Monday, July 25th, 2016

Half-Year 2016 Sales and Results

A very good first half-year

- **Sales: €2,164m, +2.4% and +6% like-for-like***
- **Operating Result from Activity: €172m, +17.7% and +60% like-for-like***
- **Net profit: €62m, +15%**
- **Net financial debt: €629m, after acquisitions (EMSA, 8% of Supor) and very good operating cash flow**

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

" For Groupe SEB the first half-year was strong on strategic advances and excellent in terms of performance.

The acquisition of EMSA will enable us to pursue our development in the very large and highly promising market of kitchen utensils and accessories. With the WMF acquisition project, we enter the very attractive professional coffee machine market and we strengthen our positions in Germany. Furthermore we seized the opportunity to purchase an additional 8% stake in the capital of Supor which brings our shareholding to 81%. These are important steps for our future development and we are pleased to see them become a reality.

In operational terms, the Group posted a high-quality first half-year, aligning robust organic growth in sales, record Operating Result from Activity, and excellent cash generation. The strength of these performances puts us in a good position to achieve a strong 2016 year while remaining vigilant to the changes in some markets.

In these conditions, Groupe SEB objective for 2016 is to achieve an organic sales growth above 5% and an increase in Operating Result from Activity above 10%."

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

Consolidated financial results (€m)	H1 2015	H1 2016	Change 2015/2016 As reported	Change 2015/2016 Like-for-like
Revenue	2,113	**2,164**	**+2.4%**	**+6.0%**
Operating Result from Activity	146	**172**	**+17.7%**	**+60.0%**
Operating profit	122	**134**	**+9.1%**	
Profit attributable to owners of the parent	54	**62**	**+14.9%**	
Net debt at 30/06	453	**629**	**+€176m**	

Rounded figures in €m *% calculated in non-rounded figures*

GENERAL COMMENTS ON GROUP PERFORMANCE

The first six months of 2016 did not bring any major change to the general environment which remained heterogeneous and was marked, still, by sharp Forex volatility with a further depreciation of many currencies, notably emerging ones, against the euro compared with the first half of 2015. Against this backdrop, Groupe SEB reported **sales of €2,164m**, up 2.4%, including in particular a -€92m forex impact. On **a like-for-like basis, revenue increased 6% in the first half of the year, with the second quarter up 6.9%** following a solid 5.1% rise in the first quarter. This performance should also be seen in the light of demanding comparatives in 2015, when sales at constant structure and exchange rates increased 8.7% in the first six months. While organic growth in first-half 2016 was mixed in terms of geographies, it was fueled by all product families, with a special mention for vacuum cleaners, home comfort (fans, air purifiers), beverage preparation (kettles, coffee makers) and electrical cooking, sharply driven by electrical pressure cookers and rice cookers.

At end-June, **Operating Result from Activity (ORfA) came out at a historic record of €172m**, up 17.7% versus first-half 2015. Adjusted for a negative currency effect of €61m, **ORfA at constant exchange rates totaled €233m**, **for organic growth of 60%.**

Operating cash generation for the first six months of 2016 was very strong and amounted to €144m, versus €81m in the first half of 2015.

At 30 June, **financial debt stood at €629m.** The €313m increase on December 31, 2015 is mainly due to the Group's increased ownership of Supor and the acquisition of the German company EMSA.

REVENUE BY REGION

	Revenue in €m	H1 2015	H1 2016	Change 2016/2015 As reported	Change 2016/2015 like-for-like*
EMEA	**EMEA**	**966**	**1,016**	**+5.1%**	**+5.6%**
	Western Europe	684	731	+6.8%	+4.7%
	Other countries	282	285	+0.9%	+7.9%
AMERICAS	**AMERICAS**	**420**	**352**	**-16.2%**	**-5.4%**
	North America	246	214	-12.8%	-9.5%
	South America	174	138	-21.0%	+0.4%
ASIA	**ASIA**	**727**	**796**	**+9.6%**	**+13.1%**
	China	522	585	+12.3%	+17.2%
	Other countries	205	211	+2.8%	+2.7%
	TOTAL	**2,113**	**2,164**	**+2.4%**	**+6.0%**

** Like-for-like: at constant exchange rates and scope* — *Rounded figures in €m* — *% calculated in non-rounded figures*

	Revenue in €m	Q2 2015	Q2 2016	Change 2016/2015 As reported	Change 2016/2015 like-for-like*
EMEA	**EMEA**	**483**	**508**	**+5.0%**	**+6.0%**
	Western Europe	348	372	+6.7%	+5.0%
	Other countries	135	136	+0.6%	+8.5%
AMERICAS	**AMERICAS**	**221**	**187**	**-15.1%**	**-5.3%**
	North America	129	114	-11.4%	-6.9%
	South America	92	73	-20.4%	-3.0%
ASIA	**ASIA**	**320**	**354**	**+10.8%**	**+16.8%**
	China	218	250	+14.7%	+23.5%
	Other countries	102	104	+2.3%	+2.4%
	TOTAL	**1,024**	**1,049**	**+2.5%**	**+6.9%**

** Like-for-like: at constant exchange rates and scope* — *Rounded figures in €m* — *% calculated in non-rounded figures*

The figures and data provided for each geographical region are presented on the basis of the new organization structure implemented in September 2015. 2015 data have been restated accordingly.

ACTIVITY BY REGION

EMEA

WESTERN EUROPE

After months of sustained growth, the European small domestic equipment market slowed down somewhat in the first half of the year. It was also marked by major contrasts across countries and product categories. In this context, Groupe SEB reported organic sales growth of 4.7% in the first half-year, outperforming the market and confirming in the second quarter the robust dynamic of the first few months of the year. As a reminder, the performance in the first half of 2015 was strong and nurtured by numerous loyalty programs.

As in the first quarter, France made a major contribution to growth, with a 6.3% sales increase between April and June, ending the half-year with sales up 5.7%. The Group's highly satisfactory performance can be attributed to the strong small electrical appliance market combined with an attractive product line-up and the commitment of our sales teams in the field. The momentum was fueled by electrical appliances (Cookeo, vacuum cleaners, Nespresso machines, draught beer systems, the Cuisine Companion cooking food processor…) as well as by cookware.

Activity was contrasted in other Western European countries. In a brisk German market, the Group confirmed the powerful dynamic of recent quarters, driven both by cookware and small electrical appliances, and in particular by vacuum cleaners, full-automatic espresso machines and Optigrill. In Spain, the strong business momentum was generated by most of the product families, including a cookware loyalty program. The downturn in sales in Italy mainly stemmed from the non-repeat of an important promotional campaign in 2015. In the UK, turnover was down slightly in the first six months. In a market that has contracted sharply in the last few months, Group revenue recovered in the second quarter after a difficult start to the year, mainly on the strength of solid progress in cookware.

OTHER COUNTRIES

In the other EMEA countries, our half-year performances were highly satisfactory overall. Following a solid first quarter, growth accelerated between April and June, driven by the major markets. We posted double-digit sales growth on a like-for-like basis in Central Europe and the Balkans, pursuing our development in Poland and achieving rapid expansion in Romania, Slovakia and Croatia in particular. In Russia, where the market is in a phase of stabilization, the Group reported organic growth of over 30% in the second quarter, offsetting a start of the year that was impacted by the non-repeat of two loyalty programs rolled out in 2015. This substantial improvement was fueled by most of the product families, price increases, enhanced in-store presence and a boost in growth drivers. The Group also posted a major business recovery in Ukraine in the second quarter, leading to a like-for-like rise in sales at June 30. The market in Turkey has, up till now, continued to trend positively despite recent events, and the Group pursued its growth, underpinned by higher volumes (in cookware and vacuum cleaners in particular), significant price effects and the contribution of 16 new Group-owned stores integrated over the course of 2015. However, while business remained very dynamic in India in the second quarter, it slowed considerably in the Middle East and Egypt, which nevertheless recorded positive organic growth in the first half-year.

AMERIQUES

NORTH AMERICA

After a difficult start to the year, activity picked up somewhat in the second quarter, but sales at end-June remained down 9.5% like-for-like, given high comparatives in first-half 2015. Situations varied substantially across countries. In the United States, second-quarter sales were practically stable in dollars, making for a sharp turnaround compared to the situation at March 31. While stock clearances were more or less completed, performances were contrasted according to product categories and brands. In cookware, T-fal's activity was tense while Imusa benefited from new product listings and successfully pursued its gradual roll-out in small electrical appliances. Rowenta regained momentum with the introduction of new iron models and further progress in garment steamers. All-Clad continued its buoyant trend, thanks in particular to sustained growth in e-commerce.

In Canada, the second quarter failed to produce a turnaround in activity, which remained in a marked negative trend, still impacted by lackluster consumption and by the price increases made in 2015 and early 2016 to offset the depreciation of the Canadian dollar. In Mexico, after a very dynamic first quarter, the contraction of sales in pesos between April and June, which impacted the half-year results, was due to the non-repeat of a major loyalty program implemented in 2015. The core business continued to trend positively.

SOUTH AMERICA

After several months of resilient or even positive activity in an tighter macro-economic environment, marked by the widespread devaluation of the continent's currencies against the dollar and euro, the Group posted a 3% fall in revenue in the second quarter on a like-for-like basis. The situation was even more tense in Brazil, where despite a certain strengthening of the real in the second quarter, the deteriorated environment and sluggish consumption led retailers to limit supply and inventories. These factors heavily impacted our sales at the end of the period, falling by roughly 15% in reals in the second quarter.

The reversal resulted from a poor overall performance in small electrical appliances linked to a significant downturn in the market, albeit with a few products still performing well, as for example, the Planetaria kitchen machine, Silence Force fans and the Dolce Gusto single-serve coffee machine, which staged a recovery in June after a soft patch at the start of the year. This downtrend added to the already substantial decline in cookware. The difficult market conditions and the continuing weakness of the real fully justify the reorganization initiated by the Group in Brazil, including the closing of the long-standing industrial site in Sao Paulo and the gradual transfer of small electrical appliance production, starting in November 2016, to a new plant in Itatiaia in southern Rio de Janeiro State. This move will serve to generate considerable gains in competitiveness that are crucial to our business.

Outside Brazil, sales increased on a constant exchange rate basis, with a particularly strong contribution from Colombia, where our local manufacturing competitiveness is benefiting from the depreciation of the peso, especially in small electrical appliances (notably fans and blenders).

ASIE

CHINA

In a positive small domestic equipment market driven by rapid and continuous growth in e-commerce, Supor achieved excellent performances in the first half of the year, outperforming the competition and once again reinforcing its positions in small electrical appliances. Supor revenue totaled €585m in the first six months, up 17% in yuan, following buoyant growth of 23.5% in the second quarter. This robust dynamic was fueled largely by electrical appliances, notably rice cookers and electric pressure cookers (segments in which Supor is successfully leading the way upmarket) as well as kettles. Furthermore, the market reacted favorably to the launch of new soy milk makers introducing an innovative grinding concept. In parallel, growth in sales of vacuum cleaners, irons and garment steamers moved ahead at a brisk pace. In cookware, all the main categories (pressure cookers, frying pans and saucepans, woks and utensils) made a positive contribution to the double-digit growth in activity, with a particularly outstanding performance for thermo cups.

The strong momentum was also underpinned by Supor's constant business expansion, both in physical retail (with gains of new points of sale) and online retail.

OTHER COUNTRIES

The region's like-for-like growth of 2.7% at end-June comprised robust performances in almost all major mature markets and often-substantial downturns in activity in a few emerging countries. In Japan, South Korea, Australia and Singapore, which together account for three-quarters of the sales of other Asian countries, organic revenue growth at end-June was slightly above 10%, with an acceleration in the second quarter. In Japan, the surge in activity can be attributed to our strong product dynamic in nonstick cookware, kettles and linen care (irons and garment steamers) combined with the rapid development of our online sales and the continued roll-out of our Group-owned stores. Growth in South Korea was fueled by practically all main product families and by the successful transfer to the Tefal brand underpinned by sales, marketing and advertising support. In contrast, turnover in Thailand and Vietnam in particular declined sharply owing to, respectively, a general environment ill-conducive to consumption (distributor stock clearances, order postponements, etc.) and weather conditions that were unfavorable to sales of fans. Supor's exports to Asian markets declined as a result of business refocusing.

OPERATING RESULT FROM ACTIVITY

Operating Result from Activity (ORfA) in first-half 2016 hit a record high of €172m, up 17.7% on June 30, 2015. It includes **a negative currency effect of €61m,** stemming from weaker rouble, real, South-American pesos and Turkish lira as well as from less favourable hedging gains than last year on our purchasing currencies, the dollar and the yuan. **Like-for-like, ORfA for the first six months of the year came out at €233m, up 60%**. This outstanding improvement can be attributed to several factors with sometimes contrasting impacts:

- A positive volume effect of €17m resulting from robust organic sales growth;
- A positive price-mix effect of €79m reflecting price increases implemented in Russia, Ukraine, Latin America and, to a lesser extent, in Europe, and innovation;
- Gains in productivity and purchasing worth €20m;
- A €26m increase in investments in growth drivers, mainly in operational marketing and advertising;
- Practically stable SG&A expenses.

As usual, it should be noted that, owing to the seasonal nature of the business, ORfA for the first half of the year is not representative of the full year performance and, hence, should not be extrapolated.

OPERATING PROFIT AND NET PROFIT

Operating profit in first-half 2016 totaled €134m, growing at a slower pace (+9%) than ORfA due to the trend in discretionary and non-discretionary profit-sharing on one hand and in other operating income and expense on the other hand.

At -€14m, the anticipated cost of discretionary and non-discretionary profit-sharing increased considerably on the -€9m in first-half 2015, a result of the improved results of the French entities over the period.

Other operating income and expense amounted to -€24m at end-June 2016, compared with -€15m at end-June 2015. The increase was mainly generated by the provisions made for the industrial reorganization initiated in Brazil, whereby the production of small electrical appliances is to be transferred from the long-standing Sao Paulo plant to a new plant in Itatiaia in Rio Janeiro State.

Net financial expense came out at -€25m, compared with -€23m at end-June 2015. The difference mainly results from the carry of two Group bond issues, the first, issued in 2011, having reached maturity in June 2016. Currency translation adjustments were slightly less unfavorable than in 2015.

After tax at a rate of 24% (25% in first-half 2015) and the elimination of non-controlling interests in the results amounting to €20m – identical to that at end-June 2015 (improved results of Supor offset by the depreciation of the yuan against the euro between the two periods) – net profit for first-half 2016 came to €62m, up 15% on the €54m reported at end-June 2015.

FINANCIAL STRUCTURE AT JUNE 30, 2016

At June 30, 2016, **equity attributable to owners of the parent totaled €1,626m,** down €282m on end-December 2015. The decrease can be attributed mainly to the acquisition of a 7.9% stake in Supor and to negative translation adjustments, stemming primarily from the depreciation of the yuan against the euro.

Net debt at June 30, 2016 stood at €629m, up €313m on end-December 2015, mainly due to Groupe SEB's strengthened stake in Supor and to the acquisition of the German company EMSA. Looking beyond these non-operating transactions, **the Group generated operating cash flow of €144m,** one of the best levels in its history, resulting notably from the **strong performance in terms of working capital requirement**, which benefited in particular from a significant reduction in stock.

At June 30, 2016, the gearing ratio stood at **39%** and the debt-to-EBITDA ratio at **1.14**.

OUTLOOK FOR 2016

As in 2015, **the Group posted an excellent first half-year** in terms both of activity and profitability. This performance is clearly encouraging for the coming months, even though caution is still called for regarding the trend in some markets (Brazil, Colombia, Turkey and the UK, notably).

For the second half of the year, the Group expects business to hold up firm and targets organic sales growth for full-year 2016 above 5% and an increase in Operating Result from Activity above 10%.

On the basis of present exchange rates, currency effect on 2016 Operating Result from Activity would be **close to -€120m**.

CONSOLIDATED INCOME STATEMENT

(in € millions)	30.06.2016 6 months	30.06.2015 6 months	31.12.2015 12 months
Revenue	2,163.8	2,113.1	4,769.7
Operating expenses	(1 991.9)	(1 967.1)	(4 341.7)
OPERATING RESULT FROM ACTIVITY	**171.9**	**146.0**	**428.0**
Discretionary and non-discretionary profit-sharing	(13.9)	(8.4)	(31.4)
RECURRING OPERATING PROFIT	**158.0**	**137.6**	**396.6**
Other operating income and expense	(24.3)	(15.1)	(25.3)
OPERATING PROFIT	**133.7**	**122.5**	**371.3**
Finance costs	(17.1)	(13.6)	(27.5)
Other financial income and expense	(8.1)	(9.4)	(20.3)
Share of profits of associates	0.0	0.0	0.0
PROFIT BEFORE TAX	**108.5**	**99.5**	**323.5**
Income tax expense	(26.0)	(24.9)	(82.4)
PROFIT FOR THE PERIOD	**82.5**	**74.6**	**241.1**
Non-controlling interests	(20.2)	(20.4)	(35.2)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**62.3**	**54.2**	**205.9**
Basic earnings per share (in €)	1.27	1.10	4.20
Diluted earnings per share (in €)	1.25	1.09	4.14

BALANCE SHEET

ASSETS *(in € millions)*	30.06.2016	30.06.2015	31.12.2015
Goodwill	528.3	553.7	544.9
Other intangible assets	486.9	483.6	485.0
Property, plant and equipment	642.6	603.4	596.5
Investments in associates			
Other investments	43.6	18.1	16.7
Other non-current financial assets	46.3	15.2	10.4
Deferred tax assets	67.9	47.0	50.3
Other non-current assets	14.3	4.2	23.6
Long-term derivative instruments	3.9	10.4	5.0
NON-CURRENT ASSETS	**1,833.8**	**1,735.5**	**1,732.4**
Inventories	838.1	895.6	820.9
Trade receivables	688.1	641.4	886.0
Other receivables	85.2	127.4	90.2
Current tax assets	42.0	42.0	44.5
Short-term derivative instruments	31.1	57.2	45.9
Other short-term investments	137.6	150.9	244.5
Cash and cash equivalents	322.3	306.6	770.8
CURRENT ASSETS	**2,144.4**	**2,221.1**	**2,902.8**
TOTAL ASSETS	**3,978.2**	**3,956.6**	**4,635.2**
EQUITY & LIABILITIES *(in € millions)*	**30.06.2016**	**30.06.2015**	**31.12.2015**
Share capital	50.2	50.2	50.2
Reserves and retained earnings	1,508.0	1,659.3	1,728.6
Treasury stock	(75.7)	(65.5)	(71.2)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**1,482.5**	**1,644.0**	**1,707.6**
NON-CONTROLLING INTERESTS	143.6	197.3	200.1
EQUITY	**1,626.1**	**1,841.3**	**1,907.7**
Deferred tax liabilities	44.2	58.3	70.1
Long-term provisions	212.0	201.8	185.8
Long-term borrowings	744.5	232.9	707.0
Other non-current liabilities	43.6	41.9	41.7
Long-term derivative instruments	4.9	0.2	3.5
NON-CURRENT LIABILITIES	**1,049.2**	**535.1**	**1,008.1**
Short-term provisions	60.6	55.7	61.0
Trade payables	602.9	578.3	695.2
Other current liabilities	225.0	222.5	291.6
Current tax liabilities	51.0	38.8	31.5
Short-term derivative instruments	29.2	10.2	16.6
Short-term borrowings	334.2	674.7	623.5
CURRENT LIABILITIES	**1,302.9**	**1,580.2**	**1,719.4**
TOTAL EQUITY AND LIABILITIES	**3,978.2**	**3,956.6**	**4,635.2**

Press release

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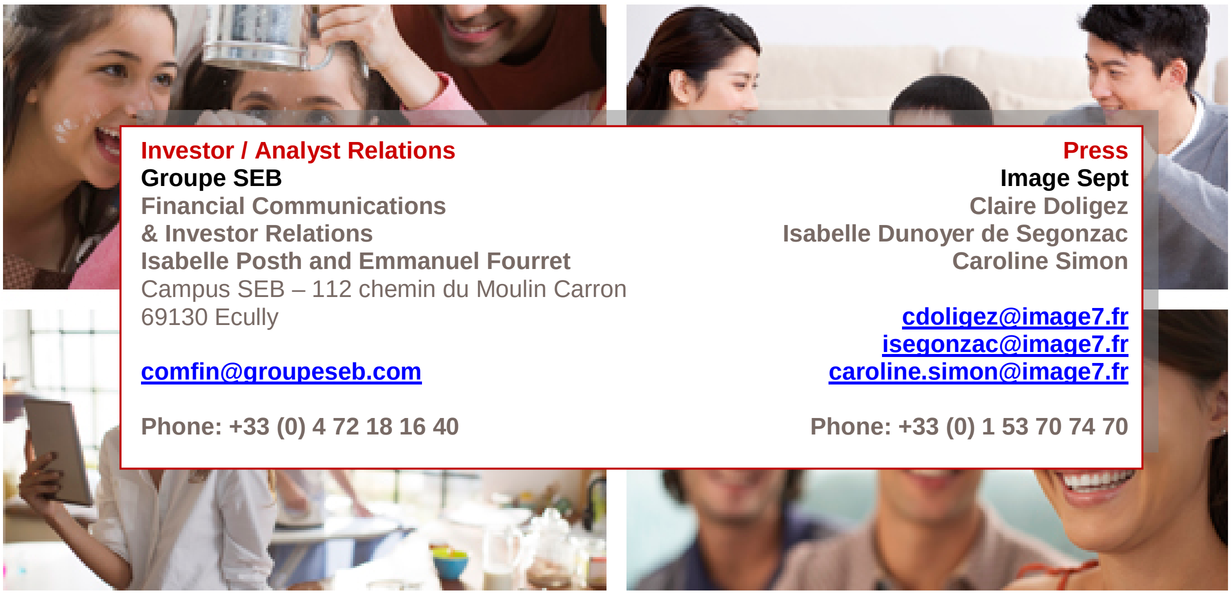
Upcoming events

Monday, August 1, 2016	**October 25**
2016 Half-Year Report	Nine-month 2016 Sales and Financial Data



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The world leader in small domestic equipment, Groupe SEB operates in nearly 150 countries with a unique portfolio of top brands including Tefal, Rowenta, Moulinex, Krups, Lagostina, All-Clad, and Supor, marketed through multi-format retailing. Selling some 200 million products a year, it deploys a long-term strategy focused on innovation, international development, competitiveness and service to clients. Groupe SEB has nearly 26,000 employees worldwide.

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