.8)**	**(102.2)**
Change in long-term borrowings	(99.9)	(3.2)	87.6
Change in short-term borrowings	(19.9)	(150.6)	(419.4)
Proceeds from issue of share capital, including minority interests	0.0	0.7	0.7
Change in treasury stock	18.9	(3.0)	8.8
Dividends paid, including to minority shareholders	(55.9)	(52.1)	(50.2)
NET CASH USED BY FINANCING ACTIVITIES	**(156.9)**	**(208.2)**	**(372.5)**
Effect of changes in foreign exchange rates	(14.3)	1.7	0.3
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(81.6)**	**(1.4)**	**83.2**
Cash and cash equivalents at beginning of period	307.8	224.6	224.6
Cash and cash equivalents at end of period	226.2	223.2	307.8

(a) Before interest paid and received and before income taxes paid.

Consolidated statement of changes in equity

(in € millions)	Share capital	Share premium account	Reserves and retained earnings	Translation reserve	Treasury stock	Equity attributable to equity holders of the parent	Minority interests	Equity
AT 1 JANUARY 2009	**50.9**	**107.9**	**872.3**	**25.4**	**(150.7)**	**905.8**	**131.6**	**1,037.4**
Profit/(loss) for the period			27.3			27.3	7.2	34.5
Other comprehensive income			27.1	8.7		35.8	(2.6)	33.2
TOTAL COMPREHENSIVE INCOME			**54.4**	**8.7**	**0.0**	**63.1**	**4.6**	**67.7**
Dividends paid			(47.3)			(47.3)	(4.8)	(52.1)
Issue of share capital		0.7				0.7		0.7
Change in treasury stock	(0.9)	(29.8)			30.5	(0.2)		(0.2)
Gains (losses) on sales of treasury stock, after tax			(1.9)			(1.9)		(1.9)
Exercise of stock options			3.4			3.4		3.4
Other movements			0.1			0.1	0.3	0.4
AT 30 JUNE 2009	**50.0**	**78.8**	**881.0**	**34.1**	**(120.2)**	**923.7**	**131.7**	**1,055.4**
Profit/(loss) for the period			118.7			118.7	9.6	128.3
Other comprehensive income			14.6	4.4		18.9	(2.2)	16.7
TOTAL COMPREHENSIVE INCOME			**133.3**	**4.4**	**0.0**	**137.6**	**7.4**	**145.0**
Dividends paid			1.9			1.9	0	1.9
Issue of share capital						0.0		0.0
Change in treasury stock		0.1			11.4	11.6		11.6
Gains (losses) on sales of treasury stock, after tax			(0.6)			(0.6)		(0.6)
Exercise of stock options			2.6			2.6		2.6
Other movements			4.6			4.6	(0.4)	4.2
AT 31 DECEMBER 2009	**50.0**	**78.9**	**1,022.8**	**38.5**	**(108.8)**	**1,081.3**	**138.8**	**1,220.1**
Profit/(loss) for the period			89.3			89.3	9.8	99.1
Other comprehensive income			(2.5)	137.4		134.9	25.5	160.4
TOTAL COMPREHENSIVE INCOME			**86.8**	**137.4**	**0.0**	**224.2**	**35.3**	**259.5**
Dividends paid			(51.2)			(51.2)	(4.7)	(55.9)
Issue of share capital								
Change in treasury stock					26.2	26.2		26.2
Gains (losses) on sales of treasury stock, after tax			(4.8)			(4.8)		(4.8)
Exercise of stock options			3.2			3.2		3.2
Other movements			(0.3)			(0.3)		(0.3)
AT 30 JUNE 2010	**50.0**	**78.9**	**1,056.4**	**175.8**	**(82.6)**	**1,278.5**	**169.4**	**1,447.9**

Notes to the condensed consolidated financial statements

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010, IN € MILLIONS

Groupe SEB, comprising SEB S.A. and its subsidiaries, is a world leader in the design, manufacture and sale of cookware and small domestic equipment, such as pressure cookers, coffee machines, irons and steam generators, kettles and food preparation appliances.

SEB S.A.'s registered office is at Chemin du Petit Bois, Ecully (69130 Rhône, France). The Company is listed on Eurolist by Euronext Paris (ISIN FR0000121709).

The condensed consolidated financial statements for the first half of 2010 were approved by the Board of Directors on 26 August 2010.

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements for the six months ended 30 June 2010 have been prepared in accordance with IAS 34 – Interim Financial Reporting.

They do not include all the disclosures required in a full set of annual financial statements under IFRS and should therefore be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2009, which are included in the 2009 Registration Document filed with the French securities regulator (AMF) on 7 April 2010. The Registration Document may be downloaded from the Group's website (www.groupeseb.com) and the AMF website (www.amf-france.org), and is available on request from the Group's registered office at the above address.

The condensed interim consolidated financial statements have been prepared in accordance with the IFRSs, IASs and related interpretations adopted by the European Union and applicable at 30 June 2010, which can be found on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The accounting policies applied to prepare these financial statements are unchanged compared with those used to prepare the 2009 annual consolidated financial statements except for income tax expense and discretionary and non-discretionary employee profit-sharing, which are calculated on the basis of full-year projections (see Note 8 – Income tax and Note 5 – Discretionary and non-discretionary profit sharing). In addition, the comparability of the interim and annual financial statements may be affected by the seasonal nature of the Group's activities, which results in higher sales in the second half of the year.

The following standards, amendments and interpretations applicable since 1 January 2010 have no material impact on the Group's financial statements. Revised IAS 27 and revised IFRS 3 will only be applied to transactions carried out since 1 January 2010.

- IFRS 3 (revised) – Business Combinations (prospective application);
- IAS 27 (revised) – Consolidated and Separate Financial Statements (specific application conditions);
- Amendment to IAS 39 – Financial instruments: Recognition and Measurement – Eligible Hedged Items (retrospective application);
- Amendments to IFRIC 9 and IAS 39 – Reassessment of Embedded Derivatives and Financial Instruments: Recognition and Measurement (retrospective application);
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17 – Distributions of Non-Cash Assets to Owners (prospective application);
- IFRIC 18 – Transfers of Assets from Customers (prospective application);
- Amendment to IFRS 2 – Share-based Payments: Group Cash-Settled Share-Based Payment Transactions (retrospective application).

The Group chose not to early apply the standards and interpretations whose application was optional at 30 June 2010. However, it does not expect their application to have a material impact on the financial statements.

NOTE 2 | CHANGES IN THE SCOPE OF CONSOLIDATION

There were no acquisitions or disposals of consolidated subsidiaries in the first half of 2010.

3

NOTE 3 | SEGMENT INFORMATION

In accordance with IFRS 8 – Operating Segments, the information presented below for each operating segment is the same as the information presented to the chief operating decision makers (Executive Committee members) for the purposes of assessing the segment's performance and allocating resources.

The internal reports reviewed and used by the chief operating decision makers present such data by geographical segment. The Executive Committee assesses each segment's performance based on:

- revenue and operating profit;
- net invested capital, defined as the segment's assets (goodwill, property, plant and equipment and intangible assets, inventories and trade payables) less its liabilities (trade payables, other payables and provisions).

Performance in terms of financing and cash flow as well as income tax treatment are tracked at Group level, not by operating segment.

3.1. GEOGRAPHICAL SEGMENT INFORMATION (BY LOCATION OF ASSETS)

30 June 2010 *(in € millions)*	**France**	**Other Western European countries [a]**	**North America**	**South America**	**Asia-Pacific**	**Central Europe, Russia and other countries**	**Intra-group transactions**	**Total**
Revenue								
Inter-segment revenue	297.3	312.4	160.0	147.6	355.4	251.3		1,524.0
External revenue	308.6	22.1	0.4	6.8	269.4	2.5	(578.7)	31.1
TOTAL REVENUE	**605.9**	**334.5**	**160.4**	**154.4**	**624.8**	**253.8**	**(578.7)**	**1,555.1**
Profit/(loss)								
Operating profit	27.5	20.7	(14.6)	9.9	60.1	37.9		141.4
Finance costs and other financial income and expense, net								(7.0)
Share of profit of associates								
Income tax expense								(35.3)
PROFIT FOR THE PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**99.1**
Statement of financial position								
Segment assets	584	389.3	374.8	281.8	911.3	180.0	(257.0)	2,464.2
Financial assets								237.0
Tax assets								66.8
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,768.0**
Segment liabilities	364.1	222.4	68.9	88.9	184.5	68.7	(208.5)	789.0
Borrowings								449.8
Tax liabilities								81.3
Equity								1,447.9
TOTAL EQUITY AND LIABILITIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,768.0**
Other information								
Capital expenditure and purchases of intangible assets	25.1	4.0	2.3	6.4	20.4	1.9		60.1
Depreciation and amortisation	27.2	4.0	1.9	4.8	8.2	0.7		46.8
Impairment losses	1.0							1.0

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe, Russia and other countries" segment.

30 June 2009 *(in € millions)*	France	Other Western European countries [a]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-group transactions	Total
Revenue								
Inter-segment revenue	283.6	295.9	149.2	109.6	273.8	234.9		1,347.0
External revenue	241.5	17.7	0.4	6.9	191.7	1.7	(433.2)	26.7
TOTAL REVENUE	**525.1**	**313.6**	**149.6**	**116.5**	**465.5**	**236.6**	**(433.2)**	**1,373.7**
Profit/(loss)								
Operating profit	(22.1)	(15.4)	(13.6)	4.1	48.8	61.2		63.0
Finance costs and other financial income and expense, net								(16.2)
Share of profit of associates								0.0
Income tax expense								(12.3)
PROFIT FOR THE PERIOD	**-**	**-**	**-**	**-**		**-**	**-**	**34.5**
Statement of financial position								
Segment assets	576.3	415.8	353.3	225.2	689.0	207.9	(226.9)	2,240.6
Financial assets								235.9
Tax assets								90.2
TOTAL ASSETS	**-**	**-**	**-**	**-**		**-**	**-**	**2,566.7**
Segment liabilities	304.3	211.2	40.3	56.4	112.5	57.4	(149.8)	632.3
Borrowings								758.4
Tax liabilities								120.6
Equity								1,055.4
TOTAL EQUITY AND LIABILITIES	**-**	**-**	**-**	**-**		**-**	**-**	**2,566.7**
Other information								
Capital expenditure and purchases of intangible assets	27.1	5.4	2.1	4.7	14.8	0.5		54.6
Depreciation and amortisation	28.8	4.8	2.1	3.9	7.1	0.6		47.3
Impairment losses	1.7							1.7

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe, Russia and other countries" segment.

31 December 2009 *(in € millions)*	France	Other Western European countries [a]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-group transactions	Total
Revenue								
Inter-segment revenue	684.7	706.1	342.4	259.5	596.9	529.8		3,119.4
External revenue	557.7	44.2	0.6	14.6	477.0	4.9	(1,042.1)	56.9
TOTAL REVENUE	**1,242.4**	**750.3**	**343.0**	**274.1**	**1,073.9**	**534.7**	**(1,042.1)**	**3,176.3**
Profit/(loss)								
Operating profit	38.9	(0.7)	(28.6)	19.9	127.3	91.3		248.1
Finance costs and other financial income and expense, net								(27.2)
Share of profit of associates								0.0
Income tax expense								(58.1)
PROFIT FOR THE PERIOD								**162.8**
Statement of financial position								
Segment assets	567.9	443.0	319.4	245.2	758.1	200.7	(237.6)	2,296.7
Financial assets								320.7
Tax assets								53.2
TOTAL ASSETS								**2,670.6**
Segment liabilities	381.4	266.0	42.5	70.7	177.6	78.8	(201.4)	815.6
Borrowings								561.7
Tax liabilities								73.2
Equity								1,220.1
TOTAL EQUITY AND LIABILITIES								**2,670.6**
Other information								
Capital expenditure and purchases of intangible assets	60.8	9.0	2.2	8.0	28.1	1.2		109.3
Depreciation and amortisation	58.4	8.3	3.8	8.4	13.8	1.3		94.0
Impairment losses	4.3	5.0	20.4					29.7

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe, Russia and other countries" segment.

Inter-segment revenue corresponds to sales to external customers located within the geographical segment.

External revenue corresponds to sales to external customers and Group subsidiaries located in other geographical segments.

Intra-group transactions are carried out on an arm's length basis.

3.2. REVENUE BY GEOGRAPHICAL LOCATION OF THE CUSTOMER

(in € millions)	2010 6 months	2009 6 months	2009 12 months
France	297.3	283.9	685.3
Other Western European countries [a]	322.6	303.7	728.3
North America	166.8	151.0	348.9
South America	148.6	110.9	261.5
Asia-Pacific	356.7	278.4	599.9
Central Europe, Russia and other countries	263.1	245.8	552.4
TOTAL	**1,555.1**	**1,373.7**	**3,176.3**

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe, Russia and other countries" segment.

NOTE 4 | OPERATING EXPENSES

(in € millions)	2010 6 months	2009 6 months (adjusted)	2009 12 months (adjusted)
Cost of sales	(906.7)	(825.3)	(1,867.0)
Research and development costs	(27.8)	(25.8)	(50.0)
Advertising expense	(46.2)	(31.9)	(95.2)
Distribution and administrative expenses	(406.5)	(384.7)	(808.7)
OPERATING EXPENSES	**(1,387.2)**	**(1,267.7)**	**(2,820.9)**

As part of its migration to a new financial reporting application, the Group revamped its accounting plan, which resulted in certain expenses (mainly logistics expenses) being reclassified in cost of sales. This changed the structure of gross margin but had no impact on reported operating margin.

NOTE 5 | DISCRETIONARY AND NON-DISCRETIONARY PROFIT-SHARING

Discretionary and non-discretionary profit-sharing for first-half 2010 has been calculated by multiplying the estimated annual cost by the percentage of annual profit generated during the period by the companies concerned.

3

NOTE 6 | OTHER OPERATING INCOME AND EXPENSE

(in € millions)	2010 6 months	2009 6 months	2009 12 months
Restructuring costs	(8.7)	(31.3)	(41.3)
Impairment losses	(1.0)	(1.7)	(29.7)
Gains and losses on asset disposals and other	1.7	(1.9)	(2.8)
OTHER OPERATING INCOME AND EXPENSE	**(8.0)**	**(34.9)**	**(73.8)**

6.1. RESTRUCTURING COSTS

First-half 2010 restructuring costs corresponded to:

- the €5.1 million cost of restructuring the sales forces in Brazil;
- an additional €3.3 million provision for the early-retirement plan in France.

In response to the deep recession and sharp decline in sales volumes, the Group undertook several restructuring plans in first-half 2009, which led to the recognition of provisions, including:

- €10.1 million in Germany for the redundancy plan implemented at the Erbach plant;
- €16.1 million in France for the early-retirement plan implemented at the Pont-Evêque plant and to cover the costs related to the decision to close the corporate sites in Paris-La Défense and Caen.

6.2. IMPAIRMENT LOSSES

Due to the seasonal nature of the business, impairment tests are conducted regularly at the year-end.

The carrying amounts of brands and recognised goodwill were reviewed at 30 June 2010 to determine whether there were any indications that they may be impaired.

No indications of impairment of these assets were identified.

At 30 June 2010, a further €1.0 million impairment loss was recognised on the Mayenne Beverage CGU, which had already been written down by €1.7 million at 30 June 2009.

The main impairment losses recognised at 31 December 2009 concerned All-Clad goodwill (€20.4 million) and the Omegna plant (€5.0 million).

6.3. GAINS AND LOSSES ON ASSET DISPOSALS AND OTHER

In first-half 2010, the Group received €1.9 million in compensation following a transaction with one of its suppliers.

In first-half 2009, this item included a provision of €1.3 million set aside following a dispute with a Chinese importer.

NOTE 7 | FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSE, NET

(in € millions)	2010 6 months	2009 6 months	2009 12 months
FINANCE COSTS	**(6.4)**	**(14.0)**	**(22.6)**
Interest cost on long-term employee benefit obligations	(2.7)	(3.0)	(6.4)
Exchange gains and losses	3.3	1.9	1.7
Financial instruments	(1.0)	(0.9)	(1.8)
Other	(0.2)	(0.2)	1.9
OTHER FINANCIAL INCOME AND EXPENSE, NET	**(0.6)**	**(2.2)**	**(4.6)**

The interest cost on long-term employee benefit obligations corresponds to the difference between the discounting adjustment for the year – arising from the fact that benefit payments are one year closer to being paid – and the expected return on the corresponding plan assets. Discounting adjustments to other long-term liabilities and provisions are also included under this caption.

Exchange gains and losses on foreign currency transactions are included in operating margin.

Gains and losses on hedges of foreign currency borrowings are reported under “Other financial income and expense.”

The caption “Financial instruments” corresponds mainly to amortisation of the time value of commodity hedges.

NOTE 8 | INCOME TAX EXPENSE

Income tax expense for the period was calculated by multiplying pre-tax profit by the estimated average effective tax rate for the year. The calculation was performed separately for each tax entity.

The following table provides a reconciliation between the effective tax rate of 26.3% and the statutory French tax rate of 34.43%, which were both unchanged from 2009:

(in %)	2010 6 months	2009 6 months	2009 12 months
STATUTORY FRENCH TAX RATE	**34.4**	**34.4**	**34.4**
Effect of different tax rates [a]	(7.6)	(15.1)	(12.4)
Unrecognised and unrelieved tax loss carryforwards [b]	0.3	11.6	2.3
Prior-period tax loss carryforwards recognised and utilised during the period [c]	(1.9)	(5.9)	(2.7)
Other [d]	1.1	1.3	4.7
EFFECTIVE TAX RATE	**26.3**	**26.3**	**26.3**

(a) *The effect of different tax rates varies depending on France’s contribution to consolidated profit.*
(b) *Unrecognised and unrelieved tax loss carryforwards in 2009 mainly concerned the United Kingdom.*
(c) *Prior-period tax loss carryforwards recognised and utilised during the period relate mainly to Spain and Germany.*
(d) *“Other” items primarily include taxes on distributed earnings and provisions for tax audits and, for full-year 2009, the non-deductible portion of the impairment loss on All-Clad goodwill (3.1%).*

3

NOTE 9 | TREASURY STOCK

At 30 June 2010, the share capital was made up of 49,951,826 shares with a par value of €1.

In first-half 2010, the Group bought back 107,697 SEB shares on the market at a weighted average price of €53.38 and sold 767,515 shares on the market at an average price of €41.65.

As of 30 June 2010, the Group held 2,489,625 SEB shares (3,535,418 at 30 June 2009 and 3,149,443 at 31 December 2009), acquired at an average price of €33.16 (€33.99 at 30 June 2009 and €34.54 at 31 December 2009).

Movements in first-half 2010, first-half 2009 and 2009 were as follows:

	Transactions		
(in number of shares)	**First-half 2010**	**First-half 2009**	**Full-year 2009**
Shares held in treasury at 1 January	3,149,443	4,376,100	4,376,100
Purchases			
Buyback plan		149,072	149,072
Liquidity contract	107,697	237,137	578,136
Sales			
Shares sold on the market	(116,345)	(226,891)	(570,601)
Shares allocated on exercise of stock options	(651,170)		(383,264)
Shares cancelled during the period		*(1,000,000)*	*(1,000,000)*
SHARES HELD IN TREASURY AT PERIOD-END	**2,489,625**	**3,535,418**	**3,149,443**

NOTE 10 | PROVISIONS

	30 June 2010		30 June 2009		31 December 2009	
(in € millions)	**Long-term**	**Short-term**	**Long-term**	**Short-term**	**Long-term**	**Short-term**
Pension and other post-employment benefit obligations	78.2	8.4	76.8	9.0	76.4	7.6
Product warranties	3.6	29.1	3.0	34.2	3.4	35.6
Claims and litigation and other contingencies	21.3	14.8	16.0	13.3	17.5	14.4
Restructuring provisions	12.8	23.3	17.9	27.4	14.0	29.3
TOTAL	**115.9**	**75.6**	**113.7**	**83.9**	**111.3**	**86.9**

Provisions are classified as short-term or long-term according to whether the obligation is expected to be settled within or beyond one year.

Provision movements (other than provisions for pensions and other post-employment benefits) were as follows:

(in € millions)	**1 January 2010**	**Increases**	**Reversals**	**Utilisations**	**Other [a]**	**30 June 2010**
Product warranties	39.0	9.1	1.6	13.5	(0.3)	32.7
Claims and litigation and other contingencies	32.0	16.8	2.6	14.8	4.8	36.1
Restructuring provisions	43.3	6.4	2.1	12	0.5	36.1
TOTAL	**114.3**	**32.3**	**6.3**	**40.3**	**5**	**104.9**

(a) "Other movements" include translation adjustments and the effect of changes in the scope of consolidation.

(in € millions)	1 January 2009	Increases	Reversals	Utilisations	Other [a]	30 June 2009
Product warranties	39.4	21.2	1.4	22.1	0.1	37.2
Claims and litigation and other contingencies	29.7	8.2	2.8	5.8		29.3
Restructuring provisions	26.0	27.4	0.8	8.3	1.0	45.3
TOTAL	**95.1**	**56.8**	**5.0**	**36.2**	**1.1**	**111.8**

(a) Other movements include translation adjustments and the effect of changes in the scope of consolidation.

(in € millions)	1 January 2009	Increases	Reversals	Utilisations	Other [a]	31 December 2009
Product warranties	39.4	32.5	1.7	31.2		39.0
Claims and litigation and other contingencies	29.7	24.1	6.1	15.4	(0.3)	32.0
Restructuring provisions	26.0	27.5	1.2	10.2	1.2	43.3
TOTAL	**95.1**	**84.1**	**9.0**	**56.8**	**0.9**	**114.3**

(a) Other movements include translation adjustments and the effect of changes in the scope of consolidation.

Restructuring provisions break down as follows:

(in € millions)	30 June 2010	30 June 2009	31 December 2009
Severance costs	27.4	33.9	36.8
Site closure costs	8.7	11.4	6.5
TOTAL	**36.1**	**45.3**	**43.3**

NOTE 11 | NET DEBT

(in € millions)	30 June 2010	30 June 2009	31 December 2009
Non-discretionary profit sharing liability	26.0	22.3	22.5
Bank borrowings	171.0	182.9	274.6
Finance lease liabilities	2.7	2.4	1.7
Other	1.5	2.7	2.3
LONG-TERM BORROWINGS	**201.2**	**210.3**	**301.1**
Bank borrowings	110.6	143.5	113.3
Commercial paper	100.0	351.7	100.0
Current portion of long-term borrowings	20.2	22.8	33.4
SHORT-TERM BORROWINGS	**230.8**	**518.0**	**246.7**
TOTAL BORROWINGS	**432.0**	**728.3**	**547.8**
Cash and cash equivalents, net	(226.2)	(223.2)	(307.8)
Derivative instruments, net	2.0	(1.4)	3.4
NET DEBT	**207.8**	**503.7**	**243.4**

Net debt corresponds to total long and short-term borrowings less cash and cash equivalents and derivative instruments acquired as hedges of debt that mature in less than one year and are readily convertible into cash.

NOTE 12 | CONTINGENT ASSETS

After the US Court of Appeals for the Federal Circuit (CAFC) rejected Pentalpha's request for a review of its conviction for patent infringement, Groupe SEB received on 10 August 2010 the €5.1 million in damages that had been held in escrow during the proceedings. On 25 June 2010, however, Pentalpha asked the Supreme Court of the United States to hear its appeal of the CAFC decision.

There were no other material developments in first-half 2010 concerning litigation involving the Group.

The sale of Plant 3 in Brazil, described in Note 30.1 to the consolidated financial statements in the 2009 Registration Document, is still pending delivery of decontamination certificates from the local authorities.

NOTE 13 | RELATED PARTY TRANSACTIONS

In first-half 2010, a total of 172,500 stock options and 14,375 stock grants were awarded to members of the Executive Committee and to the Group's executive officer. All of the share grants and part of the stock options (half of the options awarded to the executive officer and a third of those awarded to members of the Executive Committee) will vest only if the performance criteria set by the Nominations and Remunerations Committee are met.

There were no other material transactions with related parties during the period and no changes in the nature of transactions as described in Note 31 to the consolidated financial statements in the 2009 Registration Document.

NOTE 14 | SUBSEQUENT EVENTS

As of the Board of Directors Meeting held on 26 August 2010 to approve the financial statements, there were no material events to report.

Statutory auditors' review report

ON THE FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2010

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of Article L. 451-1-2 III of the Monetary and Financial Code (*Code Monétaire et Financier*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of SEB SA, for the period from 1 January 2010 to 30 June 2010;
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the interim management report commenting the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Lyon and Villeurbanne, 27 August 2010

The Statutory auditors
French original signed by

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Bernard Rascle	Dominique Valette

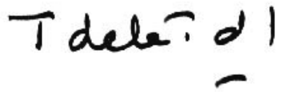
Statement by the person responsible for the interim financial report

I declare that, to the best of my knowledge,

- the condensed financial statements for the six months ended 30 June 2010 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the consolidated companies;
- the interim management report includes a fair review of significant events of the past six months, their impact on the interim financial statements and the main related party transactions for the period, as well as a description of the main risks and uncertainties in the second half of the year.

Ecully, 27 August 2010

The Chairman and Chief Executive Officer



Thierry de La Tour d'Artaise

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