HALF-YEAR FINANCIAL REPORT

as at 30 June 2014

Groupe SEB, in touch with changing times

With a presence in almost 150 countries, Groupe SEB has earned strong positions on all continents through a wide, diversified product range and an exceptional brand portfolio. Today it is the world leader in Small Domestic Equipment.
Its success is rooted in its ability to innovate and invent for daily life in tomorrow's world.

A multi-specialist group

COOKWARE

Frying pans, saucepans, casseroles, baking trays, oven dishes, pressure cookers, low-pressure steam pots, kitchen utensils, etc.

KITCHEN ELECTRICS

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

Food preparation: food processors, beaters, mixers, blenders, centrifugal juice extractors, small food-preparation equipment, filter or pod coffee makers, espresso machines, electric kettles, home beer-tapping machines, soya milk makers, etc.

HOME AND PERSONAL CARE PRODUCTS

Personal care: hair-care equipment and depilators, bathroom scales, massage appliances, etc.

Linen care: irons and steam generators, semi automatic washing machines, garment steam brushes, etc.

Home care: vacuum cleaners (upright or canisters, with or without dust bag, compact and cordless), fans, heating and air treatment appliances, etc.

World ranking

n° 1 Cookware – Pressure cookers – Irons and steam generators – Kettles – Toasters – Fryers – Informal meal appliances – Scales (bathroom scales and kitchen scales)

n° 2 Espresso coffee machines – Table top ovens – Grills and barbecues – Waffle makers and toasted sandwich makers – Juicers

n° 3 Food preparation appliances – Drip coffee makers – Electrical depilators

A LEADING POSITION SUPPORTED BY VERY WELL-KNOWN BRANDS:

- **Global brands:** All-Clad, Krups, Lagostina, Moulinex, Rowenta and Tefal;
- **Regional brands:** Calor/Seb (France and Belgium), T-fal/Mirro/WearEver/AirBake (North America), Arno/Panex/Rochedo/Clock/Samurai/Imusa/Umco (South America), AsiaVina/Supor (Asia), Maharaja Whiteline (India).

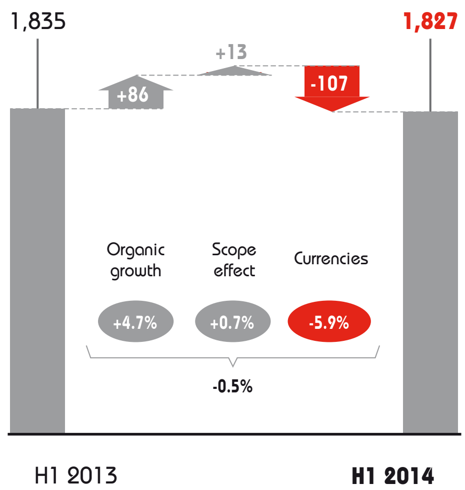
At 30 June 2014

GROUPE SEB CONSOLIDATED RESULTS

(in € millions)	H1 2013	H1 2014
Sales	1,835	1,827
Operating result from activity	137	91
Other income and expenses	(4)	(7)
Operating profit	117	74
Net profit, Group share	52	25

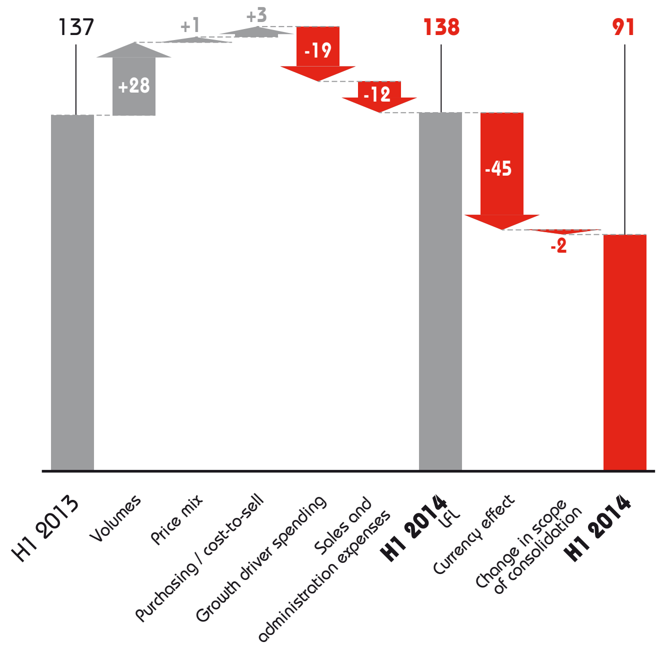
Breakdown of change in half-year revenue

(in € millions)

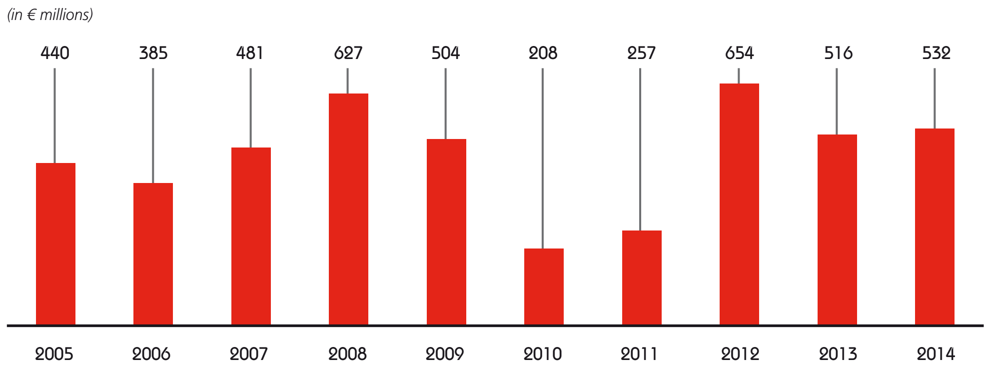


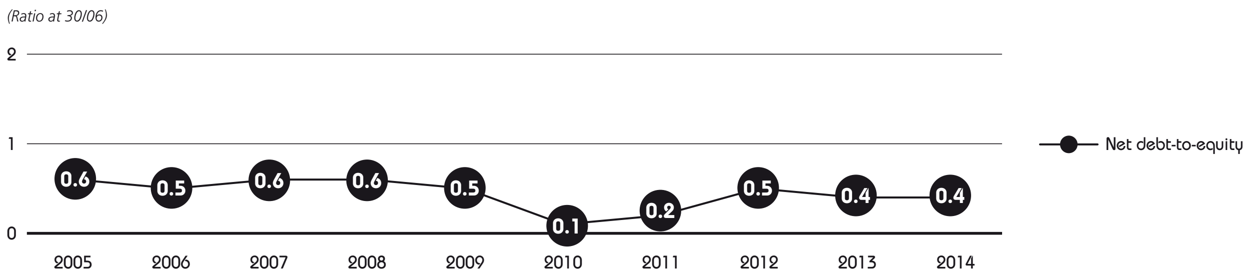
Breakdown of change in operating result from activity

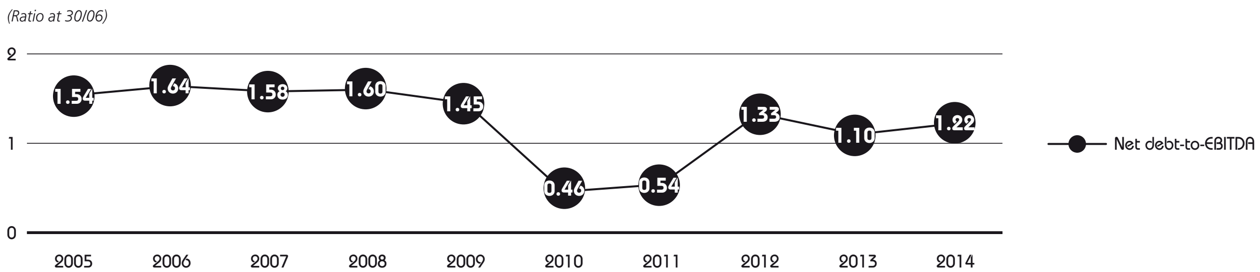
(in € millions)



Net debt as at 30 June

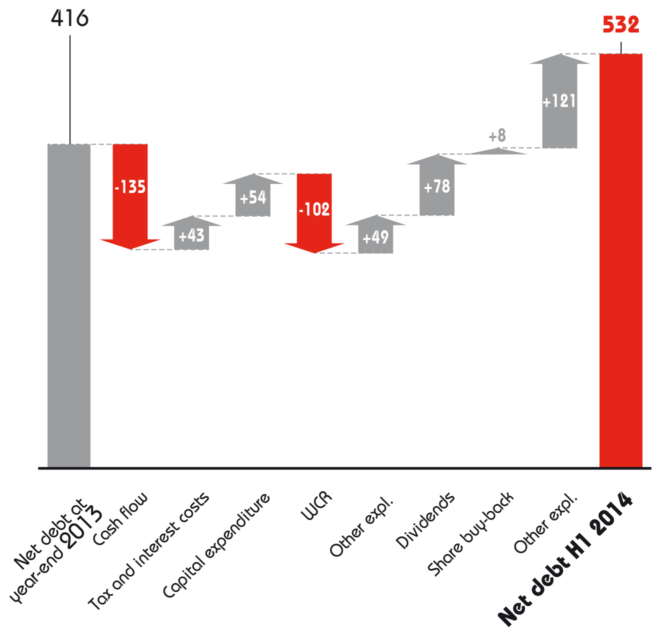






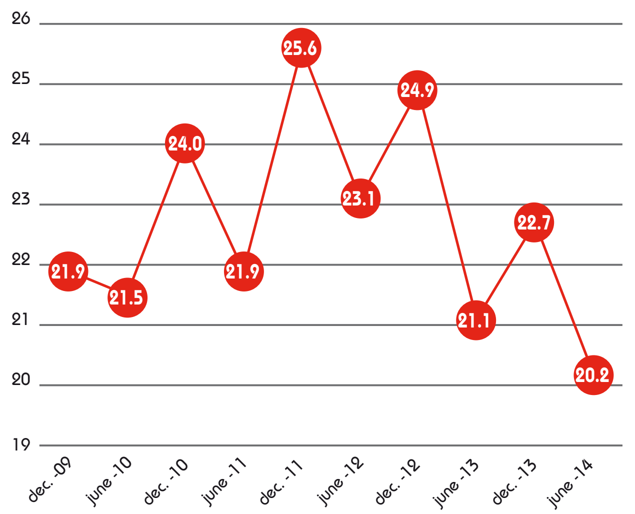
Change in debt over six months

(in € millions)

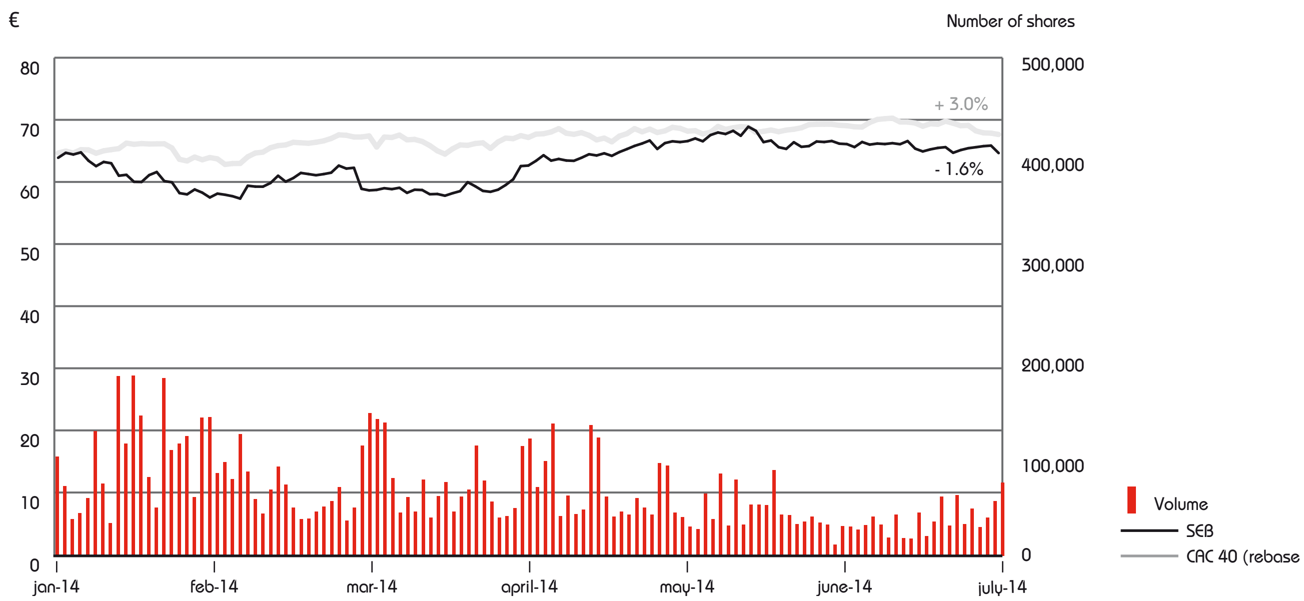


Change in working capital requirement by six-month period

(In % of revenues)



Share price



2. MANAGEMENT REPORT

Key events

BACKGROUND

Business in the first half of the year was conducted in a mixed economic environment:

- the Euro zone showed signs of a modest recovery, although consumer spending remained sluggish. Consumer confidence improved gradually but households continued to be hit by austerity measures and a high unemployment rate in southern European countries. Deflationary pressures affected the distribution sector as a whole;
- in the United States, although the economic environment was disrupted by a period of bad weather at the start of the year, the context was favourable overall. The improvement in consumer confidence and fall in unemployment led to a slight recovery in household spending;
- emerging markets, meanwhile, experienced highly contrasting developments. Consumption in Russia was affected by the sharp economic downturn since mid-2013, along with uncertainties associated with the conflict in Ukraine and the potential economic retaliation. The economic context in Brazil remained uncertain, with slower growth and high inflation. Most emerging economies were marked by a significant decrease in their currencies, continuing the trend seen in the second half of 2013. In China, the economy continued to perform well, slowing down slightly versus last year.

Against this backdrop, the Small Domestic Equipment market as a whole has resisted well during the first six months of the year. Competition has remained stiff and there have been large numbers of promotional offers or loyalty programmes. These offers reflect the growing competition between brands and bids to entice customers into the shops. Faced with the current uncertainties, retailers are maintaining very tight stock management policies, which has a knock-on effect on sales and the working capital requirement of their suppliers.

Currencies

Based on average exchange rates, the vast majority of the Group's operating currencies depreciated with respect to the euro in H1 2014, continuing the trend observed in 2013, mainly in the second half of the year. Aside from this strong downward trend, rates were particularly volatile. The rouble suffered a sharp fall (-15.1%), which was amplified in the first quarter by the geopolitical tensions between Russia and Ukraine. Several other key currencies also depreciated significantly (the yen (-10.8%), the real (-14.6%), the Turkish lira (-19.7%), the Australian dollar (-13.6%), the Canadian dollar (-11.3%), the Colombian peso (-10.6%), etc.), adversely impacting the Group's sales and results. A small number of currencies strengthened, such as sterling (+3.5%) and the Korean won (+0.7%). The Chinese yuan and the US dollar recorded smaller decreases, of 3.9% and 4.2% respectively. In these two currencies, the Group's costs are higher than its income owing to its purchasing structure. In contrast to the other currencies, their decrease thus had a positive impact on the Group's profitability in H1 2014, which was more than offset by the decrease in the other currencies mentioned above. This variation in currencies had a -€107 million impact on the Group's H1 turnover (compared with -€10 million in H1 2013, giving a difference of €97 million between the two periods). Should the stabilisation in currency rates in the second quarter be confirmed in the second part of the year, the impact in H2 may be more modest.

These changes, which have a negative impact on turnover, had an adverse impact on the operating result from activity during the first half of the year.

Cost of raw materials and transport

Metals experienced varied results in H1 2014: the price of aluminium decreased, reaching an average of 1,750 dollars/tonne (-5% compared with 2013), before surging at the end of the period to more than 1,900 dollars; the price of nickel (a component in a number of stainless steels) continued to rise against a backdrop of supply difficulties, reaching an average price of 16,500 dollars/tonne (+10% compared with 2013) and a high point of around 19,000 dollars at the end of the semester. To smooth the effects of the sometimes sudden fluctuations in metal prices, the Group hedged part of its requirements (aluminium and nickel), which provides long term protection from sharp price increases but limits its flexibility if prices fall.

At the same time, the price of plastic materials underwent contrasting changes, with a slight rise in prices in Europe and Asia on commodities and a significant rise in American markets due to higher prices of raw materials. During H1, the price of a barrel of oil fluctuated between $105 and $110.

Road haulage costs remained stable over the period, unlike air freight costs, which increased significantly in line with a new price calculation method imposed by companies. However, this increase was offset by a more effective use of this type of transport.

In terms of maritime freight costs (Asia-Pacific/Europe), we benefited from relatively low prices over the first half of 2014. The market was nonetheless highly volatile, with the prospect of new alliances being formed between ship owners.

APPOINTMENTS TO THE BOARD OF DIRECTORS

On 15 May 2014, the General Shareholders' Meeting of SEB S.A. approved the appointment of Bruno Bich as a member of the Board of Directors for a period of four years, to replace Mr Norbert Dentressangle, whose term of office came to an end. The General Meeting ratified the co-optation of the SICAV Fonds Stratégique de Participations (FSP) as a member of the Board of Directors, to replace Philippe Lenain, who resigned. FSP is represented by Catherine Pourre. The General Meeting also ratified the decision to co-opt the company FFP Invest, represented by Christian Peugeot and replacing FFP, as a director.

BERTRAND NEUSCHWANDER IS APPOINTED CHIEF OPERATING OFFICER OF GROUPE SEB

The Board of Directors, at the recommendation of its Chairman Thierry de La Tour d'Artaise, appointed Bertrand Neuschwander as Chief Operating Officer of Groupe SEB. With this appointment, the Group, which has doubled in size in the last ten years, aims to strengthen its operational efficiency and accelerate its growth. As part of his new role, Bertrand Neuschwander will be responsible for the operational management of Groupe SEB under the leadership of Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer. An Engineering graduate from the National Agronomic Institute of Paris-Grignon and holder of an MBA from INSEAD business school, Bertrand Neuschwander was CEO at Devanlay/Lacoste after having led the AUBERT Group for nine years. He began his career at Arthur Andersen in 1987, before joining Apax Partners & Cie in 1991. He joined Groupe SEB in 2010, first as Senior Executive Vice-President for Business Units and then, since 2012, as Senior Executive Vice-President for Strategy and Business Units.

PLAN TO STOP KITCHEN AND BATHROOM SCALES PRODUCTION AT RUMILLY

On 13 May 2014, the Group finalised an agreement with its Indian partner for the acquisition of the remaining 45% of the share capital of Maharaja Whiteline. After the acquisition of 55% of the capital in December 2011, Groupe SEB thus holds 100% of the company. This full acquisition confirms Groupe SEB's ambition to expand in India and quickly accelerate Maharaja Whiteline's growth especially via a strong pipeline of innovative products, supported by Groupe SEB's world-known expertise, and a strengthened relationship with its distribution partners. Mr Sunil Wadhwa, who was formerly CEO and Managing Director of Usha International Ltd, remains Chief Executive Officer.

The Group has announced a plan to discontinue the production of bathroom scales and kitchen scales at Tefal, on the Rumilly site, by the end of 2014. The discontinuation will have no impact on jobs. Following the procedure to inform and consult the Works Council and the Health and Safety Committee, the 36 production employees will be offered a reassignment within Rumilly's non-electrical cookware activity, as well as individual transfer support (mentoring, training, etc.) aimed at facilitating their reassignment. The scales innovation and "smart products" activities, which employ 11 people, will remain based in Rumilly.

Trading activity

Sales *(in € millions)*	H1 2013	H1 2014	% change* Reported	% change* Like-for-like
France	262	266	+1.4	+1.4
Other Western European countries	338	363	+7.4	+7.0
North America	197	193	-2.5	+1.3
South America	194	173	-10.7	+4.6
Asia-Pacific	522	540	+3.5	+11.1
Central Europe, Russia and other countries	322	292	-9.3	-3.4
TOTAL	**1,835**	**1 827**	**-0.5**	**+4.7**

Sales *(in € millions)*	2nd quarter 2013	2nd quarter 2014	% change* Reported	% change* Like-for-like
France	136	137	+0.4	+0.4
Other Western European countries	177	180	+1.6	+1.3
North America	102	99	-2.7	+2.5
South America	97	92	-5.6	+6.2
Asia-Pacific	239	236	-0.8	+9.3
Central Europe, Russia and other countries	153	141	-7.9	-3.0
TOTAL	**904**	**885**	**-2.1**	**+3.2**

* *Calculation based on unrounded figures.*

The market for Small Domestic Equipment has proved to be resilient and held up well thanks to relatively sustained global demand but has suffered setbacks in some three-month periods and contrasting geographical situations. Competition and promotional activity have been strong and sustained by both competitors' low prices and the combination of special offers and stock clearances by retailers.

Against this backdrop, Group SEB posted H1 2014 turnover of €1,827 million, down 0.5%, including a negative currency effect of €107 million. Sales rose by 4.7% at constant scope and exchange rates.

PRODUCT PERFORMANCE

Cookware

The Group's cookware business grew in H1, but with highly contrasting performance levels between geographical regions. In particular, business suffered in France from the non-renewal of commercial operations, in Japan from price increases and the VAT rate change on 1 April, and in the United States. These developments were more than offset by buoyant activity in Germany, where a large-scale loyalty programme with a distributor launched in Q4 2013 continued in Q1 2014, and by solid sales in the Middle East and Latin America. In China, the Group continued to grow steadily, with a rise across all product lines leading to new market share gains.

Sales of pressure cookers stabilised as a number of markets, such as Japan, Canada, Brazil and the Middle East, performed well, whilst the French market continued to struggle. Finally, the Group continued its growth in kitchen utensils thanks mainly to Glasslock storage boxes and the partnership with Bradshaw.

Kitchen Electrics

The Group maintained its Kitchen Electrics sales in H1. Electrical cooking recorded steady sales thanks to the excellent performance of Supor, particularly in rice cookers. Business also benefited from the successful launch of Optigrill, especially on the North American market. Fryers recorded steady growth thanks to the arrival of two new ranges, Filtra One and Super Uno, and the continued growth of Actifry, which was driven by excellent performance levels in the Middle East and Germany.

The food preparation segment benefited from a surge in sales of the new Cuisine Companion cooking kitchen machine, whilst growth in kitchen machines overall continued. Blenders benefited from the development of new market positions in Africa. In contrast, sales of meat mincers fell after being affected by sluggish business in Russia.

The beverage preparation line posted slight growth, with steady sales in partnerships. Sales of Nespresso machines were positively impacted by the launch of the new model, Inissia, whilst Dolce Gusto continued to grow despite the non-renewal of a large-scale loyalty programme in Spain last year. Sales performed well in fully-automatic coffee machines, which enjoyed particular success on the German market. Home beer-tapping machines, meanwhile, enjoyed a good H1 thanks to the launch of a new model, The Sub, and the positive impact of the football World Cup. However, the Kettles line struggled, with a decrease concentrated primarily in Japan.

Linen and home care

The Group's sales in linen care recorded solid growth and were mainly driven by steam generators under the impetus of the Smart Technology range, which met with excellent success in a number of countries, primarily Germany, Turkey and the Middle East. Steam irons also achieved solid growth thanks to excellent sales performance in the United Kingdom and Mexico. In contrast, business in Japan struggled against a backdrop of inventory destocking. Sales of non-automatic washing machines, which are commonplace in Brazil, stalled owing to a particularly competitive environment.

Home care sales continued to rise, mainly in upright vacuum cleaners, which benefited from the success of the new Air Force Lithium range in France and Spain and the ongoing international expansion of this product family. In canister vacuum cleaners, business mainly benefited from progress in bagless vacuum cleaners, for which the expansion of the product range helped ensure steady growth. Home comfort sales remained buoyant thanks to the Fans line, which was favoured by good weather conditions in South America and the growth of this activity in Europe, Thailand and the United States.

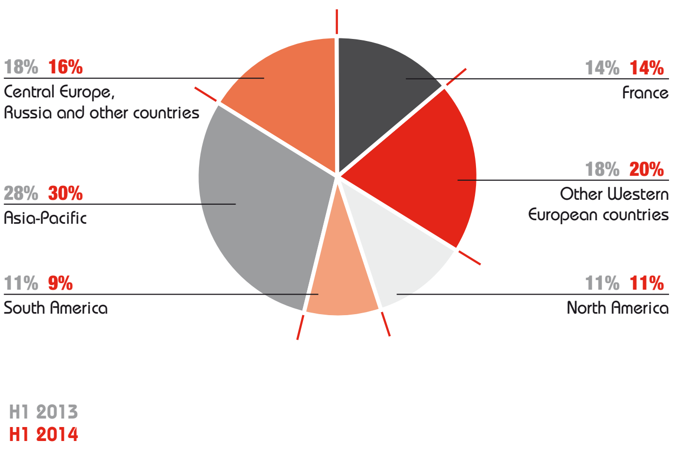
Personal care

The Group's personal care sales fell in H1. Despite progress in some central European countries and the successful launch of Volume'24 in Russia, hair care sales suffered primarily from the non-renewal of a loyalty programme and the deferment to H2 of orders for the Steampod hair straightener. The good performance achieved by Soft Extrême pain-free depilators, particularly in France and Italy, did not offset the decline in sales for this product family. Finally, sales in Scales recorded a slight drop.

GEOGRAPHICAL PERFORMANCE

Groupe SEB is active in almost 150 countries and achieved H1 2014 sales distributed as follows:

Breakdown of sales by geographic area



In France, in the first half, in a market that trended favourably but was highly competitive, Groupe SEB confirmed the return to growth that began in second-half 2013. The slight increase in revenue stemmed from a challenging cookware market – because of a competing loyalty programme and weaker demand for pressure cookers – offset by brisk demand for small electrical appliances. In this segment, the Group strengthened its positions by significantly outperforming the market. Among the best-selling products in the first half were the cooking kitchen machine Cuisine Companion, which led growth in the food processor category; steam generators, sales of which were driven by new models; the Cookeo multicooker; the BeerTender home draught beer system, which benefited from the impact of the FIFA World Cup; and the Dolce Gusto and Nespresso single-serve coffeemakers, for which sales were sharply higher. These solid performances in electrical products were achieved across all distribution channels, from hypermarkets, through specialist distributors and websites.

In other Western Europe countries, the market was generally buoyant in the first half, despite a certain loss of momentum late in the period. As in 2013, performance varied from one product family and country to another. In this environment, Groupe SEB achieved a clear increase in revenue over the first six months of 2014, with continued growth – albeit slight – in the second quarter, on the back of high prior period comparatives. Sales were especially robust in Germany, which benefited from a solid demand for core products (ironing appliances, vacuum cleaners and Nespresso and full-automatic espresso machines) and from the extension of a cookware loyalty programme introduced in fourth-quarter 2013. The Group turned in a very brisk sales performance in Belgium and maintained a firm dynamic in the UK thanks to flagship products that have driven growth for nearly three years and to the success of Optigrill. In Italy, in a lacklustre market, the Group continued to make inroads and increased its market share in small electrical appliances. Lastly, sales remained sustained in Spain despite very high prior-period comparatives in the second quarter (due to a Dolce Gusto loyalty programme), enabling the Group to strengthen its positions in several key product families. Lastly, business in the Iberian peninsula was down in Portugal, following the strong recovery in 2013, however it remained steady in Spain, despite a very high base of comparison in the second quarter of 2013 (Dolce Gusto loyalty programme), with positions improving in a number of key product families.

In the NAFTA countries, the Group's first-half revenue was down as reported, adversely impacted by currency declines against the euro, but slightly higher at constant exchange rates. In the US, following a first quarter shaped by bad weather that impacted consumer spending and led to high inventory levels among retailers, the market and the Group's performance varied depending on the product category. In cookware, sales were lower in the entry-level and mid-range segments, based on high prior-period comparatives. However, they were sharply higher in the "Hispanic" segment, which is targeted by Imusa, as well as in the premium segment, with the success of new All-Clad ranges co-branded with chef Thomas Keller. In small electrical appliances, business was more difficult in the ironing segment due to a more competitive environment, while sales of Optigrill rose very rapidly. Sales in Canada maintained their strong momentum on key products (cookware, Actifry, etc.), joined by the newly launched Optigrill and vacuum cleaners, despite price increases introduced to offset the weakening of the Canadian dollar. In Mexico, revenue was down slightly in the first half but solidly higher at constant exchange rates in the second quarter.

The major drop in first-half revenue in **South America** was due to the decline in the Group's main operating currencies in the region – in particular the Brazilian real and the Colombian peso – against the euro. However, revenue at constant exchange rates rose significantly, reflecting a positive trend in business. In Brazil, the currency environment led the Group to raise its prices, in particular to offset the rising cost of production purchases. After difficult negotiations with customers that adversely affected business in the first quarter, sales picked up in the second quarter. Growth was driven by food preparation and linen care, by Dolce Gusto and by a solid upswing in cookware. In Colombia, the Group owes its organic growth to fans, while sales in the food processor and cookware categories were held back by the non-renewal of promotional programmes carried out in 2013.

In **Asia-Pacific,** although exchange rates had a negative impact on the region's contribution to reported revenue, organic sales growth was strong, reflecting a generally positive business trend in the region, excluding Japan. In this country, where the Group was confronted with a considerable currency challenge, sales declined sharply. This was due to the combined effect of a tenuous consumer spending environment, major inventory drawdowns among retailers, price increases introduced to partially offset the impact of a weak yen on the local subsidiary's margins, and the increase in the VAT rate as from 1 April. Together, these unfavourable factors led to a worse-than-expected decline in first-half sales, despite the launch of strong local recovery measures.

The vitality of sales in Asia-Pacific was led mainly by a very powerful dynamic in China, which in first-half 2014 was the Group's leading market in value. Supor turned in an excellent performance in its domestic market in cookware (woks, pressure cookers, frying pans and saucepans, etc.) as well as in small electrical appliances like rice cookers, electrical pressure cookers, mobile induction hobs, etc., leading to significant new market share gains. These gains were driven by innovation, Supor's on-going expansion into Tier 3 and Tier 4 cities, and rapid growth in online sales. In South Korea, Malaysia and Thailand, the Group's sales rose sharply at constant exchange rates with Thailand becoming one of its top 20 countries in terms of revenue despite recent political events.

In Central Europe, Russia and other countries (Turkey, Middle-East and Africa), as in the first quarter, this region was the only one to experience a decrease in revenue at constant exchange rates. The decline in particular of the Russian rouble, the Turkish lira and the Ukrainian hryvnia against the euro represented a major competitiveness challenge and negatively impacted business. In addition, the Ukrainian crisis had obvious consequences on the overall situation and on consumer spending in the countries concerned. As a result, the Group operated in a strained environment. In Russia, considerably lower demand and sharply increased promotional activity led to heightened competitive pressure, in particular because of the emergence of local players with very aggressive sales and marketing policies. In these circumstances, the Group experienced a greater-than-expected decline in first-half sales. In Poland, business improved in the second quarter but first-half revenue nonetheless dipped slightly at constant exchange rates because of the non-renewal of a loyalty programme. In Turkey, after two difficult years and a succession of price increases, the Group enjoyed a return to organic growth, thanks in particular to a strong dynamic in linen care, vacuum cleaners and food processors, supported by growth drivers. Development continued in the Middle East and revenue rose sharply in Egypt. Lastly, in India, the powerful re-launch of Maharaja Whiteline led to a solid increase in the company's revenue.

Comments on results

OPERATING RESULT FROM ACTIVITY

First-half 2014 operating result from activity amounted to €91 million, in line with forecast. It included a €45-million negative currency effect due mainly to the decline of the yen, rouble and real against the euro as well as to the €2-million negative impact of changes in the scope of consolidation. Like-for-like, first-half 2014 operating result from activity totalled €138 million, virtually unchanged from the €137 million recorded in the first six months of 2013.

It should be emphasized that first-half operating result from activity is not representative of the full year and should not be extrapolated.

The change in first-half operating result from activity can be explained as follows:

- the volume effect was a positive €28 million, reflecting the favourable impact of organic sales growth;
- price mix effect was a slightly positive €1 million and was based on a variety of sometimes offsetting factors, such as price increases in certain countries, promotional initiatives in others and the product and country mix;
- manufacturing costs (purchases, unit costs) improved by €3 million, reflecting productivity initiatives and lower purchasing costs, the benefits of which were partially offset by under-absorption of fixed costs;
- investment in growth drivers was strengthened by €19 million;
- SG&A rose by €12 million half of which were linked to the build-up of our commercial operations.

OPERATING PROFIT AND ATTRIBUTABLE PROFIT

First-half operating profit amounted to €74 million. The sharp drop compared with the €117 million reported in first-half 2013 was directly linked to the decline in operating result from activity.

Financial result represented an expense of €21 million. The improvement from an expense of €25 million in first-half 2013 resulted from both finance costs and exchange losses that were less penalising than in the prior-year period.

Attributable profit was €27 million lower at €25 million, a fall that was entirely due to the decline in operating result from activity. Income tax expense declined sharply because of the contraction in pre-tax profit. Minority interests were stable, reflecting the impact of the weaker yuan on minority interests in Supor's results.

Financial position

At 30 June 2014, the Group's equity stood at €1,464 million slightly down on the end of 2013 (due to the dividends paid out being above earnings for the period and the charging of the purchase of the balance of 45% of Maharaja Whiteline against equity).

Net debt at 30 June 2014 stood at €532 million, an increase of €116 million compared with 31 December 2013. Cash from operations represented a solid €91 million in first-half 2014. Net debt at 30 June takes into account outflows for the payment of the dividend (€78 million), the Group's investment in its new headquarters in Écully, France (€70 million), the buyout of the minority shareholders in Maharaja Whiteline and share buybacks.

At 30 June 2014, debt-to-equity stood at 36% and the debt-to-EBITDA ratio was 1.22. The Group's financial position thus remains healthy and solid with a diversified debt profile.

Outlook

In an economic environment that will remain uncertain and volatile, the Group's expectations for the end of the year are nonetheless slightly more positive.

From a geographic perspective, the Group is reasonably optimistic about the second-half environment in Europe and North America, and is confident in an on-going solid dynamic in Asia, excluding Japan, still driven by China. However, it is cautious about economic trends and consumer spending in Brazil. In Russia and Japan, following an extremely difficult first half, the environment should be slightly more favourable.

Innovation, which already drove organic revenue growth in the first half, will continue to be a catalyst, especially from the autumn. At the same time, the Group continues to implement and deploy its plan to improve operations, which produced a number of tangible results in the first half.

In recent weeks, there has been a slight improvement in the currency situation, which should attenuate the severe adverse effect of exchange rates on Group performance in the second-half. The resulting flexibility will enable the Group to provide greater support to its businesses in the most difficult markets.

Given this situation, the Group's objective for 2014 is to deliver sustained organic growth in revenue and a significant improvement – higher than that achieved in 2013 – in operating result from activity at constant exchange rates.

3. FINANCIAL STATEMENTS

Condensed consolidated financial statements for the six months ended 30 June 2014

Consolidated income statement

(in € millions)	2014 6 months	2013 6 months	2013 12 months
Revenue (note 3)	1,826.7	1,835.2	4,161.3
Operating expenses (note 4)	(1,735.4)	(1,698.1)	(3,750.9)
OPERATING RESULT FROM ACTIVITY	**91.3**	**137.1**	**410.4**
Statutory and discretionary employee profit-sharing (note 5)	(10.3)	(15.5)	(37.2)
RECURRING OPERATING PROFIT	**81.0**	**121.6**	**373.2**
Other operating income and expense (note 6)	(7.4)	(4.1)	(9.5)
OPERATING PROFIT	**73.6**	**117.5**	**363.8**
Finance costs (note 7)	(14.3)	(15.5)	(31.0)
Other financial income and expense (note 7)	(7.4)	(9.9)	(23.9)
Share of profit of associates			
PROFIT BEFORE TAX	**51.9**	**92.1**	**308.9**
Income tax expense (note 8)	(14.6)	(27.1)	(87.2)
PROFIT FOR THE PERIOD	**37.3**	**65.0**	**221.7**
Non-controlling interests	(12.3)	(12.9)	(22.0)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**25.0**	**52.1**	**199.8**
EARNINGS PER SHARE *(in €)*			
Basic earnings per share	0.49	1.08	4.13
Diluted earnings per share	0.48	1.07	4.08

The accompanying notes 1 to 16 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(in € millions)	2014 6 months	2013 6 months	2013 12 months
Profit for the period	37.3	65.0	221.7
Exchange differences on translating foreign operations	(4.7)	(6.0)	(81.2)
Gains (losses) on cash flow hedges	4.7	(0.9)	(12.5)
Restatement of employee benefit obligations, net of tax[(a)(b)]	(5.2)	(2.0)	0.2
Other comprehensive income (expense)	(5.2)	(8.9)	(93.5)
COMPREHENSIVE INCOME	**32.1**	**56.1**	**128.2**
Non-controlling interests	(10.1)	(16.2)	(19.2)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**22.0**	**39.9**	**109.0**

(a) Items that will not be reclassified to profit or loss.
(b) Including impact of deferred taxes in the amount of €2.8 million at 30/06/2014 and €0.9 million at 30/06/2013.

3

Balance sheet

ASSETS *(in € millions)*	30/06/2014	30/06/2013	31/12/2013
Goodwill	466.4	467.3	448.2
Other intangible assets	443.5	432.3	411.8
Property, plant and equipment	560.7	496.7	485.9
Investments in associates			
Other investments	14.6	38.6	57.4
Other non-current financial assets	13.4	10.9	9.5
Deferred tax assets	55.2	72.2	52.0
Other non-current assets	5.2	5.4	6.0
Long-term derivative instruments			
NON-CURRENT ASSETS	**1,559.0**	**1,523.4**	**1,470.8**
Inventories	794.9	780.4	731.1
Trade receivables	540.9	533.4	740.2
Other receivables	134.6	114.6	116.7
Current tax assets	25.3	21.7	33.3
Short-term derivative instruments	5.1	17.9	2.8
Cash and cash equivalents (note 12)	342.9	416.0	426.3
CURRENT ASSETS	**1,843.7**	**1,884.0**	**2,050.4**
TOTAL ASSETS	**3,402.7**	**3,407.4**	**3,521.2**

EQUITY AND LIABILITIES *(in € millions)*	30/06/2014	30/06/2013	31/12/2013
Share capital	50.2	50.2	50.2
Reserves and retained earnings	1,353.8	1,348.1	1,414.2
Treasury stock (note 9)	(85.9)	(83.6)	(74.7)
Equity attributable to owners of the parent	1,318.1	1,314.7	1,389.7
Non-controlling interests	145.5	139.8	142.6
EQUITY	**1,463.6**	**1,454.5**	**1,532.3**
Deferred tax liabilities	61.5	77.9	71.3
Long-term provisions (note 11)	191.5	184.5	180.9
Long-term borrowings (note 12)	628.4	649.5	627.0
Other non-current liabilities	36.9	33.4	33.3
Long-term derivative instruments			
NON-CURRENT LIABILITIES	**918.3**	**945.3**	**912.5**
Short-term provisions (note 11)	45.9	42.4	45.6
Trade payables	490.1	445.1	524.8
Other current liabilities	206.9	201.1	251.3
Current tax liabilities	24.2	25.4	26.6
Short-term derivative instruments	7.3	8.8	13.5
Short-term borrowings (note 12)	246.4	284.8	214.6
CURRENT LIABILITIES	**1,020.8**	**1,007.6**	**1,076.4**
TOTAL EQUITY AND LIABILITIES	**3,402.7**	**3,407.4**	**3,521.2**

The accompanying notes 1 to 16 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

(in € millions)	2014 6 months	2013 6 months	2013 12 months
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**25.0**	**52.1**	**199.8**
Depreciation, amortisation and impairment losses	57.2	54.1	111.7
Change in provisions	(2.2)	(4.9)	8.9
Unrealised gains and losses on financial instruments	(1.5)	(5.0)	(2.9)
Income and expenses related to stock options	4.6	2.0	6.0
Gains and losses on disposals of assets	0.4	0.8	(3.2)
Other			
Non-controlling interests	12.3	12.9	22.0
Current and deferred taxes	14.4	33.1	86.5
Finance costs, net	14.2	15.4	31.2
CASH FLOW[(a)]	**124.4**	**160.5**	**459.9**
Change in inventories	(53.9)	(114.2)	(89.4)
Change in trade receivables	206.2	292.2	37.3
Change in trade payables	(49.2)	(61.0)	36.1
Change in other receivables and payables	(49.1)	(66.9)	(23.4)
Income taxes paid	(28.3)	(47.8)	(91.2)
Interest paid	(14.2)	(15.4)	(31.2)
NET CASH FROM OPERATING ACTIVITIES	**135.9**	**147.2**	**298.1**
Proceeds from disposals of assets	5.5	0.7	11.5
Purchases of property, plant and equipment	(119.6)	(55.9)	(114.2)
Purchases of software and other intangible assets	(7.9)	(6.4)	(12.8)
Purchases of financial assets	4.4	(2.5)	(3.1)
Acquisitions of subsidiaries, net of the cash acquired	6.0		(25.2)
Effect of other changes in scope of consolidation			
NET CASH USED BY INVESTING ACTIVITIES	**(111.6)**	**(64.1)**	**(143.8)**
Change in long-term borrowings	1.4	(4.2)	39.2
Change in short-term borrowings	4.6	(6.8)	(132.4)
Issue of share capital			
Transactions between owners	(18.0)	0.7	(10.2)
Change in treasury stock	(8.5)	7.6	21.2
Dividends paid, including to non-controlling shareholders	(78.1)	(73.6)	(73.6)
NET CASH USED BY FINANCING ACTIVITIES	**(98.6)**	**(76.3)**	**(155.9)**
Effect of changes in foreign exchange rates	(9.1)	10.5	29.1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(83.4)**	**17.3**	**27.6**
Cash and cash equivalents at beginning of period	426.3	398.7	398.7
Cash and cash equivalents at end of period	342.9	416.0	426.3

(a) Before interest and income taxes paid.

Consolidated statement of changes in Equity

(in € millions)	Share capital	Share premium account	Other reserves and retained earnings	Translation reserve	Treasury stock	Equity Attributable to owners of the parent	Non-controlling interests	Equity
AT 1 JANUARY 2013	**50.2**	**88.1**	**1,123.0**	**161.5**	**(91.1)**	**1,331.8**	**130.3**	**1,462.1**
Profit for the period			52.1			52.1	12.9	65.0
Other comprehensive income (expense)			(2.9)	(9.3)		(12.2)	3.3	(8.9)
Total comprehensive income			*49.2*	*(9.3)*		*39.9*	*16.2*	*56.1*
Dividends paid			(66.1)			(66.1)	(7.5)	(73.6)
Issue of share capital								
Changes in treasury stock					7.6	7.6		7.6
Gains (losses) on sales of treasury stock, after tax			(0.1)			(0.1)		(0.1)
Exercise of stock options			2.2			2.2		2.2
Other movements			(0.6)			(0.6)	0.9	0.3
AT 30 JUNE 2013	**50.2**	**88.1**	**1,107.6**	**152.2**	**(83.5)**	**1,314.7**	**139.9**	**1,454.6**
Profit for the period			147.7			147.7	9.1	156.8
Other comprehensive income (expense)			(9.4)	(69.2)		(78.6)	(6.0)	(84.6)
Total comprehensive income			*138.3*	*(69.2)*		*69.1*	*3.1*	*72.2*
Dividends paid								
Issue of share capital								
Changes in treasury stock					8.8	8.8		8.8
Gains (losses) on sales of treasury stock, after tax			3.2			3.2		3.2
Exercise of stock options			3.8			3.8		3.8
Other movements			(9.8)			(9.9)	(0.4)	(10.3)
AT 31 DECEMBER 2013	**50.2**	**88.1**	**1,243.1**	**83.0**	**(74.7)**	**1,389.7**	**142.6**	**1,532.3**
Profit for the period			25.0			25.0	12.3	37.3
Other comprehensive income (expense)			(0.5)	(2.5)		(3.0)	(2.2)	(5.2)
Total comprehensive income			*24.5*	*(2.5)*		*22.0*	*10.1*	*32.1*
Dividends paid			(70.2)			(70.2)	(7.8)	(78.0)
Issue of share capital								
Changes in treasury stock					(11.2)	(11.2)		(11.2)
Gains (losses) on sales of treasury stock, after tax			1.8			1.8		1.8
Exercise of stock options			3.1			3.1		3.1
Other movements			(17.1)			(17.1)	0.6	(16.5)
AT 30 JUNE 2014	**50.2**	**88.1**	**1,185.2**	**80.5**	**(85.9)**	**1,318.1**	**145.5**	**1,463.6**

Notes to the condensed consolidated financial statements

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014, IN € MILLIONS

Groupe SEB, comprising SEB S.A. and its subsidiaries, is a world leader in the design, manufacture and marketing of cookware and small household appliances such as anti-adhesive pots and pans, pressure cookers, irons and steam generators, coffee makers, kettles and food preparation appliances.

SEB S.A'.s registered office is at Chemin du Petit-Bois, Écully (69130 Rhone, France). The company is listed on NYSE Euronext Paris (ISIN FR0000121709 SK).

The condensed consolidated financial statements for the first half of 2014 were approved by the Board of Directors on 22 July 2014.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim consolidated financial statements for the six months ended 30 June 2014 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 2013 which are included in the 2013 Registration Document (filed with the French securities regulator (AMF) on 27 March 2014). The 2013 Registration Document can 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 2014, 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 2013 annual consolidated financial statements except for income tax expense and non-discretionary and discretionary employee profit-sharing, which are calculated on the basis of full-year projections (see note 8 – Income tax, and note 5 – non-discretionary and discretionary employee 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 Group has adopted the following standards, interpretations and amendments to existing standards whose application was mandatory as from 1 January 2014 in accordance with the effective dates set by the IASB:

- "Consolidation Package": IFRS 10 – Consolidated Financial Statements; IFRS 11 – Joint Arrangements; IFRS 12 – Disclosure of Interests in Other Entities; Amendments to IAS 27 – Separate Financial Statements; Amendments to IAS 28 – Investments in Associates and Joint Ventures;
- amendment to IAS 32 – Financial Instruments: Presentation. This amendment concerns the offsetting of financial assets and financial liabilities;
- amendment to IAS 36 – Impairment of Assets: this amendment concerns disclosures on the recoverable amount of financial assets.

These new standards and amendments had no material impact on the Group's financial statements.

The Group chose not to early adopt the standards and interpretations whose application was optional at 30 June 2014. However, it does not expect their application to have a material impact on the financial statements.

NOTE 2 CHANGES IN SCOPE OF CONSOLIDATION

Coranco

On 16 December 2013, Groupe SEB acquired the Canadian company Coranco, giving it direct control over the marketing of Lagostina products in Canada. This company has been included in the scope of consolidation since 1 January 2014.

At 30 June 2014, the provisional estimate of the net fair value of the identifiable assets and liabilities when Groupe SEB acquired control of the company on 16 December 2013 was as follows:

(in € millions)	16 December 2013
Non-current assets[(a)]	19.3
Inventories	1.2
Trade and other receivables	2.4
Net debt	4.0
Trade and other payables	(1.9)
Other net assets	0.1
TOTAL NET ASSETS	**25.1**
PERCENT INTEREST	**100%**
NET ASSETS ACQUIRED	**25.1**
Non-controlling interests	
CASH OUTFLOW FOR THE CORANCO ACQUISITION	**25.1**
Goodwill	0.0

(a) Including rights to use the Lagostina licence for the remaining term of the agreement.

Maharaja Whiteline

On 16 December 2011, Groupe SEB acquired a majority interest in Maharaja Whiteline, a leading producer of small electrical appliances in India. Created in 1976, Maharaja Whiteline has its roots in northern and western India. It is one of the major players in a still highly fragmented market, with a portfolio covering several families of Small Domestic Equipment. In particular, Maharaja Whiteline is an established brand name in mixer grinders, an indispensable appliance used in India in Kitchen Electrics. Backed by a network of 330 distributors, Maharaja Whiteline is present in over 26,000 sales outlets. Its revenue for the 2010-2011 fiscal year ended 31 March totalled €21 million, with average annual growth of 25%.

The company operates a plant in Baddi, Himachal Pradesh state, in northern India, and employs around 350 people.

Following the acquisition, Groupe SEB holds 55% of the company's share capital, the rest remaining with its founder Harish Kumar and his family. The Group had chosen not to consolidate this company in 2012 or 2013, in particular due to insufficient reliability of the figures and its small significance in terms of the Group's aggregates. The interest in the company was therefore reported under "Other investments" on the consolidated balance sheet.

As the company's financial performance was below the assumptions made at the time of the acquisition, in 2012, the shares were also written down by €25.3 million. An additional €7.5 million impairment loss was subsequently recognised in 2013 under "Other financial income and expense", reducing the aggregate carrying amount of the shares to €20 million.

Maharaja Whiteline is fully consolidated with effect from 1 January 2014, as the Group considers that it effectively took control of the company at the end of 2013. At 30 June 2014, the provisional estimate of the net fair value of Maharaja Whiteline's identifiable assets and liabilities when Groupe SEB acquired control of the company on 1 January 2014, was as follows:

(in € millions)	1 January 2014
Non-current assets[(a)]	14.9
Inventories	3.9
Trade and other receivables	1.7
Net debt	(7.2)
Trade and other payables	(3.1)
Other net liabilities	(9.5)
TOTAL NET ASSETS	**0.7**
PERCENT INTEREST	**55%**
NET ASSETS ACQUIRED	**0.4**
Non-controlling interests	0.3
VALUE OF MAHARAJA WHITELINE ON INITIAL RECOGNITION	**20.1**
Goodwill	19.7

(a) Including the Maharaja Whiteline brand provisionally estimated by independent experts at €9.5 million.

On 21 April 2014, Groupe SEB acquired the 45% interest in Maharaja Whiteline previously held by its partner, thus increasing its stake to 100%. This transaction between shareholders had a direct impact on the Group's equity. Groupe SEB subsequently recapitalised this subsidiary in the amount of €8.5 million.

Key Ingredient

A formal settlement was agreed on 21 December 2013 with the former manager of Key Ingredient to buy out his 30% stake in the company. The conditions precedent were fulfilled at the start of 2014 and Groupe SEB now owns 100% of the shares in this company.

Moreover, in early 2014 the Group created a subsidiary in South Africa: Groupe SEB South Africa.

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

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

Note 3.1. GEOGRAPHICAL SEGMENT INFORMATION (BY LOCATION OF ASSETS)

(in € millions)	France	Other Western European countries(a)	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-group transactions	Total
30/06/2014								
Revenue								
Inter-segment revenue	264.2	347.1	186.8	172.6	492.6	257.3		1,720.7
External revenue	311.1	33.4	0.1	2.8	433.0	5.8	(680.3)	106.1
TOTAL REVENUE	**575.3**	**380.5**	**187.0**	**175.4**	**925.7**	**263.2**	**(680.3)**	**1,826.7**
Income statement								
Operating result from activity	5.5	11.0	(8.7)	3.3	81.4	28.1	(29.3)	91.3
Operating profit (loss)	(5.3)	10.2	(9.1)	(1.8)	80.9	28.0	(29.3)	73.6
Finance costs and other financial income and expense, net								(21.6)
Share of profit of associates								
Income tax expense								(14.6)
PROFIT FOR THE PERIOD								**37.3**
Balance sheet								
Segment assets	715.9	361.7	374.7	437.7	1,115.0	251.1	(309.9)	2,946.2
Financial assets								376.0
Tax assets								80.5
TOTAL ASSETS								**3,402.7**
Segment liabilities	415.6	231.6	84.1	87.8	293.8	107.2	(248.7)	971.4
Borrowings								882.1
Tax liabilities								85.7
Equity								1,463.6
TOTAL EQUITY AND LIABILITIES								**3,402.7**
Other information								
Capital expenditure and purchases of intangible assets	107.2	2.3	1.4	5.7	9.5	1.3		127.4
Depreciation and amortisation expense	30.9	3.0	3.3	4.6	14.7	0.6		57.1
Impairment losses	0.1							0.1

(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 total sales (within the Group and to external customers) generated outside the geographical segment by companies within the geographical segment.

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

(in € millions)	France	Other Western European countries[a]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-group transactions	Total
30/06/2013								
Revenue								
Inter-segment revenue	261.3	321.4	193.0	193.5	450.8	291.1		1,711.0
External revenue	333.7	35.2	0.2	3.8	442.7	5.8	(697.4)	124.2
TOTAL REVENUE	**595.0**	**356.5**	**193.2**	**197.3**	**893.5**	**297.0**	**(697.4)**	**1,835.2**
Income statement								
Operating result from activity	23.2	7.3	(10.9)	10.4	84.8	41.0	(18.7)	137.1
Operating profit (loss)	5.1	7.1	(11.5)	7.5	84.8	43.1	(18.7)	117.5
Finance costs and other financial income and expense, net								(25.4)
Share of profit of associates								
Income tax expense								(27.1)
PROFIT FOR THE PERIOD								**65.0**
Balance sheet								
Segment assets	650.2	355.4	369.4	428.8	1,059.2	269.3	(302.3)	2,830.0
Financial assets								483.4
Tax assets								94.0
TOTAL ASSETS								**3,407.4**
Segment liabilities	399.7	238.2	68.0	98.5	242.2	106.9	(246.9)	906.5
Borrowings								943.0
Tax liabilities								103.3
Equity								1,454.6
TOTAL EQUITY AND LIABILITIES								**3,407.4**
Other information								
Capital expenditure and purchases of intangible assets	33.5	3.3	2.0	12.1	10.6	0.7		62.3
Depreciation and amortisation expense	28.9	3.3	2.3	5.3	13.6	0.7		54.1
Impairment losses								

(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.

(in € millions)	France	Other Western European countries[(a)]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-group transactions	Total
2013								
Revenue								
Inter-segment revenue	664.5	792.1	457.3	425.3	960.6	631.6		3,931.4
External revenue	721.7	78.0	0.5	8.0	955.3	5.7	(1,539.3)	229.9
TOTAL REVENUE	**1,386.2**	**870.1**	**457.8**	**433.3**	**1,915.9**	**637.3**	**(1,539.3)**	**4,161.3**
Income statement								
Operating result from activity	73.5	47.6	(3.3)	25.0	174.8	88.7	4.1	410.4
Operating profit (loss)	35.7	47.1	(7.2)	18.7	174.8	90.6	4.1	363.8
Finance costs and other financial income and expense, net								(54.8)
Share of profit of associates								
Income tax expense								(87.2)
PROFIT FOR THE PERIOD								**221.7**
Balance sheet								
Segment assets	628.3	430.0	351.8	415.7	1,082.3	299.2	(267.5)	2,939.8
Financial assets								496.1
Tax assets								85.3
TOTAL ASSETS								**3,521.2**
Segment liabilities	427.1	274.9	63.0	87.3	306.7	98.8	(221.8)	1,036.0
Borrowings								855.0
Tax liabilities								98.0
Equity								1,532.2
TOTAL EQUITY AND LIABILITIES								**3,521.2**
Other information								
Capital expenditure and purchases of intangible assets	70.5	5.8	3.5	16.5	28.8	1.9		127.0
Depreciation and amortisation expense	61.4	6.4	4.4	9.9	27.7	1.4		111.2
Impairment losses	0.5							0.5

(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 3.2. REVENUE BY GEOGRAPHICAL LOCATION OF THE CUSTOMER AND BUSINESS SECTOR

(in € millions)	2014 6 months	2013 6 months	2013 12 months
France	265.7	262.0	665.8
Other Western European countries[a]	362.6	337.8	820.6
North America	192.7	197.5	468.0
South America	173.4	194.1	426.4
Asia-Pacific	540.0	521.7	1,087.1
Central Europe, Russia and other countries	292.2	322.1	693.4
TOTAL	**1,826.7**	**1,835.2**	**4,161.3**

(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.

(in € millions)	2014 6 months	2013 6 months	2013 12 months
Cookware	586.2	596.9	1,329.6
Small electrical appliances	1,240.5	1,238.3	2,831.7
TOTAL	**1,826.7**	**1,835.2**	**4,161.3**

NOTE 4 OPERATING EXPENSES

(in € millions)	2014 6 months	2013 6 months	2013 12 months
Cost of sales	(1,144.2)	(1,124.5)	(2,543.0)
Research and development costs	(36.9)	(34.6)	(75.6)
Advertising expenses	(43.2)	(42.6)	(108.9)
Distribution and administrative expenses	(511.1)	(496.4)	(1,023.4)
OPERATING EXPENSES	**(1,734.6)**	**(1,698.1)**	**(3,750.9)**

NOTE 5 STATUTORY AND DISCRETIONARY EMPLOYEE PROFIT-SHARING

Statutory and discretionary employee profit-sharing for first-half 2014 has been calculated by multiplying the estimated annual cost by the percentage of annual profit generated during the period by the companies concerned.

NOTE 6 OTHER OPERATING INCOME AND EXPENSE

(in € millions)	2014 6 months	2013 6 months	2013 12 months
Restructuring costs	(7.5)	(3.3)	(9.0)
Impairment losses			(0.5)
Gains and losses on asset disposals and other	0.1	(0.8)	
OTHER OPERATING INCOME AND EXPENSE	**(7.4)**	**(4.1)**	**(9.5)**

Note 6.1. RESTRUCTURING COSTS

Restructuring costs in first-half 2014 primarily comprised:

- €2.8 million associated with the industrial and commercial restructuring of the Brazilian subsidiary;
- €2.3 million for following up the restructuring plan for the Group's proprietary store network in South America;
- €0.9 million arising from measures to reorganise the sales force in Spain;
- €1.4 million in miscellaneous costs associated with the closure of the scales activity at Rumilly, France.

At 30 June 2013, restructuring costs related to a early retirement plan at the Saint Jean de Bournay site in France (€1.2 million) and the restructuring of the Group's proprietary store network in South America and the closure of a motor production line in Brazil (€1.8 million).

At 31 December 2013, restructuring costs primarily related to the rescaling of the Retail business in South America (Brazil, Chile, Peru) at a cost of approximately €3.6 million and the reorganisation of the US sales force at a cost of €3.4 million.

Note 6.2. IMPAIRMENT LOSSES

Due to the seasonal nature of the business, impairment tests are conducted at the financial year-end. The carrying amounts of brands and goodwill were reviewed at 30 June 2014 to determine whether there were any indications that they may be impaired.

No indications of impairment of these assets were identified.

Note 6.3. GAINS AND LOSSES ON ASSET DISPOSALS AND OTHER

At 30 June 2014, the Group recognised:

- the receipt of €1.9 million under the liability guarantee granted as part of the acquisition of Imusa in February 2011, which neutralized;
- residual expenses for the decontamination of a parcel of land in Brazil.

The €0.8 million net expense recognised under Other income and expense in first-half 2013 chiefly corresponds to expenses incurred by the Group in connection with a dispute with the non-controlling shareholder in India.

At 31 December 2013, the Group recognised a €4.8 million gain on disposal of a building in Lyon after a number of teams were transferred to the Écully site. This offset a number of immaterial other costs including legal costs for the litigation with the non-controlling shareholder in India.

NOTE 7 FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSE

(in € millions)	2014 6 months	2013 6 months	2013 12 months
FINANCE COSTS	**(14.3)**	**(15.5)**	**(31.0)**
Interest cost on long-term employee benefit obligations	(2.2)	(2.1)	(4.7)
Exchange gains and losses	(1.2)	(2.5)	(7.2)
Cost of financial instruments	(0.4)	(1.8)	5.4
Other	(3.6)	(3.5)	(17.4)
OTHER FINANCIAL INCOME AND EXPENSE	**(7.4)**	**(9.9)**	**(23.9)**

The interest cost on long-term employee benefit obligations corresponds to the difference between the discounting adjustment for the period – 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 commercial transactions denominated in foreign currencies are included in "Operating result from activity".

"Other financial income and expense" includes gains and losses on hedges of foreign currency borrowings as well as the costs related to setting up these hedges.

At 31 December 2013, the "Other" line included a €7.5 million impairment loss recognised against the Group's non-consolidated investment in Maharaja Whiteline.

NOTE 8 INCOME TAXES

Income tax expense for the period was calculated by multiplying consolidated 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 28% and the statutory French tax rate of 38%:

(in %)	2014 6 months	2013 6 months	2013 12 months
STATUTORY FRENCH TAX RATE	**38.0**	**36.1**	**38.0**
Effect of different tax rates[(a)]	(16.1)	(10.5)	(15.5)
Unrecognised and unrelieved tax loss carryforwards[(b)]	2.8	0.6	2.4
Prior period tax loss carryforwards recognised and utilised during the period	(0.7)	(1.2)	(1.7)
Other[(c)]	4.0	4.4	5.0
EFFECTIVE TAX RATE	**28.0**	**29.4**	**28.2**

(a) The effect of different tax rates varies depending on France's contribution to consolidated profit.
(b) Unrecognised and unrelieved tax loss carryforwards mainly concerned the United States.
(c) The "Other" item includes mainly taxes on distributed earnings and dividends and provisions for tax audits. At 31 December 2013, the non-deductibility of the impairment of the Maharaja investment (0.8%) also had an impact on the effective rate.

NOTE 9 TREASURY STOCK

At 30 June 2014, the company's share capital was made up of 50,169,049 shares with a par value of €1 each.

In first-half 2014, the Group bought back 639,784 SEB shares at a weighted average price of €60.74 per share and sold 630,684 shares on the market at an average price of €47.97.

At 30 June 2014, the Group held 1,421,447 shares in treasury, acquired at an average price of €60.46 per share (compared with 1,809,169 shares at 30 June 2013 and 1,412,347 shares at 31 December 2013, acquired at respective average prices of €46.16 and €52.85).

Movements in treasury stock in first-half 2014, first-half 2013 and full-year 2013 were as follows:

		Transactions	
(in number of shares)	First half 2014	First half 2013	Full year 2013
SHARES HELD IN TREASURY AT 1 JANUARY	**1,412,347**	**2,050,102**	**2,050,102**
Purchases			
Buyback plan	300,000	46,319	54,075
Liquidity contract	339,784	509,464	813,739
Sales			
Shares sold on the market	(353,431)	(526,884)	(802,996)
Shares allocated on exercise of stock options	(277,253)	(269,832)	(702,573)
Shares cancelled during the period			
SHARES HELD IN TREASURY AT PERIOD-END	**1,421,447**	**1,809,169**	**1,412,347**

NOTE 10 EMPLOYEE BENEFITS

At 30 June 2014, the Group reduced the discount rate used to calculate pension benefits in France and Germany, which account for 90% of the Group's total pension benefit obligation.

The effect of this decrease in the discount rate (to 2.5% compared with 3% at 31 December 2013) was partly offset by the return on plan assets coming in above the actuarial forecast, and the change resulted in an overall €8.1 million increase in provisions for pension and other post-employment benefit obligations at 30 June 2014.

NOTE 11 PROVISIONS

(in € millions)	30/06/2014 Long-term	30/06/2014 Short-term	30/06/2013 Long-term	30/06/2013 Short-term	31/12/2013 Long-term	31/12/2013 Short-term
Pension and other post-employment benefit obligations	143.9	7.3	140.5	4.2	133.9	7.7
Product warranties	5.4	19.4	4.6	19.8	5.9	18.3
Claims and litigation and other contingencies	36.2	15.7	31.2	15.5	32.5	15.3
Restructuring provisions	6.0	3.5	8.2	2.9	8.6	4.3
TOTAL	**191.5**	**45.9**	**184.5**	**42.4**	**180.9**	**45.6**

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 pension and other post-employment benefit obligations) were as follows:

(in € millions)	01/01/2014	Increases	Reversals	Utilisations	Other movements[(a)]	30/06/2014
Product warranties	24.2	11.3		11.4	0.6	24.7
Claims and litigation and other contingencies	47.8	5.8	1.6	4.4	4.3	51.9
Restructuring provisions	12.9	2.4	1.5	4.3		9.5
TOTAL	**84.9**	**19.5**	**3.1**	**20.1**	**4.9**	**86.1**

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

(in € millions)	01/01/2013	Increases	Reversals	Utilisations	Other movements[(a)]	30/06/2013
Product warranties	27.3	10.3	3.4	9.5	(0.4)	24.4
Claims and litigation and other contingencies	50.3	2.9	3.1	2.9	(0.5)	46.7
Restructuring provisions	10.9	1.3	0.2	1.1	0.2	11.1
TOTAL	**88.5**	**14.5**	**6.7**	**13.5**	**(0.7)**	**82.2**

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

(in € millions)	01/01/2013	Increases	Reversals	Utilisations	Other movements[(a)]	31/12/2013
Product warranties	27.3	15.3	3.2	14.2	(1.0)	24.2
Claims and litigation and other contingencies	50.3	11.7	5.7	5.3	(3.2)	47.8
Restructuring provisions	10.9	5.2	0.8	2.3	(0.1)	12.9
TOTAL	**88.5**	**32.2**	**9.7**	**21.8**	**(4.3)**	**84.9**

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

Restructuring provisions break down as follows:

(in € millions)	30/06/2014	30/06/2013	31/12/2013
Severance costs	8.5	10.2	12.4
Site closure costs	1.0	0.9	0.5
TOTAL	**9.5**	**11.1**	**12.9**

NOTE 12 NET DEBT

(in € millions)	30/06/2014	30/06/2013	31/12/2013
Bonds	298.5	298.5	298.5
Bank borrowings	27.8	46.8	26.8
Finance lease liabilities	2.3	2.3	2.1
Other debt (including private placements)	268.6	267.6	268.3
Statutory employee profit-sharing liability	31.2	34.3	31.3
LONG-TERM BORROWINGS	**628.4**	**649.5**	**627.0**
Bank borrowings	47.5	61.7	44.6
Commercial paper	75.0	90.0	76.0
Current portion of long-term borrowings	123.9	133.1	94.0
SHORT-TERM BORROWINGS	**246.4**	**284.8**	**214.6**
TOTAL BORROWINGS	**874.8**	**934.3**	**841.6**
Cash and cash equivalents, net	(342.9)	(416.0)	(426.3)
Short-term financial assets			
Derivative instruments, net	(0.4)	(1.8)	0.5
NET DEBT	**531.5**	**516.5**	**415.8**

Net debt corresponds to total long-term 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.

As the Group plans to subscribe to short-term financial investments with no significant risk of a change in value but whose maturity on the subscription date is longer than three months, it decided to amend its definition of net financial debt in order to incorporate these new types of investment.

As no financial investment of this kind has yet been used, this amendment has no impact on the net financial debt published previously.

NOTE 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Note 13.1. FINANCIAL INSTRUMENTS

(in € millions)	30/06/2014		Financial instruments by category				
	Carrying amount	Fair value	At fair value through profit (excl. derivatives)	Available for sale assets	Loans and receivables	Held to maturity	Derivative instruments
Assets							
Investments in non-consolidated companies	8.9	8.9		8.9			
Other non-current financial assets	13.4	13.4			13.4		
Other non-current assets	5.2	5.2			5.2		
Trade receivables	540.9	540.9			540.9		
Other current receivables, excl. prepaid expenses	12.7	12.7			12.7		
Derivative instruments	5.1	5.1					5.1
Cash and cash equivalents	342.9	342.9	342.9				
TOTAL FINANCIAL ASSETS	**929.1**	**929.1**	**342.9**	**8.9**	**572.1**		**5.1**
Liabilities							
Long-term borrowings	628.4	648.9				648.9	
Other non-current liabilities	1.7	1.7				1.7	
Trade payables	490.1	490.1				490.1	
Other current liabilities	22.3	22.3				22.3	
Derivative instruments	7.3	7.3					7.3
Short-term borrowings	246.4	246.4				246.4	
TOTAL FINANCIAL LIABILITIES	**1,396.2**	**1,416.7**				**1,409.4**	**7.3**

(in € millions)	30/06/2013		Financial instruments by category				
	Carrying amount	Fair value	At fair value through profit (excl. derivatives)	Available for sale assets	Loans and receivables	Held to maturity	Derivative instruments
Assets							
Investments in non-consolidated companies (excluding Maharaja Whiteline shares)	8.8	8.8		8.8			
Other non-current financial assets	10.9	10.9			10.9		
Other non-current assets	5.4	5.4			5.4		
Trade receivables	533.3	533.3			533.3		
Other current receivables, excl. prepaid expenses*	20.3	20.3			20.3		
Derivative instruments	17.9	17.9					17.9
Cash and cash equivalents	416.0	416.0	416.0				
TOTAL FINANCIAL ASSETS	**1,012.6**	**1,012.6**	**416.0**	**8.8**	**569.9**		**17.9**
Liabilities							
Long-term borrowings	649.5	668.4				668.4	
Other non-current liabilities*	0.8	0.8				0.8	
Trade payables	445.1	445.1				445.1	
Other current liabilities*	18.0	18.0				18.0	
Derivative instruments	8.8	8.8					8.8
Short-term borrowings	284.8	284.8				284.8	
TOTAL FINANCIAL LIABILITIES	**1,406.9**	**1,425.9**				**1,417.1**	**8.8**

* *Excluding accrued taxes and employee benefit expenses.*

Financial assets consist of shares in subsidiaries and affiliates as well as operating receivables (excluding accrued taxes and employee benefit expense), debt securities and other cash equivalents classified as current assets.

The fair value of trade and other receivables (classified as held-to-maturity investments) is equivalent to their carrying amount, in view of their short maturities.

Non-current financial assets consist mainly of investments in non consolidated companies, certain receivables related to those investments and operating receivables due beyond one year.

Financial assets that are not quoted in an active market are recognised in the balance sheet at cost, which is representative of their fair value.

Financial liabilities comprise borrowings and other financing, including bank overdrafts, and operating liabilities (excluding accrued taxes and employee benefit expense).

Borrowings that are not quoted in an active market are measured by the discounted cash flows method, applied separately to each individual facility, based on market rates observed at the period-end for similar facilities and the average spread obtained by the Group for its own issues.

Note 13.2. INFORMATION ON FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

In accordance with the amended IFRS 7, fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy breaks down into three levels, as follows:

- level 1: quoted prices in active markets for the same instrument;
- level 2: quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data;
- level 3: valuation techniques for which any significant input is not based on observable market data.

	30/06/2014			
(in € millions)	Total	Level 1	Level 2	Level 3
Assets				
Derivative instruments	5.1		5.1	
Cash and cash equivalents	342.9	342.9		
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**348.0**	**342.9**	**5.1**	
Liabilities				
Derivative instruments	7.3		7.3	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**7.3**		**7.3**	

The portfolio of derivatives used by the Group to manage risk mainly includes forward currency contracts, currency swaps and commodity swaps. These instruments are classified as Level 2, as their fair value is calculated using internal valuation models based on observable data.

NOTE 14 SIGNIFICANT EVENTS AND LITIGATION

Parc Mail

On 13 January 2014, Groupe SEB bought the Parc Mail office complex in Écully, already used by some of its activities and corporate teams. During 2016, all head-office functions will be moved to this site in the Lyon region, bringing them under one roof with a view to improving the functioning and efficiency of the Group's organisations.

The total cost of the complex – existing and planned buildings, fixtures and fittings, costs and professional fees – is expected to be of the order of €100 million, of which around €70 million were paid out on 30 June 2014.

NOTE 15 RELATED PARTY TRANSACTIONS

No material transactions with related parties took place during the period and there were no changes in the nature of transactions as described in note 31 to the consolidated financial statements in the 2013 Registration Document.

NOTE 16 SUBSEQUENT EVENTS

Asia Fan

On 10 July 2014, Groupe SEB acquired most of the non-controlling interests previously held by the founding shareholders in its Vietnamese subsidiary, which was taken over on 31 May 2011. This transaction between shareholders, which increased the Group's stake to 95%, will have a direct impact on its equity.

No additional material events occurred between the date these financial statements were drawn up and 22 July 2014, when they were approved by the Board of Directors.

Statutory auditors' report on the first half-year financial information for 2014

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.

ON THE FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2014

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 limited review of the accompanying condensed half-year consolidated financial statements of SEB S.A. for the period from 1 January 2014 to 30 June 2014;
- 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 limited review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A limited 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 limited review is less extensive than an audit conducted in accordance with professional standards applicable in France and consequently, the assurance that the financial statements, taken as a whole, do not contain any material misstatements, obtained as a result of a limited review, is a limited assurance, with a lower level of certainty than that obtained from an audit.

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 accordance with IAS 34 of the IFRSs applicable to interim financial information as adopted by the European Union.

II. 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, 23 July 2014

The Statutory auditors

PRICEWATERHOUSECOOPERS Audit

Nicolas BRUNETAUD

DELOITTE & ASSOCIÉS

Gérard BADIN

Statement by the person responsible for the Interim Financial Report

I hereby certify that, to my knowledge,

- the condensed financial statements for the six months ended 30 June 2014 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 company and consolidated companies;
- the interim management report includes a fair review of the 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.

Écully, 23 July 2014

Chairman and CEO

Thierry de La Tour d'Artaise

Designed & published by Labrador +33 (0)1 53 06 30 80

Groupe SEB
Les 4 M - Chemin du Petit Bois - BP 172
69134 Ecully Cedex France
Tel: +33 (0)4 72 18 18 18
www.groupeseb.com